



**kurlon**

**Annual Report  
2023 - 24**

# Corporate Information

## Board of Directors

Managing Director

Mr. Tushaar Gautam

Non-Executive Director

Mr. Rahul Gautam

Ms. Jyothi Ashish Pradhan

Independent Director

Mr. Ravindra Dhariwal

Ms. Meena Jagtiani

Chief Financial Officer (CFO)

Mr. Abhilash Kamti

Company Secretary

Mr. Monu Kumar

Statutory Auditor

M/s. M S K A & Associates

## Bankers :

Axis Bank Ltd.

IDBI Bank Ltd.

Kotak Mahindra Bank Ltd.

## Registered Office :

#1002/1006, The Avenue,

International Airport Road, Opp. Hotel Leela, Andheri (East) Mumbai - 400 059.

## Corporate Office :

Jai Bharat Industrial Area, Jalahalli, Camp Road, Yeshwanthpur, Bangalore - 560 022.

E-mail : [secretary@kurlon.com](mailto:secretary@kurlon.com) Website : [www.kurlon.com](http://www.kurlon.com)

Corporate Identity Number : U36101MH2011PLC222657

Share Transfer Agent

Purva Sharegistry (India) Private Limited

(Unit: Kurlon Enterprise Limited)

9, Shiv Shakti Ind. Es. J.R. Boricha Marg, Lower Parel (E), Mumbai - 400 011.

Tel. No.: +91-022-2301-6761/2518

E-mail : [support@purvashare.com](mailto:support@purvashare.com) Website : [www.purvashare.com](http://www.purvashare.com)



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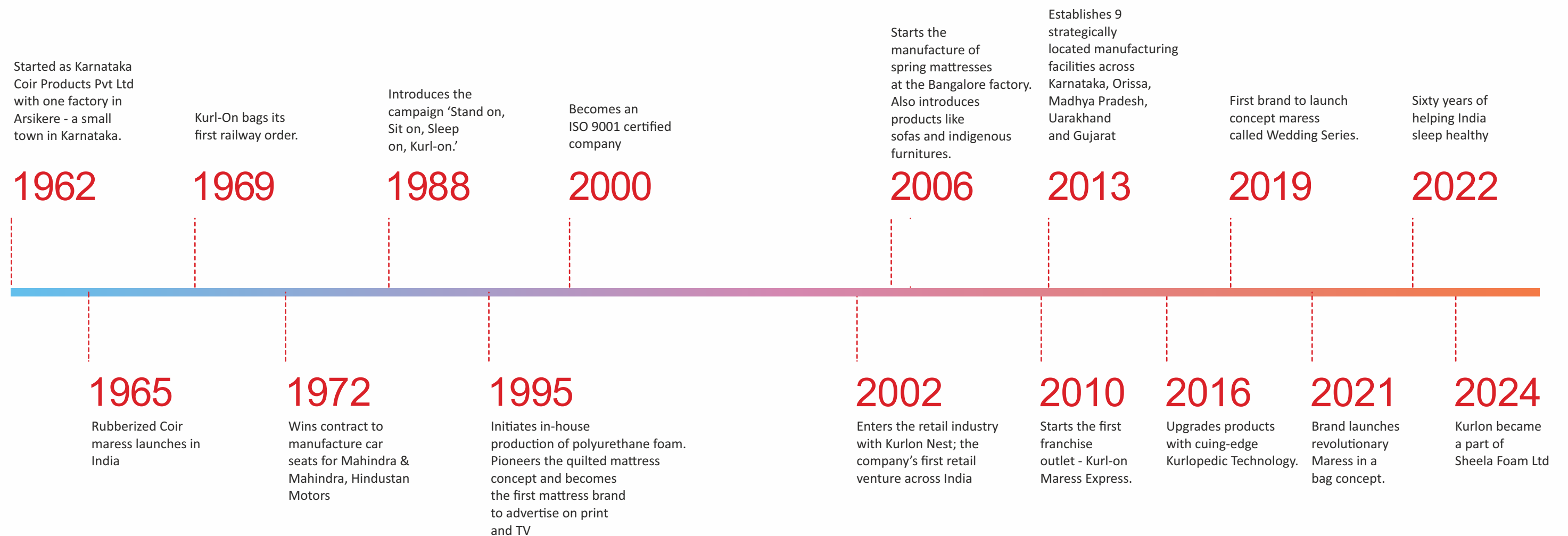
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## Brand Story

Kurl-on started its journey in 1962 when Ramesh Pai, the founder, envisioned creating an industry for coir due to the abundance of coconut trees along India's vast coastline. During one of his visits to Germany, he discovered coir's extensive use in automobile seating. At that time, coir had hardly any market presence in the country. However, due to his pioneering insights, he recognised its potential for maresses. With the launch of Kurl-on, he went on to make history with coir in India.





## Vision & Mission

Kurlon will sustain Brand Leadership with Highest Consumer Delight, through - World – class manufacturing process, Innovation, Making it the best place to work. Thereby delivering exponential growth & maximized wealth, for channel and stake holders, in a socially responsible way. We will work together as one team – with Ethics, Discipline and Accountability, using customer centric approach to think big and innovate with enjoyment.

## Award & Recognition



Our never-ending quest to provide healthy sleep solutions for India led to an array of products that raised benchmarks. We are delighted to announce that our brand was chosen as the recipient of the prestigious "Unnatha Suraksha Puraskara Award" at the Safety Awards 2023 ceremony. This recognition served as a testament to Kurlon's unwavering commitment to maintaining the highest safety standards in its operations. The award was bestowed upon Kurlon during the event that took place on September 9, 2023, at Radisson Blu Atria Hotel, located on Palace Road, Bengaluru.



*Life banegi  
hula hula*



## What We Deliver

An experience in comfort, backed by quality and trust. This is what Kurlon delivers to our consumers through our stores, our retail partners and through our products. The brand has today integrated technology in every aspect of the business to track traceability, omnichannel shopping and seamless after sales service. We are also working very closely with our back end suppliers and forward integrating our products to be more circular and sustainable

Eco-friendly and breathable comfort with rubberized coir

Rubberized Coir



ECO Friendly & Biodegradable



100% Natural



Better Body Support



Recyclable



Breathable

Experience the blissful comfort of natural latex

Natural Latex



Highly Responsive Comfort



Highly Breathable



Natural Orthopedic Benefits



Hypoallergenic



Natural Bounciness



Zero Partner Disturbance

Better cushioning for life's precious moments



Pocket Spring



Pressure Point Relief

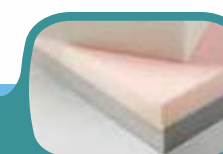


Zero Partner Disturbance



Sag Resilient

Hypoallergenic & breathable comfort for your family



PU Foam



Lightweight



High Bounciness



Plush Support



Allergen resistant

## What We Do

At Kurlon, we design our products to perform to the consumer's lifestyle. Our obsession for performance has been the cornerstone of our high quality standards. Our world class manufacturing setup has state of the art technologies from across the globe to deliver on our promise for that perfect night's sleep.

