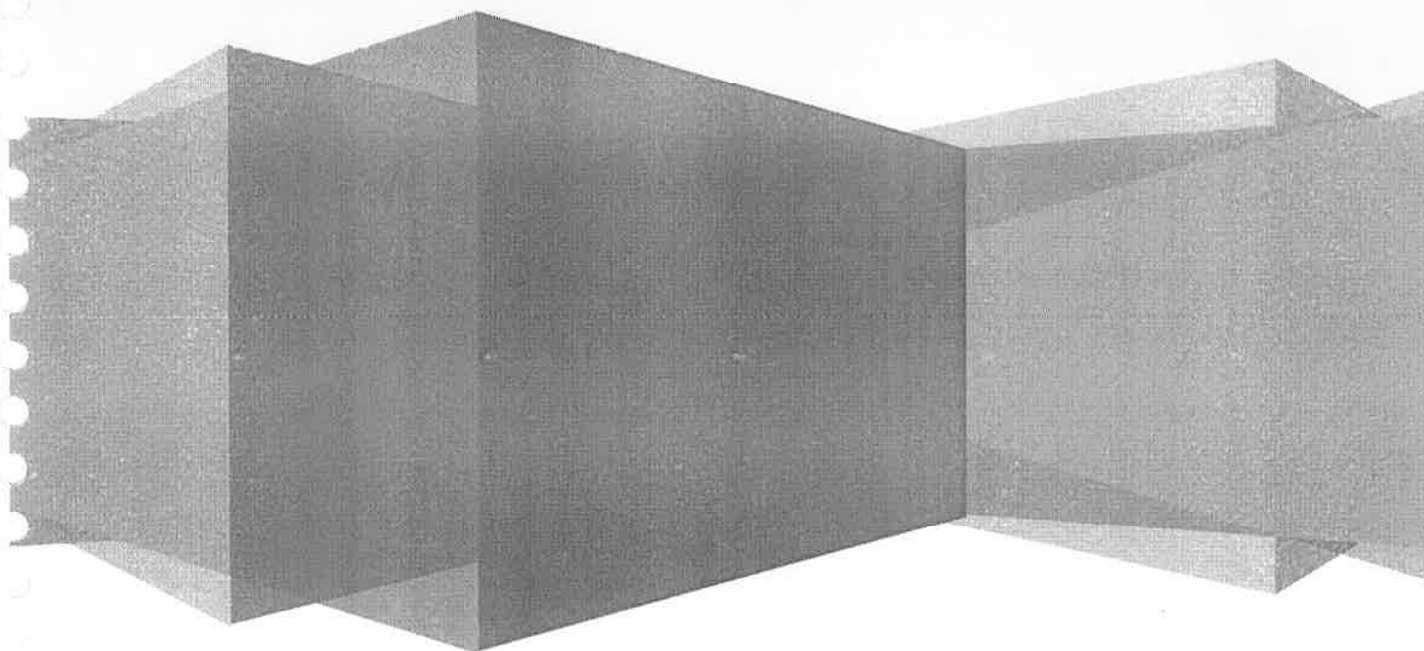


**SLEEPWELL ENTERPRISES PRIVATE LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR 2017-18**

**S.P.CHOPRA & CO.**  
CHARTERED ACCOUNTANTS,  
NEW DELHI



**S.P. CHOPRA & CO.**  
Chartered Accountants

31-F, Connaught Place  
New Delhi- 110 001  
Tel: 91-11-23313495-6-7  
Fax: 91-11-23713516  
ICAI Regn.No. 000346N  
Website : [www.spchopra.in](http://www.spchopra.in)  
E-mail: spc1949@spchopra.in

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF 'SLEEPWELL ENTERPRISES PRIVATE LIMITED'**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **Sleepwell Enterprises Private Limited** (the "Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2017 under Section 133 of the Companies Act, 2013.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



**Cont..p/2**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

**Other Matter**

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2017 and the transition date opening Balance Sheet as at 1<sup>st</sup> April, 2016, included in these Ind AS financial statements, are based on the previously issued statutory financials statements prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, which were audited by us, on which we expressed the unmodified opinion dated 9<sup>th</sup> May, 2017 and 02<sup>nd</sup> November, 2016 for the years ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 respectively. These financial statements have been considered in the Ind AS financial statements after adjustment for the differences, if any in the accounting principles adopted by the Company on transition to the Ind AS as detailed in Note 19.7 of the Ind AS financial statements.

**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.

**Cont..p/3**

- c. the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), 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 Ind AS financial statements comply with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2017 under Section 133 of the Companies Act, 2013.
- e. on the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure-'B'; and
- 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. There are no pending litigations which may have impact on Company's financial position in its Ind AS 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**(Gautam Bhutani)**Partner  
M. No. 524485**Place : New Delhi**  
**Dated: 18<sup>th</sup> May, 2018**



**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 Ind AS financial statements of Sleepwell Enterprises Private Limited for the year ended 31<sup>st</sup> March, 2018)**

- (i) In respect of its property, plant and equipment;
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipment.
  - b. As explained to us, the property, plant and equipment are physically verified by the management once in a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. 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 Equipment to the financial statements, are held in the name of the Company.
- (ii) The Company does not carry on any manufacturing or trading activity, so that question of maintaining stocks and carrying out their physical verification does not arise. Therefore, the said clause is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted/given any loans, investments, guarantees, and security covered under 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) As the Company is not a manufacturing concern, the said clause is not applicable.
- (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, Sales tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable with the appropriate authorities *though there has been a delay in few cases*. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.



- b. According to the information and explanations given to us and the records of the Company examined by us, there are no dispute pending in respect of any matter of Income Tax, Sales Tax, Goods and Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, and Cess etc.
- (viii) According to the information and explanations given to us, as the Company has neither taken any loan from any financial institution, banks and Government nor issued any debentures, therefore the said clause is not applicable.
- (ix) According to the information and explanations given to us, the Company has neither raised funds by way of initial public offer or further public offer (including debt instruments) nor availed any term loan during the year.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or material fraud on the Company by its officers / employees has been noticed or reported during the course of our audit.
- (xi) As the Company is a private limited company, the provision of section 197 read with Schedule V to the Act, regarding managerial remuneration are not applicable to the Company.
- (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 and details of such transactions have been disclosed in the 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.

**Place : New Delhi**  
**Dated : 18<sup>th</sup> May, 2018**



**For S.P. CHOPRA & CO.**  
Chartered Accountants  
Firm Regn. No. 000346N

**(Gautam Bhutani)**  
Partner  
M. No. 524485

**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 Ind AS financial statements of Sleepwell Enterprises Private Limited for the year ended 31<sup>st</sup> March, 2018)**

**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 **Sleepwell Enterprises Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the 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" (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, 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, 2018, 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 S.P. CHOPRA & CO.**

Chartered Accountants  
Firm Regn. No. 000346N



  
**(Gautam Bhutani)**  
Partner  
M. No. 524485

**Place : New Delhi**  
**Dated : 18<sup>th</sup> May, 2018**



# SLEEPWELL ENTERPRISES PRIVATE LIMITED

## BALANCE SHEET AS AT 31st MARCH, 2018

(Rs. in Hundreds)

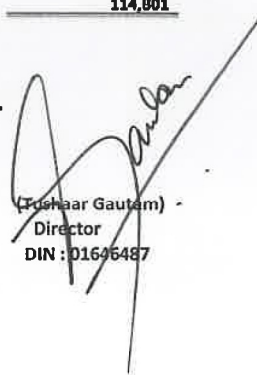
Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	3	13,611	14,090	14,800
Financial Assets				
- Loans	4	1,030	1,030	1,030
Non-current tax assets (net)	5	10	545	61
		14,651	15,665	15,891
<b>Current assets</b>				
Financial Assets				
- Cash and cash equivalents	6	4,211	8,833	14,049
- Bank balances other than cash and cash equivalents	7	96,647	85,000	75,000
- Other current financial assets	8	4,698	4,684	5,385
Other current assets	9	773	619	2,299
		106,329	99,136	96,733
<b>TOTAL ASSETS</b>		<b>120,980</b>	<b>114,801</b>	<b>112,624</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	10	1,050	1,050	1,050
Other Equity	11	117,223	110,229	108,131
		118,273	111,279	109,181
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
- Other non-current financial liabilities	12	-	1,143	1,143
Deferred tax liability	13C	1,511	1,626	1,901
		1,511	2,769	3,044
<b>Current liabilities</b>				
Financial Liabilities				
- Other current financial liabilities	14	920	725	381
Other current liabilities	15	276	28	18
		1,196	753	399
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>120,980</b>	<b>114,801</b>	<b>112,624</b>

'Notes 1 to 19' form an integral part of the Financial Statements.

For and on behalf of the Board of Directors.

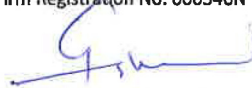


(Rahul Gautam)  
Director  
DIN : 00192999



(Tushaar Gautam) -  
Director  
DIN : 01646487

As per our Report of even date attached  
For S.P. Chopra & Co.  
Chartered Accountants  
Firm Registration No. 000346N



(Gautam Bhutani)  
Partner

Membership No. 524485



Place: New Delhi  
Dated : 18.05.2018

**SLEEPWELL ENTERPRISES PRIVATE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018**

(Rs. in Hundreds)