### OrthoMagic

Best in class **natural** comfort & support

-  Natural Spine Alignment For Happy Back
-  Full Body Pressure Relief
-  Higher Motion Isolation
-  Breathable Cotton Fabric
-  Responsive Bounce



### Klassic

Timeless **Luxury** Reimagined

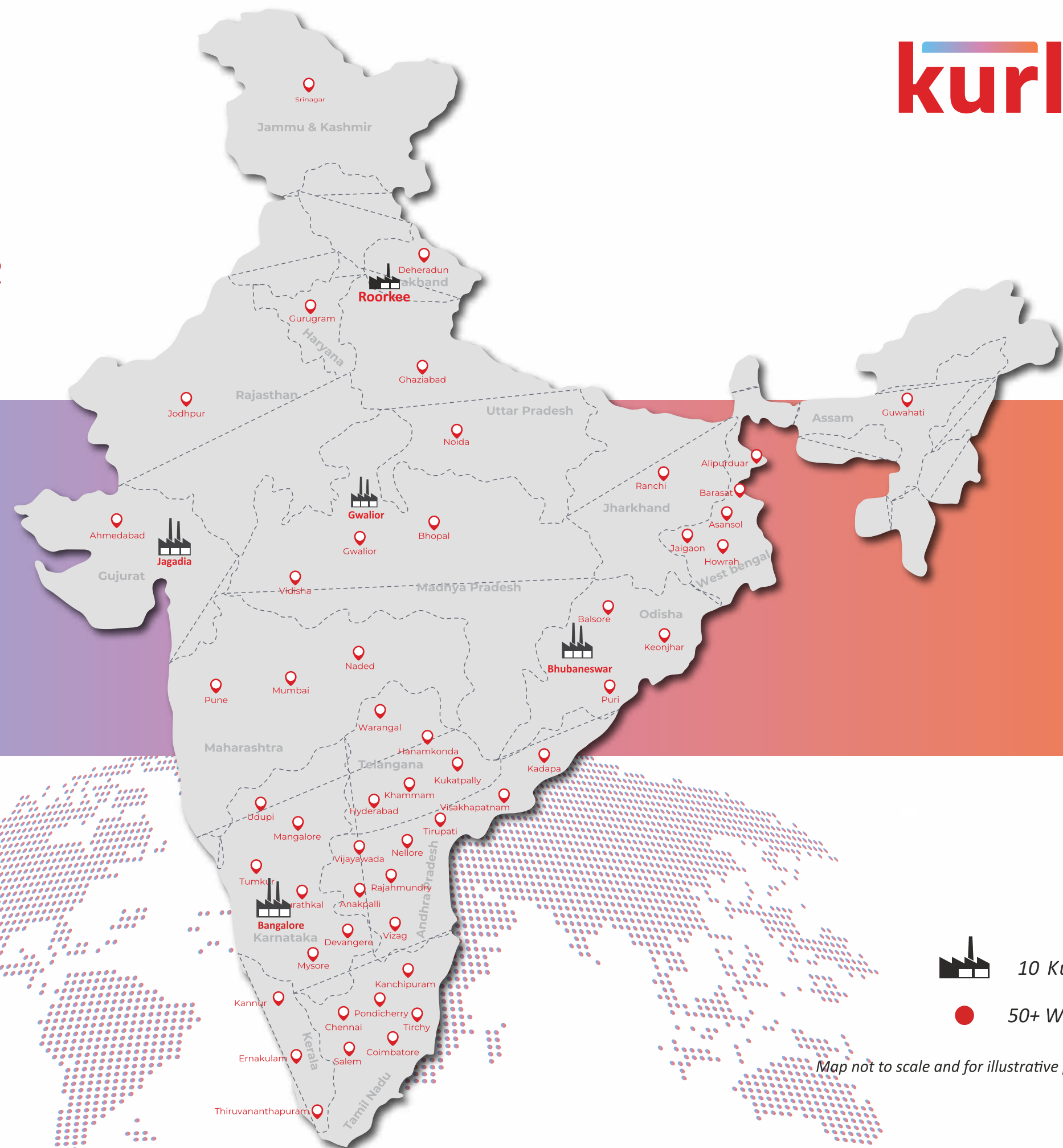
-  Dry comfort with polar fleece fabric
-  Anti sag with ACD technology
-  Double layer quilting with memory foam







## Geographical Presence

## Nationwide Presence To Serve You Better

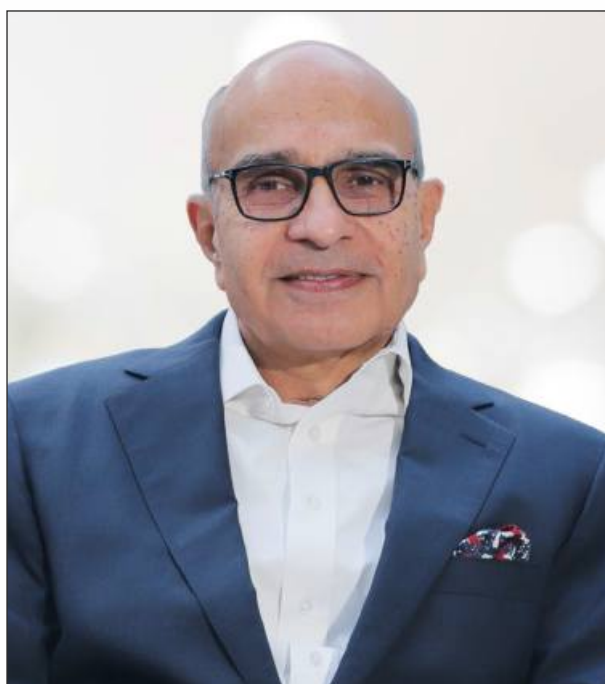


 10 Kurlon Factory  
 50+ Warehouses

Map not to scale and for illustrative purpose only.

## Chairman's MESSAGE

# kurlon



Dear Shareholders,

As we gather our thoughts and reflect on the past financial year, I am filled with a profound sense of gratitude for your belief and investment in our vision. I would also like to extend our heartfelt thanks to our employees, customers, and all other stakeholders, for their support and faith in Kurlon.

This document represents more than just numbers and figures; it embodies the collective efforts, dedication, and resilience of every individual associated with Kurlon. As I reflect back, the year has been a momentous year for us. Our steadfast commitment to prioritizing the health safety, quality services, and infrastructural modernization, alongside our dedication to sustainability and operational excellence, has solidified our position on a robust foundation.

I am pleased to share with you the Annual Report of KURLON for the financial year ended March 31, 2024. It is a privilege to address you for the first time as the Chairman of Kurlon. In the ever-evolving Mattresses sector in India, we have witnessed a decades of growth, facing various challenges and triumphs along the way.

Throughout the year, we have faced numerous global and domestic challenges that tested our resilience and adaptability. Despite these hurdles, our performance remained subdued. Our Revenue stood at Rs. 80,031.89 lakhs with negative EBITDA of Rs. 1045.11 Lakhs. The Company has been acquired by Sheela Foam Limited and hence there were certain one of write offs, subsequent to detailed review and physical verification, before the company was taken over. This included impairment of good will related to an earlier acquisition, writing of property plant and equipment on physical verification etc. However, Kurlon's Business Profitability is ramping up and we see quarter on quarter improvement.

Operating in a complex environment is a common challenge for businesses today. In 2023, the global economy was rattled by persistent geopolitical turmoil, accelerating climate emergency, energy

concerns and surging inflation rate. Furthermore, the race to regulate Artificial Intelligence (AI) is creating volatility, causing uncertainty in the wider economy. AI is a disruptive concept which may have unknown wide-reaching implications which may affect the business, positively or negatively. All these factors influence every individual across the globe, and we are no exception. At Sheela Foam, our agility has enabled us to adapt to any market developments, meet varied customer requirements, face any challenge and emerge as a leader in the industry. Profitability is to the core of our philosophy and we need to thrive the above environment maintaining and growing our profitability.

To thrive in these circumstances requires agility and the zeal to overcome any hurdles. At Kurlon, our agility has enabled us to adapt to any market developments, meet varied customer requirements, face any challenge and emerge as a leader especially in southern and western area of the Country.

Our company's CSR efforts, environmental initiatives, and ethical governance align with ESG responsibilities. We're proud of our progress in sustainable solutions, impacting health, education, sanitation, and positively impacting the lives of our stakeholders. We're eager to continue this journey with our employees and communities. Upholding values and transparency, our board's report reflects our commitment to accountability and best practices.

During the year under review, the erstwhile promotor of the Company Viz. Kanara Consumer Products Limited (formerly known as Kurlon Limited) and Kurlon Trading and Invest Management Private Limited, sold 94.66% and upward equity shareholdings held in the Company to M/s. Sheela Foam Limited by virtue of Share Purchase Agreement dated July 17, 2023. As a trusted brand combined with SFL Strengths, diversified network and technologies with a wide products base, would certainly help to unlock brand value for all stakeholders in our ecosystem. Effective from October 20, 2023, the Company is a material subsidiary of M/s. Sheela Foam Limited (a listed entity).

The Company is a leading mattress manufacturer, with leadership position in southern and eastern parts of the country, apart from sizeable presence in other parts. Also, the Company is approximately 60-year-old company with a very strong brand. The intent of aforesaid acquisition of SFL was always to run all the companies, as one-operation going forward i.e. subsequently amalgamate the company and its subsidiaries into a single entity. Given the similarity in nature of businesses of the Company, its subsidiaries and SFL, the board of directors at their meeting held on March 28, 2024 approved the Scheme of Amalgamation of the Company and its subsidiaries with Sheela Foam Limited pursuant to section 230 to 232 of the Companies Act, 2013 subject to necessary statutory and regulatory approvals including the approvals of Hon'ble National Company Law Tribunal, Bench at Mumbai ("NCLT"). The merger shall result in greater business synergies and reduced administrative and other costs.

As we look forward, we aim to embark on a new phase of growth and expansion with SFL Strengths, diversified network and technologies. Favourable demographics, increasing disposable income and expansion in key industries are expected to drive the growth of the Indian mattress sector. We understand that true success comes from growing together. Thereby, with SFL, we are emerging as One, a force whose growth potential is limitless. We are poised to embrace challenges and capitalise on the opportunities that lie ahead.

Finally, I would like to conclude by extending my heartfelt gratitude to our shareholders, partners, customers and employees for their continued support and trust. Together, let us march ahead to another year of quality comfort and accelerated growth.

Warm Regards,

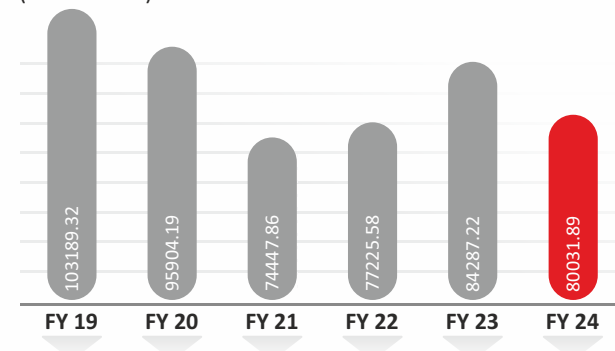
**Rahul Gautam**

Chairman of the Board  
Kurlon Enterprise Limited

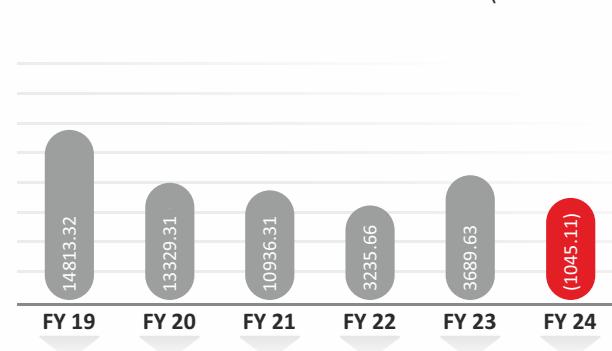
## Kurlon Enterprise Limited (STANDALONE)

## Kurlon Enterprise Limited (CONSOLIDATED)

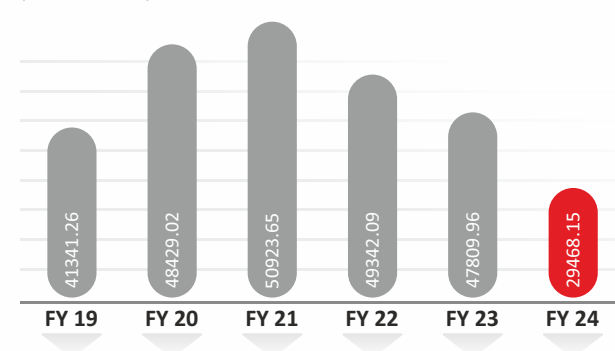
### Operating Revenue (Rs. In Lakhs)



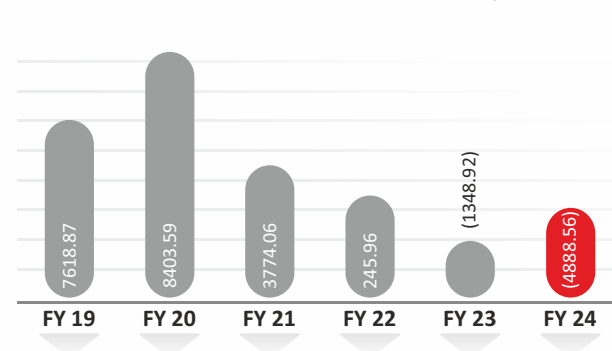
### EBITA (Rs. In Lakhs)



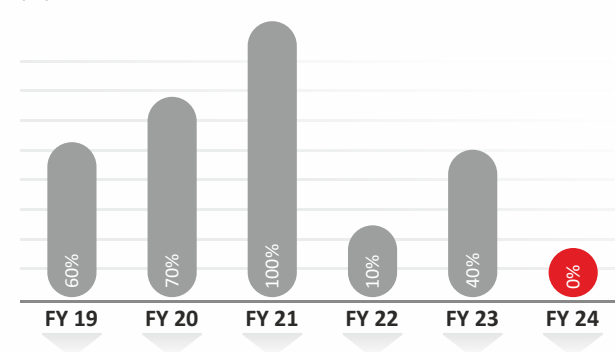
### Networth (Rs. In Lakhs)



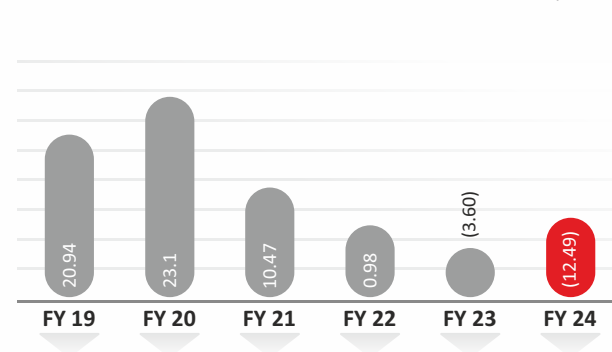
### Net Profit / Loss (Rs. In Lakhs)



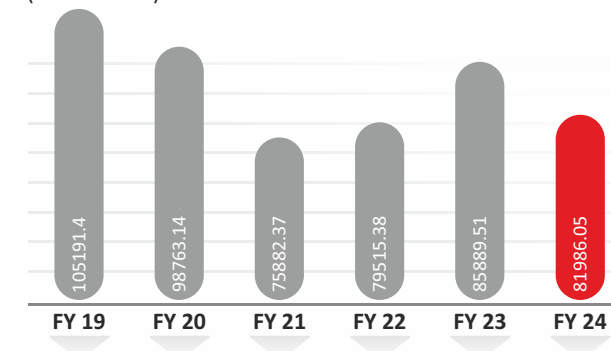
### Dividend Payout (%)



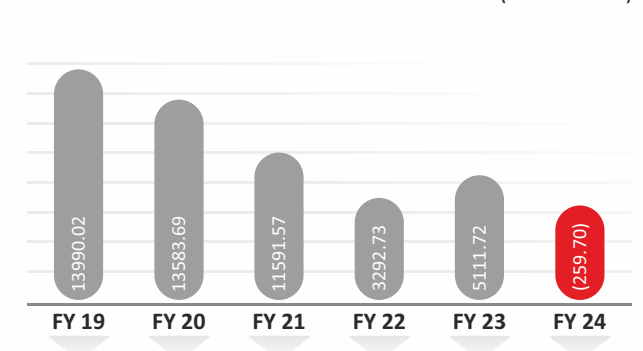
### Earning Per Share (In Rs.)