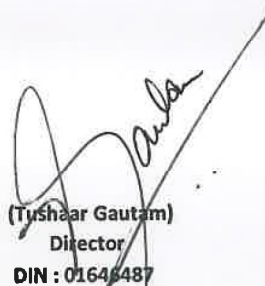
Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
<b>INCOME:</b>			
Revenue from Operations	16	10,000	10,000
Other Income	17	7,453	6,655
<b>Total Income</b>		<b>17,453</b>	<b>16,655</b>
<b>EXPENSES:</b>			
Depreciation and amortization expense	3	479	710
Other expenses	18	7,736	12,227
<b>Total Expenses</b>		<b>8,215</b>	<b>12,937</b>
<b>Profit before tax</b>		<b>9,238</b>	<b>3,718</b>
<b>Tax expense:</b>			
Current tax		2,350	1,121
Earlier Tax		9	774
Deferred tax		(115)	(275)
<b>Profit for the year</b>		<b>6,994</b>	<b>2,098</b>
<b>Other Comprehensive Income for the year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>6,994</b>	<b>2,098</b>
Earnings per share- Basic/Diluted in Rs.	19.6	66.61	19.98

'Notes 1 to 19' form an integral part of the Financial Statements.

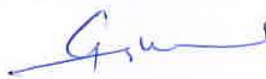
For and on behalf of the Board of Directors.



(Rahul Gautam)  
Director  
DIN : 00192999

  
(Tushaar Gautam)  
Director  
DIN : 01644487

As per our Report of even date attached  
For S.P. Chopra & Co.  
Chartered Accountants  
Firm Registration No. 000346N



(Gautam Bhutani)  
Partner  
Membership No. 524485



Place: New Delhi  
Dated : 18.05.2018

# SLEEPWELL ENTERPRISES PRIVATE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

### (A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2018

(Rs. In Hundreds)

Balance as at 01st April, 2017	Changes in equity share capital during the year	Balance as at 31st March, 2018
1,050	-	1,050

For the year ended 31st March, 2017

(Rs. In Hundreds)

Balance as at 01st April, 2016	Changes in equity share capital during the year	Balance as at 31st March, 2017
1,050	-	1,050

### (B) OTHER EQUITY

For the year ended 31st March, 2018

(Rs. In Hundreds)

Particulars	Balance as at 01st April, 2017	Profit for the year	Balance as at 31st March, 2018
Retained Earnings	110,229	6,994	117,223

For the year ended 31st March, 2017

(Rs. In Hundreds)

Particulars	Balance as at 01st April, 2016	Profit for the year	Balance as at 31st March, 2017
Retained Earnings	108,131	2,098	110,229

'Notes 1 to 19' form an Integral part of the Financial Statements.

For and on behalf of the Board of Directors.



(Rahul Gautam)

Director

DIN : 00192999



(Tushaar Gautam)

Director

DIN : 01646487

As per our Report of even date attached

For S.P. Chopra & Co.

Chartered Accountants

Firm Registration No. 000346N



(Gautam Bhutani)

Partner

Membership No. 524485



Place: New Delhi  
Dated : 18.05.2018

# SLEEPWELL ENTERPRISES PRIVATE LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2018

(Rs. in Hundreds)

Particulars	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
	Amount	Total	Amount	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax as per statement of profit and loss		9,238		3,718
Adjustments for:				
Depreciation and amortisation expense	479		710	
Interest income	(6,627)		(6,055)	
		(6,148)		(5,345)
Operating profit/(loss) before working capital changes		3,090		(1,627)
Adjustment for working capital changes:				
Loans and other current financial assets	381		1,680	
Other financial, current and other liabilities	(700)		354	
Cash (Used)/Generated from Working Capital Changes		(319)		2,034
Cash generated/(used) from/In operations		2,771		406
Income Tax paid	(2,360)		(2,379)	
		(2,360)		(2,379)
Net Cash Inflow/(outflow) from Operating Activities - A		411		(1,973)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Deposits matured/made during the year (net)	(11,647)		(10,000)	
Interest income	6,613		6,756	
Net Cash outflow from Investing Activities - B		(5,034)		(3,244)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Net Cash outflow from Financing Activities - C		-		-
Net increase in cash and bank balances (A+B+C)		(4,622)		(5,216)
Cash and bank balances (Opening Balance)		8,833		14,049
Cash and bank balances (Closing Balance)		4,211		8,833

<b>Note to Statement of cash flows :</b>				
- Components of cash and cash equivalents are as under :				
- Balance with Banks - Current Accounts	4,152		3,833	
- Cash on Hand	59		-	
- Deposit with Banks having original maturity of less than 3 months	-	4,211	5,000	8,833
- Figures in brackets indicate cash outflow.				
- The above Statement of cash flows has been prepared under the indirect method set out in Ind AS 3 - Statement of Cash Flows				

'Notes 1 to 19' form an integral part of the Financial Statements.

For and on behalf of the Board of Directors.