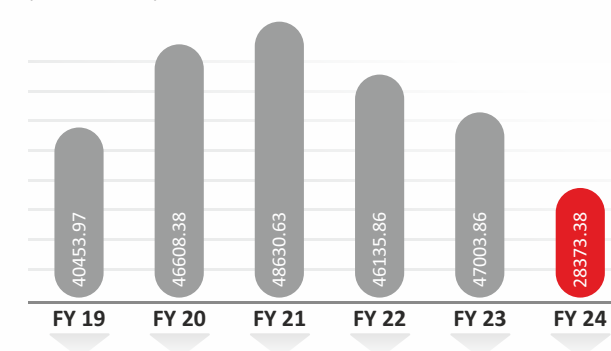
### Operating Revenue (Rs. In Lakhs)



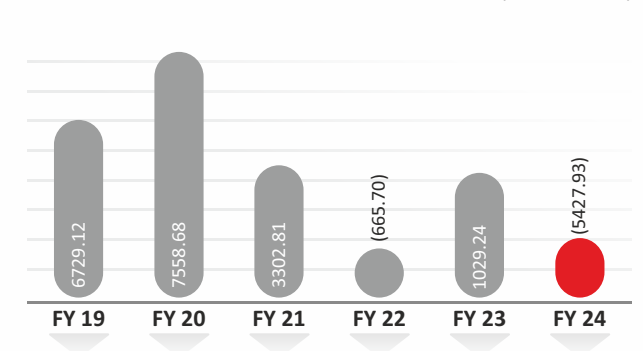
### EBITA (Rs. In Lakhs)



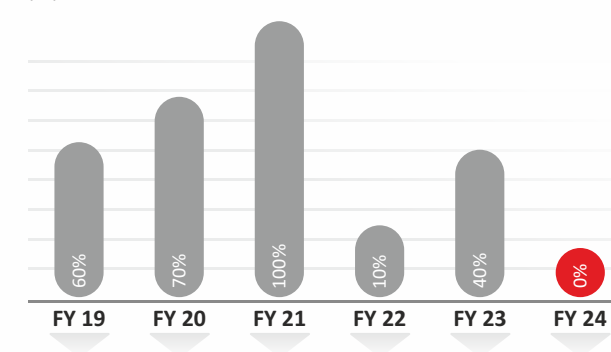
### Networth (Rs. In Lakhs)



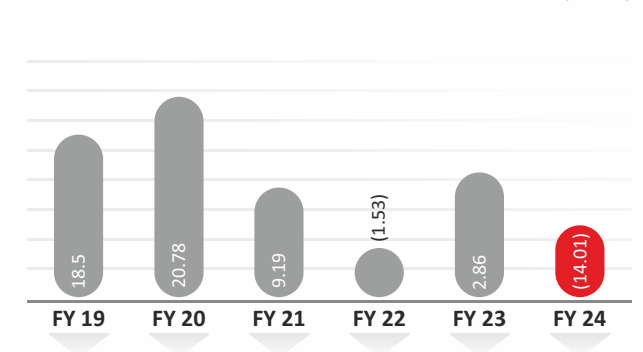
### Net Profit / Loss (Rs. In Lakhs)



### Dividend Payout (%)



### Earning Per Share (In Rs.)







## 1. Financial highlights of the Company

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Audited Standalone		Audited Consolidated	
	As on 31st March, 2024	As on 31st March, 2023	As on 31st March, 2024	As on 31st March, 2023
Revenue from operations	80,031.89	84,287.22	81,986.05	85,889.51
Other Income	736.63	665.67	871.54	842.55
<b>Total Income</b>	<b>80,768.52</b>	<b>84,952.89</b>	<b>82,857.59</b>	<b>86,732.06</b>
Profit Before Financial charges, tax and Depreciation	(1045.11)	3,689.63	(259.70)	5111.71
Less: Finance Costs	216.45	376.40	572.96	729.03
Less: Depreciation	1,594.78	2,532.52	2,531.33	3,590.98
<b>Profit Before Tax and Exceptional items</b>	<b>(2,856.34)</b>	<b>780.71</b>	<b>(3,363.99)</b>	<b>791.71</b>
Less: Exceptional Items	2,204.24	2,555.67	2,111.47	-
<b>Net Profit/Loss Before Tax</b>	<b>(5,060.58)</b>	<b>(1,774.96)</b>	<b>(5,475.46)</b>	<b>791.71</b>
Less: Current tax	-	647.68	163.57	824.35
Add/Less: Tax credit of earlier years	-	(45.49)	-	(45.45)
Add/Less: Deferred tax	(495.62)	(1,059.70)	(517.46)	(1,033.85)
<b>Profit/Loss after tax</b>	<b>(4,564.96)</b>	<b>(1,317.45)</b>	<b>(5,121.57)</b>	<b>1,046.66</b>
Other comprehensive income	(323.60)	(31.47)	(306.36)	(17.42)
<b>Total comprehensive income for the year</b>	<b>(4,888.56)</b>	<b>(1,348.92)</b>	<b>(5,427.93)</b>	<b>1,029.24</b>
Proposed Dividend on Equity Shares	-	658.05	-	658.05
Surplus in statement of P & L carried to Balance Sheet	9,988.00	29,835.74	8,893.23	28,713.69
Earnings per share (EPS).	(12.49)	(3.60)	(14.01)	2.86

\* Figures for the previous periods have been regrouped and reclassified to conform to the classification of the current period, where necessary.

## Performance review and the state of Company's affairs :

Your Company is engaged in the business of manufacturing and marketing of Mattresses (RC, Spring and Foam), Pillows, PU Foam, Furnishing Products under the brand name "Kurl-on" for over 60 years, Kurl-on has been a symbol of Komfort, trust, and healthy sleep for families across India. Our brand is built on a deep understanding of our customers and a commitment to providing them with the support they need for a good night's sleep. We believe that Komfort is a right, not a luxury, and our goal is to make it accessible to everyone.

On a standalone basis, the Company's revenue from operations for the financial year 2023-24 under review stood at Rs. 80,031.89 lakhs as against Rs. 84,287.22 lakhs for the previous financial year. The Loss before tax from continuing operations including exceptional items was Rs. 5,060.58 lakhs as against the loss of Rs. 1,774.96 Lakhs for the previous financial year. Whereas, the net loss after tax and other comprehensive income was pigged at Rs. 4,888.56 Lakhs, as compared to the loss of Rs. 1,348.92 Lakhs previous year. The loss was mainly due to a) written of insurance receivables, b) impairment of good will and c) writing of property plant and equipment on physical verification.

On a Consolidated basis, the total revenue from operations for the financial year 2023-24 under review stood at Rs. 81,986.05 lakhs as against Rs. 85,889.51 lakhs for the previous financial year. The loss before tax from continuing operations and other comprehensive income, was Rs 5,475.46 lakhs as against the profit of Rs. 791.71 lakhs for the previous financial year. The net loss after tax and other comprehensive Income was pigged at Rs 5,427.93 lakhs for the financial year under review as against the profit of Rs. 1,029.24 lakhs for the previous financial year. Your Board continues to make its best possible efforts to improve the overall working and financial performance of your Company.

During the year under review, the erstwhile promotor of the Company Viz. Kanara Consumer Products Limited (formerly known as Kurlon Limited) and Kurlon Trading and Invest Management Private Limited, sold 94.66% and upward equity shareholdings held in the Company to M/s. Sheela Foam Limited by virtue of Share Purchase Agreement dated July 17, 2023. As a trusted brand combined with SFL Strengths, diversified network and technologies with a wide products base, would certainly help to unlock brand value for all stakeholders in our ecosystem. Effective from October 20, 2023, the

Company is a material subsidiary of M/s. Sheela Foam Limited (a listed entity).

During the year, the Company also entered into a tripartite agreement (TA) with Sheela Foam Limited (SFL), Kanara Consumer Products Limited (KCPL) and Kurlon Trading and Invest Management Private Limited, on October 18, 2023, pursuant to the aforesaid Share Purchase Agreement (SPA) dated July 17, 2023. Based on the agreement, the Company conducted the following transactions during the year:

**a)** KCPL transferred Dabaspeta Foam Land, Dabaspeta Sofa Land, Bhubaneswar Land and Haridwar Land for a consideration of Rs.4631.45 lakhs to the Company.

**b)** The Company acquired the Gwalior Business from KCPL for a consideration of Rs.3400 lakhs, and the excess of liability over asset of Rs. 1505.93 lakhs of the said business acquisition have been recognized as capital reserve.

**c)** As per one of the terms of the SPA, the Company sold its investment in Sevalal Solar Private Limited, Sirar Dhotre Solar Private Limited and Sirar Solar Energies Private Limited to KCPL for a consideration of Rs.14.07 lakhs (investment at par value).