(Rahul Gautam)  
Director  
DIN : 00192999

  
(Pushaar Gautam)  
Director  
DIN : 01646487

As per our Report of even date attached  
For S.P. Chopra & Co.  
Chartered Accountants  
Firm Registration No.000346N



(Gautam Bhutani)  
Partner

Membership No. 524485



Place: New Delhi  
Dated : 18.05.2018



## **SLEEPWELL ENTERPRISES PRIVATE LIMITED**

### **SIGNIFICANT ACCOUNTING POLICIES FORMING INTEGRAL PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

#### **1. COMPANY INFORMATION**

Sleepwell Enterprises Private Limited ('the Company') is a private limited Company incorporated in India, with its registered office in New Delhi. The Company is wholly owned subsidiary of "Sheela Foam Limited" which is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company is engaged in the activity of providing its trademarks, patents, logos etc. and earning royalty thereon.

The financial statements for the year ended March 31, 2018 were approved by the Board of Directors and authorized for issue on May 18, 2018.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

###### **a. Compliance with Indian Accounting Standards (Ind - AS):**

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Companies (India Accounting Standards) Rules, 2015, as amended by Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Companies Act, 2013. For all the periods upto and including year ended March 31, 2017, the Company prepared, its financial statements in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous Indian GAAP'). These financial statements are the first financial statements which have been prepared in accordance with the Ind AS. Reconciliation and explanations of the effect of the transition from Previous Indian GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit & Loss and Statement of Cash Flows are provided in Note No. 19.7 and the impact of the transition has been taken in the opening retained earnings on the date of transition i.e. 1st April, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the date of transition to Ind AS. 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 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 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 hundreds, 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 straight line method over the estimated 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 profit in future years.



## **ii. 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.

## **iii. 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.

## **iv. 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 assets recoverable amount is the higher of an assets' 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**

Upon first time adoption of Ind AS, the Company has elected to measure all its property, plant & equipment, at the Previous Indian GAAP's carrying amount as its deemed cost on the date of transition to Ind AS i.e. April 1, 2016.

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.



Depreciation on property, plant & equipment is provided on straight line method over the estimated useful life of the Property, Plant and Equipment, 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 useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

<b>Asset</b>	<b>Useful life as per Schedule II of the Companies Act, 2013  (No. of Years)</b>	<b>Useful life as assessed / estimated by the Company  (No. of Years)</b>
Building	60	59
Office Equipment	5	20
Electrical Fittings	10	20

Based on usage pattern, internal assessment and technical evaluation, 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.

## **2.3 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.



### **(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 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. deposits with banks and security deposits 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.

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:

- 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 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/ loss 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.

### **Other financial liabilities**

Other financial liabilities are obligations incurred by the Company towards availing the services that have been acquired or availed in the ordinary course of business. Other financial liabilities 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 derecognition 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.





## **2.4 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.

## **2.5 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.

## **2.6 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.



## **2.7 Revenue Recognition**

- a) Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- b) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.

## **2.8 Operating leases**

Operating leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals are recognized as an expense in the statement of profit and loss on straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor in expected inflationary cost increase.

## **2.9 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 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.





Notes to the Financial Statements for the Year ended 31st March, 2018

NOTE-3 - PROPERTY, PLANT AND EQUIPMENT (As at 31st March, 2018)

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2017	Additions during the year	Sales/disposal/transfers during the year	As at 31.03.2018	As at 01.04.2017	For the year	Sales/disposal/ transfers during the year	As at 31.03.2018	As at 31.03.2017
(i) Tangible Assets									
Buildings	14,268	-	-	14,268	355	355	-	710	13,913
Office equipment	510	-	-	510	346	115	-	461	164
Electrical Equipments	22	-	-	22	9	9	-	18	4
<b>Total</b>	<b>14,800</b>	<b>-</b>	<b>-</b>	<b>14,800</b>	<b>710</b>	<b>479</b>	<b>-</b>	<b>1,189</b>	<b>14,090</b>

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.2016	Additions during the year	Sales/disposal/transfers during the year	As at 31.03.2017	As at 01.04.2016	For the year	Sales/disposal/ transfers during the year	As at 31.03.2017	As at 31.03.2016
(i) Tangible Assets									
Buildings	14,268	-	-	14,268	-	355	-	355	14,268
Office equipment	510	-	-	510	-	346	-	346	510
Electrical fittings	22	-	-	22	-	9	-	9	22
<b>Total</b>	<b>14,800</b>	<b>-</b>	<b>-</b>	<b>14,800</b>	<b>-</b>	<b>710</b>	<b>-</b>	<b>710</b>	<b>14,800</b>

3.1 Refer 'Para- 2.2' of Significant Accounting Policies' for depreciation on property, plant and equipment.



# Notes to the Financial Statements for the Year ended 31st March, 2018

(Rs. in Hundreds)

## NOTE-4 LOANS

(Unsecured, considered good)

Security deposits

**TOTAL**

As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
1,030	1,030	1,030
<u>1,030</u>	<u>1,030</u>	<u>1,030</u>

## NOTE-5 NON CURRENT TAX ASSETS (NET)

Advance income tax (Net of provisions)

**TOTAL**

As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
10	545	61
<u>10</u>	<u>545</u>	<u>61</u>

## NOTE-6 CASH AND CASH EQUIVALENTS

Balances with banks - Current Accounts

Cash on hand

Deposits with Banks having original maturity of less than 3 months

**TOTAL**

As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
4,152	3,833	14,049
59	-	-
-	-	-
<u>4,211</u>	<u>5,000</u>	<u>14,049</u>
<u>4,211</u>	<u>8,833</u>	<u>14,049</u>

6.1 There are no restriction with regard to cash and cash equivalents as at the end of reporting period and prior periods.

## NOTE-7 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Deposits with banks having original maturity of more than 3 months but less than 12 months

**TOTAL**

As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
96,647	85,000	75,000
<u>96,647</u>	<u>85,000</u>	<u>75,000</u>

## NOTE-8 OTHER CURRENT FINANCIAL ASSETS

Interest accrued but not due on deposits with banks

**TOTAL**

As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
4,698	4,684	5,385
<u>4,698</u>	<u>4,684</u>	<u>5,385</u>

## NOTE-9 OTHER CURRENT ASSETS

(Unsecured, considered good)

Advance to vendor

Balances with Statutory/Government authorities:

- Service Tax

- GST

Income tax refund

**TOTAL**

As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
600	600	600
-	19	63
<u>173</u>	<u>19</u>	<u>63</u>
<u>773</u>	<u>619</u>	<u>1,636</u>
<u>773</u>	<u>619</u>	<u>2,299</u>



# Notes to the Financial Statements for the Year ended 31st March, 2018

(Rs. in Hundreds)

## NOTE-10 EQUITY SHARE CAPITAL

### Authorised:

Equity Shares of Rs. 10/- each

### Issued, Subscribed and Fully Paid up:

Equity Shares of Rs. 10/- each

As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
No.	Amount	No.	Amount	No.	Amount
100,000	10,000	100,000	10,000	100,000	10,000
10,500	1,050	10,500	1,050	10,500	1,050

### 10.1 Right, Preferences and Restrictions attached to Shares:

The Company has one class of equity shares having a 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 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.

### 10.2 Reconciliation of the number of shares outstanding:

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Nos.	Rs. in Rupees	Nos.	Rs. in Rupees	Nos.	Rs. in Rupees
At the beginning of the year	10,500	1,050	10,500	1,050	10,500	1,050
At the end of the year	10,500	1,050	10,500	1,050	10,500	1,050

### 10.3 Details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
Sheela Foam Ltd.	10,499	99.99%	10,499	99.99%	-	-
Rahul Gautam (Nominee of Sheela Foam Ltd.)	1	0.01%	1	0.01%	-	-
Polyflex Marketing Pvt Ltd.	-	-	-	-	4,000	38%
Tushaar Gautam	-	-	-	-	4,000	38%
Rangoli Resorts Pvt Ltd.	-	-	-	-	2,000	19%



# Notes to the Financial Statements for the Year ended 31st March, 2018

## NOTE-11 OTHER EQUITY

(Rs. In Hundreds)

### Retained Earnings

As per last account

Add : Profit for the year

### TOTAL

As at 31st March, 2018

As at 31st March, 2017

As at 1st April, 2016

110,229  
6,994

117,223

108,131  
2,098

110,229

103,522  
4,609

108,131

117,223

110,229

108,131

### 11.1 Nature and purpose of reserves

(a) Retained Earnings: The profit/loss earned till date, less any transfers to general reserve, dividends or other distribution paid to shareholders, if any.

## NOTE-12 OTHER NON-CURRENT FINANCIAL LIABILITIES

Security deposits

### TOTAL

As at 31st March, 2018

As at 31st March, 2017

As at 1st April, 2016

1,143

1,143

1,143

1,143

## NOTE-13 INCOME TAXES

As at 31st March, 2018

As at 31st March, 2017

### A. Tax expense in the statement of profit and loss comprises:

#### Income Tax

Current Income tax charge

Adjustment of tax relating to earlier years

#### Deferred Tax

Relating to origination and reversal of temporary differences

Total tax expense reported in the statement of profit or loss

2,350

9

(115)

2,244

1,121

774

(275)

1,620

### B. Reconciliation of tax liability on book profit vis-à-vis actual tax liability

Accounting Profit before income tax

Applicable Tax Rate

Computed Tax Expense

Difference in Tax Rate

Tax related to earlier year

Income not considered for tax purpose

Expenses not considered for tax purpose

Income tax expense charged to the statement of profit or loss

Effective tax rate

9,238

25.75%

2,379

9

(154)

11

2,245

24.30%

3,718

29.87%

1,111

774

(338)