**d)** The Company has adjusted lease deposit amount of Rs. 15,300 towards acquisition cost for the assets received from KCPL, after adjusting for the liabilities owed to KCPL. The remaining balance of Rs. 14,301.13 Lakhs has been reduced from the Retained earnings under other payments as surplus cash paid to KCPL.

The Company is a leading mattress manufacturer, with leadership position in southern and eastern parts of the country, apart from sizeable presence in other parts. Also, the Company is approximately 60-year-old company with a very strong brand. The intent of aforesaid acquisition of SFL was always to run all the companies, as one-operation going forward i.e. subsequently amalgamate the company and its subsidiaries into a single entity. Given the similarity in nature of businesses of the Company, its subsidiaries and SFL, the board of directors at their meeting held on March 28, 2024 approved the composite Scheme of Amalgamation between Belvedere International Limited ("BIL" or "Transferor Company 1") and, Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2"), and Kurlon Retail Limited ("KRL" or "Transferor Company 3"), and Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4"), and Starship Value Chain and Manufacturing Private Limited ("SVCMP" or



Transferor Company 5”) and Kurlon Enterprise Limited (“KEL” or “Transferee Company/ Amalgamating Company”) and Sheela Foam Limited (Amalgamated 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 Mumbai (“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.

## 2. Dividend

The board of directors of your Company has not declared any dividend for the current financial year considering that the Company has incurred loss for the year.

## 3. Transfer to Reserves

No fresh amount has been transferred to the reserves by the Board during the year under review due to loss.

## 4. Details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions

Since its inception, the Company has not entered into any one-time settlement with banks or financial institutions.

## 5. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

Neither any application made or nor any proceeding is pending under Insolvency and Bankruptcy Code, 2016.

## 6. Consolidated Financial Statement

The consolidated financial statements of the Company and its subsidiaries for FY 2023-24 have been prepared in compliance with the applicable provisions of the Companies Act, 2013 (‘the Act’) and in accordance with the Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015. The audited consolidated financial statements together with the Independent Auditor’s Report thereon form part of this Annual Report

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of the subsidiary companies is attached to the Financial Statement in Form AOC-1.

Further, pursuant to the provisions of Section 136 of the Act, the Company will make available the said financial

statement of the subsidiary companies upon a request by any Member of the Company or its subsidiary companies. These financial statements of the Company and the subsidiary companies will also be kept open for inspection by any member. The members can send an e-mail to [secretary@kurlon.com](mailto:secretary@kurlon.com) upto the date of the AGM and the same would also be available on the Company’s website: <https://www.kurlon.com>.

The Auditors’ report on Consolidated financial statements does not contain any qualification, reservations, adverse remarks or disclaimers.

## 7. Change in the nature of business

During the year under review there has been no change in the nature of business of the Company.

## 8. Material changes and Commitments effecting the financial position of the Company between the end of the Financial Year and date of this report

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relates and up to the date of this report except the board of directors of the Company at their meeting held on May 15, 2024 approved for sale/transfer/disposal of land and building of the plant situated at Plot-54,56 Shivganga Industrial Estate, VII- Lakeswari, Bhagwanpur, Roorkee, Uttarakhand – 247661 and relocation/sale of land of plant situated at 902/4, GIDC, Jhagadia Industrial Estate, Jhagadia, Bharuch, Gujarat, 393110 to various plants of Sheela Foam Limited and Kurlon Enterprise Limited to utilize the combine resources and improve the sustainability of the company.

## 9. Indian Accounting Standards

Financial statements of the Company have been prepared in accordance with the latest Indian Accounting Standard (“Ind AS”).

## 10. Share capital

During the year there has been no change in the share capital structure of the company either be it the authorized equity share capital or issued and paid up equity share capital. The company’s equity shares capital structure as on 31.03.2024 stood as under: -

**a)** Authorized Capital (Rs): 75,30,00,000/- (consisting of 15,06,00,000 equity shares of Rs 5/- each, par value)

**b)** Issued, Subscribed and Paid up Capital (Rs): 18,27,61,305/- (consisting of 3,65,52,261 equity shares of Rs 5/-each-par value fully paid).

Note : a) The Company does not have any preference share capital or any other type of equity share capital.

**c)** The Company has not issued shares with differential voting rights or sweat equity shares and

**d)** The Company has not bought back any of its securities during the year under review.

**e)** Your Company has not declared and approved any

Corporate Action viz. buy back of securities, issuance of bonus shares, right shares of issuance of securities on preferential basis, split and issue of any securities and has not failed to implement or complete the Corporate Action within prescribed timelines.

## 11. Directors and Key Managerial Personnel

Following are the directors and KMPs of the Company as on date of this report;

DIN/PAN	Directors and Key Managerial Personnel	Designation
00043298	Mr. Tushaar Gautam	Managing Director (KMP)
00030515	Mr. Rahul Gautam	Director
00232768	Mr. Ravindra Dhariwal	Independent Director
03060429	Ms. Meena Jagtiani	Independent Director
07178853	Ms. Jyothi Ashish Pradhan	Director
AJDPK5402E	Mr. Abhilash Padmanabh Kamti	Chief Financial Officer (KMP)
BMYPK6724N	Mr. Monu Kumar	Company Secretary (KMP)

None of the directors of the Company are disqualified under section 164 of the Companies Act, 2013.

Ms. Jyothi Ashish Pradhan had resigned as CEO of the Company w.e.f. October 20, 2023.

Mr. T Sudhakar Pai, Ms. Jaya S Pai, Mr. H N Shrinivas, Mr. S Nagarajan and Mr. Jamsheed M Panday had resigned from the board of the Company w.e.f. October 20, 2023 in line with share purchase agreement executed amongst the Company, Kanara Consumer Products Limited and Sheela Foam Limited dated July 17, 2023.

The board of directors at their meeting held on October 20, 2023 appointed Mr. Tushaar Gautam, Mr. Rahul Gautam and Ms. Jyothi Ashish Pradhan as an additional director on the board of the Company. These appointments were further regularized, confirmed and approved by the members at their Extra Ordinary General Meeting (EGM) held on January 23, 2024.

Further, the board at their meeting held on December 21, 2023, appointed Mr. Ravindra Dhariwal and Ms. Meena Jagtiani as an independent director on the board of the Company in the intermittent casual vacancy caused due to resignation of Mr. H N Shrinivas and Mr. S Nagarajan in line with provisions of section 149 read with section 161(4) of the Act.

As per the provisions of the Companies Act, 2013, Mr. Rahul Gautam shall retire by rotation at the forthcoming Annual General Meeting (AGM) of the Company and being eligible, seek re-appointment. The Board has, on

the recommendation of Nomination and Remuneration Committee (“NRC”), recommended his reappointment.

## 12. Declaration by Independent Director

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act, confirming that they meet the criteria of independence as laid out in Section 149(6) of the Act.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs. In opinion of the board of directors of your company, the independent directors comprise of persons with high repute and possess relevant expertise and experience in their respective field.

## 13. Familiarization Programme for Independent Directors

The Company has put in place a Familiarization Program for Independent Directors to familiarize them with the Company, its businesses, their roles, rights, responsibilities & nature of industry in which Company operates. 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.

#### 14. Deposit from Pubic

The Company has not accepted any deposits during the year from the Public under section 73 or 74 (Chapter V) of the Companies Act, 2013 nor did it receive the same in any of the previous years and hence there are no overdue/outstanding Deposits or any interest payable thereon and therefore the prescribed details under the Companies Act, 2013 are not required to be furnished.

#### 15. Board and Its Committee Meetings

During the financial year 2023-24, the Board of Directors of your Company met on 9 (Nine times) on 01.06.2023, 29.08.2023, 03.10.2023, 13.10.2023, 20.10.2023, 21.10.2023, 21.12.2023, 03.02.2024 and 28.03.2024. Details about meetings have been provided in the Report titled as "Report on Corporate Governance" annexed with this report.

Your Company has constituted various committees such as Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility and Stakeholder Relationship Committee (SRC) in accordance with the provisions of the Companies Act, 2013 as amended from time to time.

There have been changes in the composition of Audit Committee, CSR Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of the Company during the year under review and the particulars of the same have been stated along with compositions of committee(s), functions, frequency of the meeting etc. in the Report titled as "Report on Corporate Governance" annexed with this report.