73

1,620

43.56%

### C. Deferred Tax Liability comprises:

Deferred Tax Liability:

-Depreciation:

Net Deferred Tax Liability

As at  
31st March, 2018

For the year  
2017-18

As at  
31st March, 2017

For the year  
2016-17

As at  
1st April, 2016

1,511

(115)

1,626

(275)

1,901

1,511

1,626

1,901

## NOTE-14 OTHER CURRENT FINANCIAL LIABILITIES

Other liabilities (Refer note 14.1)

### TOTAL

As at 31st March, 2018

As at 31st March, 2017

As at 1st April, 2016

920

725

381

920

725

381

14.1 Other Liabilities comprise of expense payables, creditors for expenses etc.

14.2 There is no amount due and outstanding to be credited to Investors Education & Protection Fund.

## NOTE-15 OTHER CURRENT LIABILITIES

Statutory liabilities

### TOTAL

As at 31st March, 2018

As at 31st March, 2017

As at 1st April, 2016

276

28

18

276

28

18



# Notes to the Financial Statements for the Year ended 31st March, 2018

	(Rs. in Hundreds)	
NOTE-16 REVENUE FROM OPERATIONS	Year ended 31st March, 2018	Year ended 31st March, 2017
Royalty received	10,000	10,000
<b>TOTAL</b>	<b>10,000</b>	<b>10,000</b>

NOTE-17 OTHER INCOME	Year ended 31st March, 2018	Year ended 31st March, 2017
Rent	600	600
Interest income:		
- Bank deposits	6,601	6,055
- Income tax	26	-
Other miscellaneous Income	226	-
<b>TOTAL</b>	<b>7,453</b>	<b>6,655</b>

NOTE-18 OTHER EXPENSES	Year ended 31st March, 2018	Year ended 31st March, 2017
Rent	180	180
Rates & Taxes	336	30
Legal & Professional fees	6,128	11,411
Travelling and Conveyance	15	10
Printing and Stationery	15	10
Telephone & Communication	717	215
Payment to Auditors:		
- Audit Fees	275	316
Miscellaneous expenses	70	55
<b>TOTAL</b>	<b>7,736</b>	<b>12,227</b>



**SLEEPWELL ENTERPRISES PRIVATE LIMITED**

**NOTE 19: OTHER NOTES TO ACCOUNTS**

1. The Company has taken various properties under cancellable operating leases. The lease agreements are normally renewed on expiry. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. Lease payments amounting to Rs. 180 Hundreds (Previous year: Rs. 180 Hundreds) are included in 'Rent' under Note-18.

2. **Related Party Disclosures (IND AS-24):**

**A. List of Related Parties and relationships**

- (a) **Holding Company :**  
- Sheela Foam Limited
- (b) **Key Management Personnel (KMP) :**  
- Mr. Rahul Gautam (Director)  
- Mr. Tushaar Gautam (Director)

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

**B. Transactions with related parties:**

(Rs. in Hundreds)

Transactions	Holding Company
<b>Transactions during the year:</b>	
a. Royalty received	10,000
	(10,000)
b. Rent paid	180
	(180)

Note : (Figures in bracket are for the year ended March 31, 2017)

3. The provision of Employees Provident Fund Act, Employees State Insurance Act, Payment of Bonus Act, Gratuity Act, 1972 etc. are not applicable to the Company as there are no employees in the Company during the year.
4. The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid at the yearend together with interest paid/payable as required under the said Act have not been given.
5. The Company is a Small and Medium Sized Company (SMC) as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the Company has complied with the Indian Accounting Standards as applicable to a Small and Medium Sized Company.





6. **Earnings per Share:**

Particulars	Current Year	Previous Year
Net Profit as per Statement of Profit and Loss – (Rs. in Hundreds)	6,994	2,098
Basic/Diluted weighted average number of equity shares outstanding during the year	10,500	10,500
Nominal value of Equity Share (Rs.)	10	10
Basic/Diluted Earnings per Share (Rs.)	66.61	19.98

7. **First-time adoption of Ind AS**

The Company w.e.f. 1<sup>st</sup> April, 2017 has adopted Indian Accounting Standards (Ind AS) notified under Companies (India Accounting Standards) Rules, 2015, as amended by Companies (Indian Accounting Standards) Rules, 2017 and other relevant provisions of the Companies Act, 2013, with a transition date of 1st April, 2016. For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and Interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS. The accounting policies as set out in Note 2 which are in accordance with Ind AS, have been applied in preparing these financial statements.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity under retained earnings. This note explains the adjustments made by the Company in restating its financial statements prepared under previous GAAP, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

**Exemptions availed and mandatory exceptions**

Ind AS 101 - First-time Adoption of Indian Accounting Standards permits first-time adopters certain exemptions from retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.



**A. Ind AS optional exemptions**

The Company has elected to apply the following optional exemptions from retrospective application:

i) Deemed cost for Property, Plant and Equipment

The Company has elected to measure all its property, plant and equipment at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

**B. Ind AS mandatory exceptions**

i) Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company, wherever required for the relevant reporting dates reflecting conditions existing as at that date.

ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition to Ind AS.

iii) De-recognition of financial assets and financial liabilities

Ind AS 101 required an entity to apply the de-recognition provision of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the de-recognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide the explanations and quantification of the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

I. Reconciliation of Equity as at 1st April, 2016

II. Reconciliation of Equity as at 31st March, 2017

III. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

There is no material impact on the Statement of Cash Flows of the transition from Previous GAAP to Ind AS.

Previous Indian GAAP figures have been reclassified/regrouped wherever necessary to conform to financial statements prepared under Ind AS.





**I. Reconciliation of Equity as at 1<sup>st</sup> April, 2016.**

	As per Previous Indian GAAP	Adjustments	As per Ind AS
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	14,800	--	14,800
Financial Assets			
- Loans	1030	--	1030
Non-current tax assets (net)	61	--	61
<b>Total Non-current assets</b>	<b>15,891</b>	<b>--</b>	<b>15,891</b>
<b>Current assets</b>			
Financial Assets			
- Cash and cash equivalents	14,049	--	14,049
- Bank balances other than Cash and cash equivalents	75,000	--	75,000
- Other current financial assets	5,385	--	5,385
Other current assets	2,299	--	2,299
<b>Total Current assets</b>	<b>96,733</b>	<b>--</b>	<b>96,733</b>
<b>Total Assets</b>	<b>1,12,624</b>	<b>--</b>	<b>1,12,624</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	1,050	--	1,050
Other Equity	1,08,131	--	1,08,131
<b>Total Equity</b>	<b>1,09,181</b>	<b>--</b>	<b>1,09,181</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
- Other non-current financial liabilities	1,143	--	1,143
Deferred tax liability	1,901	--	1,901
<b>Total non-current liabilities</b>	<b>3,044</b>	<b>--</b>	<b>3,044</b>
<b>Current liabilities</b>			
Finance Liabilities			
- Other current financial liabilities	381	--	381
Other current liabilities	18	--	18
<b>Total current liabilities</b>	<b>399</b>	<b>--</b>	<b>399</b>
<b>Total liabilities</b>	<b>3,443</b>	<b>--</b>	<b>3,443</b>
<b>Total equity and liabilities</b>	<b>1,12,624</b>	<b>--</b>	<b>1,12,624</b>



## II. Reconciliation of Equity as at 1<sup>st</sup> April, 2017.

	As per Previous Indian GAAP	Adjustments	As per Ind AS
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14,090	--	14,090
Financial assets			
- Loans	1,030	--	1,030
Non-current tax assets (net)	545	--	545
<b>Total Non-current assets</b>	<b>15,665</b>	<b>--</b>	<b>15,665</b>
<b>Current assets</b>			
Financial assets			
- Cash and cash equivalents	8,833	--	8,833
- Bank balances other than Cash and cash equivalents	85,000	--	85,000
- Other current financial assets	4,684	--	4,684
Other current assets	619	--	619
<b>Total Current assets</b>	<b>99,136</b>	<b>--</b>	<b>99,136</b>
<b>Total Assets</b>	<b>1,14,801</b>	<b>--</b>	<b>1,14,801</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	1,050	--	1,050
Other Equity	1,10,229	--	1,10,229
<b>Total Equity</b>	<b>111,279</b>	<b>--</b>	<b>111,279</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
- Security Deposits	1,143	--	1,143
Deferred tax liabilities (net)	1,626	--	1,626
<b>Total non-current liabilities</b>	<b>2,769</b>	<b>--</b>	<b>2,769</b>
<b>Current liabilities</b>			
Finance Liabilities			
- Other current financial liabilities	725	--	725
Other current liabilities	28	--	28
<b>Total current liabilities</b>	<b>753</b>	<b>--</b>	<b>753</b>
<b>Total liabilities</b>	<b>3,522</b>	<b>--</b>	<b>3,522</b>
<b>Total equity and liabilities</b>	<b>1,14,801</b>	<b>--</b>	<b>1,14,801</b>



III. **Reconciliation of Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017.**

	For the year ended 31 <sup>st</sup> March, 2017			
	Previous Indian GAAP	Re-Classifications	IND-AS Adjustments	IND-AS
<b>Income</b>				
Revenue from operations	10,000	--	--	10,000
Other income	6,655	--	--	6,655
<b>Total Income</b>	<b>16,655</b>	<b>--</b>	<b>--</b>	<b>16,655</b>
<b>Expenditure</b>				
Employee benefits expense	--	--	--	--
Finance costs	--	--	--	--
Depreciation and amortization expense	710	--	--	710
Other expenses	12,227	--	--	12,227
<b>Total Expenditure</b>	<b>12,937</b>	<b>--</b>	<b>--</b>	<b>12,937</b>
<b>Profit before tax</b>	<b>3,718</b>	<b>--</b>	<b>--</b>	<b>3,718</b>
<b>Tax expense</b>				
- Current tax	1,121	--	--	1,121
- Earlier tax	774	--	--	774
- Deferred tax	(275)	--	--	(275)
<b>Profit for the year</b>	<b>2,098</b>	<b>--</b>	<b>--</b>	<b>2,098</b>
<b>Other Comprehensive Loss for the year</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total Comprehensive Income for the year</b>	<b>2,098</b>	<b>--</b>	<b>--</b>	<b>2,098</b>