During the year under review, a separate meeting of the Independent Director of the Company was also held on 28th March, 2024, without the presence of other Directors and members of Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, performance and assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

#### 16. Disclosure about receipt of Commission or Remuneration by Managing Director

In terms of the provisions of section 197(14) of the Act, Mr. Tushaar Gautam receives commission/remuneration in its holding Company Viz. Sheela Foam Limited whereas he does not receive any remuneration/commission in the Company.

#### 17. Annual Evaluation of Board and its Committees

The Board of Directors of the Company is committed to getting its performance evaluated in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee (NRC) has established the process for evaluation of performance of Directors including Independent Directors, the Board and its Committees. The evaluation of the performance of Executive Directors is done by Independent Directors.

The Company has devised a systematic process for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria and process for performance evaluation of the Non-Executive Directors and Executive Directors to judge the knowledge to perform the role, time and level of participation, performance of duties, professional conduct, independence etc. The appointment/re-appointment/ continuation of Directors on the Board shall be based on the outcome of the evaluation process.

During the year under review, as per the process for the performance evaluation, formal evaluation of performance of Directors including Independent Directors, the Board and its Committees was made by the Independent Directors and the NRC in their respective meetings and the evaluation result was placed before the Board for its information and consideration.

#### 18. Policy on Directors' Appointment and Remuneration

The Nomination and Remuneration Committee of the Board has devised a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management Employees and their Remuneration. The Committee has formulated the criteria for determining qualifications, positive attributes and independence of a director, which has been placed on the Company's website at [www.kurlon.com](http://www.kurlon.com) and also in CG report annexed to this report.

#### 19. Details of Subsidiary / Joint Ventures/Associate Companies

As at March 31, 2024 the Company has 5 subsidiaries. There are no associates or joint venture companies

Sl. No.	Name and address of the Company	CIN/GLN	Subsidiary/JV/Associate
1	Kurlon Retail Limited	U36104KA2012PLC065664	Wholly Owned Subsidiary
2	Komfort Universe Products and Services Limited	U52520KA2021PLC143244	Wholly Owned Subsidiary
3	Belvedere International Limited	U52520KA2020PLC142418	Wholly Owned Subsidiary
4	Starship Value Chain and Manufacturing (P) Limited	U36900KA2020PTC139535	Wholly Owned Subsidiary
5	Kanvas Concepts Private Limited	U74999KA2020PTC138867	Wholly Owned Subsidiary

The Komfort Universe Products and Services Limited (KU) and Belvedere International Limited (BIL) was incorporated on January 21, 2021 and December 18, 2020 respectively with an object to carry out retail business/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 ( KU Business) and to carry on retail business of mattresses, Pillows, Furniture and other related Products and Services of International Brands on retail and B2B basis in India (BIL business).

Whereas M/s Kanvas Concepts Private Limited is engaged in the business of Home Interior décor, wherein the Company would explore its entire products including furniture items to increase its overall revenue and profitability. Further, Starship Value Chain and Manufacturing Private Limited provides value chain/logistic services to the company to gain momentum in the market and to offer contactless deliver to the end consumers of the Company.

Kurlon Retail Limited is engaged in retail segment and presently operating through 24 Retail stores PAN India.

During the year under review, M/s Sirar Dhotre Solar Private Limited, M/s Sirar Solar Energies Private Limited and M/s Sevalal Solar Private Limited ceased to be subsidiaries of the Company w.e.f. October 20, 2023.

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.

within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

Details of Subsidiaries are as follows.

#### 20. Directors' Responsibility Statement

Your Directors make the following statement in terms of Section 134(3)(c) & (5) of the Act, which is to the best of their knowledge and belief and according to the information and explanations obtained by them.

**a)** That in the preparation of the annual accounts for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures and the annual accounts have been prepared in compliance with the provisions of the Companies Act, 2013.

**b)** That appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the State of Affairs as at March 31, 2024 and of the Profit of your Company for the Financial Year ended March 31, 2024;

**c)** That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

**d)** That the annual accounts for the Financial Year ended March 31, 2024 have been prepared on a going concern basis;

**e)** That the Directors had laid down internal financial controls, which are to be followed by the Company, and that such internal financial controls are adequate and were operating effectively

**f)** That the Directors have devised proper systems to ensure compliance with the provisions of all applicable



laws and that such systems are adequate and operating effectively.

#### 21. Management Discussion and Analysis Report

Management's Discussion and Analysis report for the year under review are attached as Annexure "C" forming part of this report.

#### 22. Report on Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance practice as set out in the Act. The Company is also committed to benchmarking itself with global standards for providing good Corporate Governance. Even though not mandatory, A Report on Corporate Governance is attached as Annexure "B" forming part of this Report.

#### 23. Auditors and Auditors' report

##### Statutory Audit

M/s. M S K A & Associates, Chartered Accountant (FRN: 105047W), were appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of existing auditor Viz. M/s. S. R. Batliboi & Associates, LLP Bangalore (FRN: 101049W/E300004) to hold the office till the conclusion of next Annual General Meeting of the Company.

The board of directors at their meeting held on May 15, 2024, has considered and approved the re-appointment of M/s. M S K A & Associates, Chartered Accountant (FRN: 105047W) as the statutory auditor of the Company, on the recommendation of the Audit Committee, for a period of 5 years' subject to the approval of shareholders in the ensuing AGM of the Company. M/s. M S K A & Associates, Chartered Accountant (FRN: 105047W) have confirmed that they are not disqualified from continuing as the Auditor of the Company.

##### Audit reports

The notes on financial statement referred to in the auditors' report, are self-explanatory and do not call for any further comments. The Statutory Auditor's report, does not contain any other qualifications, reservations, adverse remarks or disclaimers.

##### Secretarial Audit

Secretarial Auditors Mr. Deepak Sadhu, Practicing Company Secretaries, were appointed by the Board as the Secretarial Auditors of your Company for the financial year ended 31st March, 2024. The Secretarial Auditors

have confirmed that your Company has complied with the applicable laws and that there are adequate systems and processes in your Company commensurate with its size and scale of operations to monitor and ensure compliance with the applicable laws. The Report of the Secretarial Auditors pursuant to Section 204 of the Act, is provided in the "Annexure-D" forming part of this Report.

There is no qualification, reservation or adverse remark made in the Report except; The observation with respect to the FCGPR compliance pursuant to issue of Bonus shares remains the same.

Your directors are of the opinion that the reply to aforesaid observation is already given in the Boards' report for FY 21 which stand same and do not call for further explanation as the Company yet to receive requisite documents from concern shareholders.

##### Cost Audit

Pursuant to the provision contained in section 148(3) of the Companies Act, 2013 and rule 6(2) of the Companies (Cost records and Audit) Rules, 2014, the board of director at their meeting held on June 1, 2023 has approved the appointment of M/s. GNV & Associates, Cost Accountants (Firm Registration No. 000150) as the cost auditors for the financial year 2023-24.

##### Internal Audit

Pursuant to the provision contained in section 138 of the Companies Act, 2013 read with rules framed thereunder, the Board of directors at their meeting held on June 1, 2023 has approved the appointment of Mr. S K Subramanian of SGSK & Company, Chartered accountant, as an internal auditor of the Company for FY 24 and onwards, in place of existing internal auditor of the Company Viz. Ms. Pooja Dharewa of KD Practice and Consulting Private Limited.

#### 24. Transfer to Investor Education and Protection Fund (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more

from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In terms of the foregoing provisions of the Act, there is no dividend which require to be transferred to the IEPF by the Company during the year ended 31st March 2024.

However, the Members who are yet to encash the dividend(s) or dividend(s) warrants, if any, are advised

to send requests to the Company at secretary@kurlon.com or its RTA i.e. Purva Shareregistry India Private Limited at support@purvashare.com.