**Notes to the reconciliation of equity as at 1<sup>st</sup> April, 2016 and 31<sup>st</sup> March, 2017 and statement of profit and loss for the year ended 31<sup>st</sup> March, 2017.**

**a) Deferred Taxes (Ind AS -12)**

Under the previous GAAP, deferred tax is calculated using the income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12- "Income tax" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. As, the Company already calculating under balance sheet approach, therefore no impact has been noted for the year ended March 31, 2018 and March 31, 2017.

**b) Other comprehensive Income**

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit to profit as per Ind AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.

**c) Previous GAAP figures have been reclassified/regrouped wherever necessary to conform to financial statements prepared under Ind AS.**

**D. Standards issued but not yet effective**

The standard issued, but not yet effective upto the date of the issuance of the Company financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.



## Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February, 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 01, 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

## **Fair Value Measurements**

The carrying amounts and fair values of the financial instruments by class are as follows:

Particulars	Carrying amount/Fair value		
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Financial assets</b>			
<b><u>Carrying amounts/fair value:</u></b>			
<b>a) <u>Measured at amortised cost</u></b>			
<b>Non-current assets</b>			
- Loans	1,030	1,030	1,030
<b>Current assets</b>			
- Cash and cash equivalents	4,211	8,833	14,049
- Bank balance other than cash and cash equivalents	96,647	85,000	75,000
- Other current financial assets	4,698	4,684	5,385
<b>Total</b>	<b>1,06,586</b>	<b>99,547</b>	<b>95,464</b>
<b>Financial liabilities</b>			
<b><u>Carrying amounts/fair value:</u></b>			
<b>a) <u>Measured at amortised cost</u></b>			
<b>Non-current liabilities</b>			
- Other non-current financial liabilities	--	1,143	1,143
<b>Current liabilities</b>			
- Other current financial liabilities	920	725	381
<b>Total</b>	<b>920</b>	<b>1,868</b>	<b>1,524</b>



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 cash and cash equivalents, other bank balances, 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 <sup>st</sup> March, 2018			As at 31 <sup>st</sup> March, 2017			As at 1 <sup>st</sup> April, 2016		
	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
<b>Financial assets</b>									
<b><u>Carrying amounts/fair value:</u></b>									
<b>a) Measured at amortised cost</b>									
<b>Non-current assets</b>									
- Loans	--	--	1,030	--	--	1,030	--	--	1,030
<b>Current assets</b>									
- Cash and cash equivalents	--	--	4,211	--	--	8,833	--	--	14,049
- Bank balance other than cash and cash equivalents	--	--	96,647	--	--	85,000	--	--	75,000
- Other current financial assets	--	--	4,698	--	--	4,684	--	--	5,385



<b>Total</b>	--	--	<b>1,06,586</b>	--	--	<b>99,547</b>	--	--	<b>95,464</b>
<b>Financial liabilities</b>									
<b><u>Carrying amounts/fair value:</u></b>									
<b><u>a) Measured at amortised cost</u></b>									
<b>Non-current liabilities</b>									
- Other non-current financial liabilities	--	--	--	--	--	1,143	--	--	1,143
<b>Current liabilities</b>									
- Other current financial liabilities	--	--	920	--	--	725	--	--	381
<b>Total</b>	--	--	<b>920</b>	--	--	<b>1,858</b>	--	--	<b>1,524</b>

### **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.

### **Financial risk management objectives and policies**

The Company's principal financial liabilities, comprise of security deposits and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, 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 not substantially exposed to any of the risk such as market risk, credit risk and liquidity risk, as all the transactions of the Company are with controlled entities and Company has sufficient liquidity to pay-off its liabilities 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 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 regularly.



9. Previous year figures have been regrouped / reclassified wherever it considered necessary.

**Signature to Notes 1 to 19 of the Financial Statements.**

**For and on behalf of the Board of Directors**



**(Rahul Gautam)**

Director

DIN-00192999



**(Tushaar Gautam)**

Director

DIN-01646487

**For S.P. Chopra & Co.**  
Chartered Accountants  
Firm Registration No. 000346N



**(Gautam Bhutani)**

Partner

Membership No. 524485



Place: New Delhi  
Date: 18.05.2018