#### 25. Particulars of Loans, Guarantees and Investments

The particulars of Loans given, investments made, guarantees given and securities provided in accordance with the provisions of Section 186(4) of the Companies Act, 2013 during the year under review are as follows;

Category	Date of Board meeting in which such loan / investment/ guarantee / security approved	Details of Loan / investment / Security / Guarantee	Name of the Company in which Investment / Loan / Guarantee is made / given	Purpose of which the loan / guarantee / security is proposed to be utilized by the recipient	Amount (In Lakhs)
Loan	01.06.2023	Loan are provided to wholly owned subsidiary for its operational purpose	Kurlon Retail Limited	Operational	391.81

#### 26. Particulars of Contracts or Arrangements with related parties

Related party transactions entered during the financial year under review are disclosed in Note 42 of the audited financial statements of the Company for FY 24. These transactions entered were at an arm's length basis and in the ordinary course of business.

There were no materially significant related party transactions with the Company's promoters, directors, management or their relatives, which could have had a potential conflict with the interests of the Company. Form AOC-2, containing the note on the aforesaid related party transactions are given elsewhere in this report and the same forms part of this report.

#### 27. Risk Management System

Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities. The Company has laid down a comprehensive Risk Assessment and Minimization Procedure which is reviewed by the Board/senior

management from time to time. These procedures are reviewed to ensure that executive management controls risk through means of a properly defined framework.

The company has been continuously working on the adequacy of the internal control at various functional levels and does not foresee any major risk such as finance, credit, legal, regulatory and other risk keeping in view the nature and size of its business.

As a diversified enterprise, your Company believes that, periodic review of various risks which have a bearing on the business and operations is vital to proactively manage uncertainty and changes in the internal and external environment so that it can limit the negative impact and capitalize on opportunities. However, the formation of Risk Management Committee is not applicable to the Company as the requirement is applicable to only top 1000 listed entities on the basis of market capitalization on BSE Ltd.

#### 28. Safety, Health and Environment

The Safety & Health of the employees are accorded the highest priority and safety is considered as one of the most important key performance indicators (KPI's) of

the Company. The management is committed to ensure zero harm to its employees and to all persons within the Company premises. Safety and occupational health responsibilities are integral to the Company's business processes, as spelt out in the Company's Safety, Health and Environment Policies and procedures.

The Company has substantially reduced the number of on-site injuries with its strong emphasis on improving health and safety parameters, reducing risks through people engagement, capability building, and its strengthening health and safety management systems and processes.

The Company is also committed to minimizing the environmental impact of its operations, through adoption of sustainable practices. The Company integrates the consideration of environmental concerns and impacts into its decision making and activities by promoting environmental awareness among our employees and encouraging them to work in an environmentally responsible manner & communicate our environmental commitment to clients, customers, the public and encourage them to support it. It also strives to continually improve its environmental performance by minimizing the social impact and damage by periodically reviewing the policy in light of its current and planned future activities.

The Company stands ahead of its peers for its management of natural resources, energy management, carbon emissions reduction, conservation of water resources and biodiversity and management of waste and is committed to providing a quality service in a manner that ensures a safe and healthy workplace for our employees and minimizing our potential impact on the environment. The Company operates in compliance with all relevant environmental legislation and we will strive to use pollution prevention and environmental best practices.

In addition to complying with all applicable environmental laws and regulations, the Company is committed to:

- Proper management of Hazardous waste & solid waste

- Maintain 'Zero' discharge pattern by installation of Effluent Treatment Plant & Sewage Treatment Plant.

- Regular compliance of environmental Rules & Regulation.

- Maintain open channels of communication with customers, employees, government agencies, public officials, the media and the public to meet their information needs in regard to energy, environment and sustainability issues.

The Company gives a lot of emphasis on inculcating safety in the lives of its employees. Employees, including contractors, are provided safety training regularly. The Company's factories are certified with OHSAS:18001 standards.

#### **29. Vigil Mechanism/ Whistle Blower Policy**

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail the mechanism. In exceptional cases, Directors and employees have direct access to the Chairperson of the Audit Committee. The Vigil Mechanism (Whistle Blower policy) is available on the Company's website i.e. [www.kurlon.com](http://www.kurlon.com).

#### **30. Corporate Social Responsibility (CSR)**

The Annual Report on CSR activities is attached as "Annexure E" and forms a part of this Report. The salient features of CSR policy are stated in the aforesaid Report on CSR activities. The policy on CSR duly approved by the Board has been posted on the Company's website [www.kurlon.com](http://www.kurlon.com).

The Board of Directors of the Company at their meeting held on February 3, 2024 reconstituted its CSR Committee comprising 3 (Three) Directors with majority of independent Directors.

#### **31. Internal Financial Controls and Audit**

As required under section 134(3)(q) of the Companies Act, 2013 read with rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, your Company has an adequate system of internal controls. This ensures that all assets are safeguarded and protected against loss from

unauthorized use or disposition and those transactions are authorized, recorded and reported correctly.

The Company's internal control framework focus on strong governance, vigilant finance function and independent internal reviews. Risk evaluation exercise priorities risks facing the business, on the basis of which strategies are formulated. The Audit Committee periodically reviews and takes suitable actions for any deviation, observation or recommendation suggested by the internal auditor. The Company strives to follow the best practices when it comes to corporate governance. Well documented policies and procedures enable it to strictly adhere to all applicable procedures, laws, rules and statutes. 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.

#### **32. Annual Return**

Pursuant to Section 92 (3) of the Companies Act, 2013 read with Section 134(3)(ca) of the Act read with Companies (Management & Administration) Amendment Rules, 2020, the Annual Return for the financial year 2023-24 shall be available at the Company's Official website at: [www.kurlon.com](http://www.kurlon.com).

#### **33. 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.

#### **34. Secretarial Standards**

The Company is in compliance with the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2)

#### **35. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWWA)**

It is stated that the Company has constituted an Internal Complaints Committee and complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your directors further state that during the year under review, there were no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **36. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The particulars, as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are enclosed as Annexure "F" to the Board's report.

#### **37. Human resources and industrial relations**

The Company believes that the quality of employees is the key to its success. In view of this, it is committed to equip them with skills, enabling them to evolve with technological advancements.

During the year under review, industrial relations remained harmonious at all our offices and establishments. The Company's permanent employee strength stood at 565 as on 31st March, 2024.

#### **38. Acknowledgements**

The Directors express their appreciation to all employees of the various divisions for their diligence and contribution to Performance. The Directors also record their appreciation for the support and co-operation received from dealers, agents, suppliers, bankers and all other stakeholders. Last but not the least, the Directors wish to thank all shareholders for their continued support.

**For and on Behalf of the Board  
For Kurlon Enterprise Limited**

**Sd/-  
(Tushaar Gautam)  
Managing Director  
DIN : 01646487**

**Sd/-  
(Rahul Gautam)  
Director  
DIN : 00192999**

**Date : 15-05-2024  
Place : Noida**

#### Form 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 arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: **None**

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

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2024 are as follows;

Name of related party	Nature of relationship	Nature of Transactions	Duration of Contract	Salient Terms	Date of Board approval	Rs. in Lakhs
Kanara Consumer Products Limited (Formerly known as Kurlon Limited)	Holding Company*	Sale and Purchase of goods	Running	as per BTA	01-06-2023	5,215.80
Kanara Consumer Products Limited (Formerly known as Kurlon Limited)	Holding Company*	Lease rentals	Running	as per Agreement(s)	01-06-2023	1,340.00
Kurlon Retail Limited	Wholly Owned Subsidiary	Sale / Purchase & Scheme Related Expense	Running	as per MOU	01-06-2023	2,090.35

Name of related party	Nature of relationship	Nature of Transactions	Duration of Contract	Salient Terms	Date of Board approval	Rs. in Lakhs
Belvedere International Limited	Wholly Owned Subsidiary	Sale / Purchase & Scheme Related Expense	Running	as per MOU	01-06-2023	1,039.6
Komfort Universe Products and Services Limited	Wholly Owned Subsidiary	Sale of Goods	Running	as per MOU	01-06-2023	263.01
Manipal Advertising Services Pvt Limited	Enterprise Significantly influenced by Directors & their relatives*	Advertisement and sales promotion expenses	Running	as per PO	01-06-2023	306.61
Manipal Travels India Pvt. Limited	Enterprise Significantly influenced by Directors & their relatives*	Travelling Expenses	Running	as per PO	01-06-2023	126.79
Sheela Foam Limited	Holding Company**	Sales/ Purchase / Scheme expenses	Running	as per Agreement	03-02-2024	3,636.00
Starship Value Chain and Manufacturing Pvt. Limited	Wholly Owned Subsidiary	Freight / Warehouse Legal charges	Running	as per Agreement	01-06-2023	7,668.65
Manipal Software & E Commerce Pvt. Limited	Enterprise Significantly influenced by Directors & their relatives*	Legal and Consultancy Charges	Running	as per MOU	01-06-2023	383.19

\* upto October 20, 2023.

\*\* effective from October 20, 2023

**Note :** Transactions like payment of managerial remuneration and dividend are as per the terms approved by the shareholders. Transactions pertaining to capital advance, security deposit, legal and professional fees, trade receivable, advances are also entered in the

ordinary course of business at an arm's length basis as per business requirements of the Company. transactions which are not material have not been disclosed as the same are disclosed under note 42 of the audited financial statements of the Company for FY 24.



#### FORM AOC - 1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part A: Subsidiaries

(Information in respect of each subsidiary are presented with amounts in Lakhs)

Sl. No.	Particulars	Subsidiary 1	Subsidiary 2
1	Name of Subsidiary	KURLON RETAIL LIMITED	KOMFORT UNIVERSE PRODUCTS AND SERVICES LIMITED
2	Date of Incorporation	31-08-2012	18-01-2021
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA
5	Share capital	763.33	5.00
6	Reserves & Surplus	-2,591.10	(1,093.46)
7	Total Assets	1,692.65	79.51
8	Total Liabilities (Excluding Share capital & Reserve & Surplus)	3,520.42	1,167.97
9	Investments	-	-
10	Turnover/Income from operations	3,450.97	539.92
11	Profit/(Loss)before Tax	63.35	(723.84)
12	Provision for Taxation	-	-
13	Profit/(Loss) After Tax	63.35	(723.84)
14	Proposed Dividend	-	-
15	% of shareholding	100%	100%

Sl. No.	Particulars	Subsidiary 3	Subsidiary 4	Subsidiary 5
1	Name of Subsidiary	BELVEDORE INTERNATIONAL LIMITED	KANVAS CONCEPTS PRIVATE LIMITED	STARSHIP VALUE CHAIN AND MANUFACTURING PRIVATE LIMITED
2	Date of Incorporation	21-12-2020	22-09-2020	09-10-2020
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA
5	Share capital	5.00	1.00	0.50

Sl. No.	Particulars	Subsidiary 3	Subsidiary 4	Subsidiary 5
6	Reserves & Surplus	-197.69	(135.34)	877.21
7	Total Assets	189.03	1.86	2,810.46
8	Total Liabilities (Excluding Share capital & Reserve & Surplus)	381.71	136.20	1,932.75
9	Investments	-	-	-
10	Turnover/Income from operations	1,360.54	-	7,749.93
11	Profit/(Loss)before Tax	(61.32)	(21.51)	235.67
12	Provision for Taxation/Deferred	0.07	-	141.66
13	Profit/(Loss) After Tax	(61.39)	(21.51)	94.02
14	Proposed Dividend	-	-	-
15	% of shareholding	100%	100%	100%

#### Notes :

- Names of subsidiaries which are yet to commence operations – None
- Names of subsidiaries which have been liquidated or sold during the year – M/s Sirar Dhotre Solar Private Limited, M/s Sevalal Solar Private Limited and M/s Sirar Solar Energies Private Limited.

#### Part “B”: Associates and Joint Ventures – NOT APPLICABLE

For and on Behalf of the Board  
For Kurlon Enterprise Limited

Sd/-  
(Tushaar Gautam)  
Managing Director  
DIN : 01646487

Sd/-  
(Rahul Gautam)  
Director  
DIN : 00192999

Date : 15-05-2024  
Place : Noida

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Kurlon Enterprise Limited (hereinafter "Company") believes that good corporate governance is process in directing and controlling the affairs of the Company in a systematic and efficient manner and helps in achieving the goal of maximizing value of Company's stakeholders in a sustainable manner. Company's Governance framework is built on transparency, integrity, ethics, honesty and accountability as core values, and the management believes that practice of each of these creates the right corporate culture fulfilling the purpose of Corporate Governance. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company.

Your Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built. Good Corporate Governance is indispensable to resilient and vibrant stakeholders value and is, therefore, an important instrument of investor protection as well. Your Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business. To maintain reliability and transparency of management, by implementing fair and efficient corporate practice that reflects the true spirit of the organization's philosophy.

However, your Company is not a listed company hence it is not bound to comply with the requirements of

Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Company recognizes that good Corporate Governance is a Continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders. The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

### 2. BOARD OF DIRECTORS

#### I. Composition & Category of Directors

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Companies Act, 2013 ('the Act'). The Board comprises with highly qualified members possessing required skills, expertise and competence in making effective contributions towards the growth of the company.

The Board of Kurlon Enterprise Limited consists of eminent persons with optimum balance of Executive, Non-Executive and Independent Directors, having professional expertise, qualification and valuable experience in their respective areas of specialization and bring a wide range of skills and experience to the Board.

The Chairman of the Board is the Executive Director and provides vision and leadership for achieving the approved strategic plan and business objectives with support of other board members and Chief Executive Officer ("CEO"). The Managing Director presides over the Board and the Shareholders' meetings. The Board further confirms that in its opinion, the independent directors fulfil the conditions specified in the Companies Act, 2013 and are independent from management.

While appointing new Directors on the Board, the Nomination and Remuneration Committee of the Board considers the qualifications, positive attributes and independence as per the criteria laid down in that behalf and makes its recommendation to the Board for its consideration.

As on the date of this report the Board comprises of 5 (Five) Directors, which include 2 (Two) Non-Executive Directors, 1 (One) Executive Director, 2(Two) independent Directors including two women Directors.

The Board, inter-alia, provides leadership, strategic guidance, objective and independent view / judgment to the Company's management. The Board meets at regular intervals for planning, assessing and evaluating all important business. The Board members are updated from time to time, on the Company's procedures and policies as per the familiarization program devised in that behalf by the Company.

II. Attendance at the Board meeting, last Annual General meeting and number of other Directorships and chairmanships/ memberships of committees of each Director in various Companies.

Membership and Chairmanship of all Directors who are on various Committees, the composition of the Board and the number of outside Directorship and Committee position as held by each of the Directors during the financial year ended 31st March, 2024 are as follows:-

Name of Director Designation / Category	No of Board Meetings attended during the F.Y. 2022-2023	Whether attended AGM held on 29-09-2023	No. of Directorships held in other Companies*	No. of Membership / Chairmanship in other Board Committee(s)**	
				Chairman	Member
Mr. T. Sudhakar Pai Managing Director Executive *	4	Yes	12	-	1
Mrs. Jaya S. Pai Non-Executive Director*	4	Yes	7	1	1
Sri S. Nagarajan Non-Executive Independent Director*	5	Yes	3	-	-
Sri. H. N. Shrinivas* Non-Executive Independent Director	5	No	2	-	-
Mr. Jamsheed M Panday* Non-Executive Director	3	Yes	14	-	-
Mr. Tushaar Gautam** Managing Director Executive	4	NA	12	-	4
Mr. Rahul Gautam** Non-Executive Director	4	NA	10	1	1
Mr. Ravindra Dhariwal*** Independent Director	3	NA	9	3	8
Ms. Meena Jagtiani*** Independent Director	3	NA	6	8	10
Ms. Jyothi Ashish Pradhan** Non-Executive Director	4	No	6	-	2

Memberships/ chairpersonships of Audit Committee, CSR, NRC and Stakeholders' Relationship Committee in all public limited Companies

Including Kurlon Enterprise Limited have been considered.

\* upto 20.10.2023

\*\* w.e.f. 20.10.2023

\*\*\* w.e.f. 21.12.2023

### III. Meetings

Nine (9) Board Meetings were held during the year ended 31st March, 2024 i.e. on 01.06.2023, 29.08.2023, 03.10.2023, 13.10.2023, 20.10.2023, 21.10.2023, 21.12.2023, 03.02.2024 and 28.03.2024 respectively.

The gap between any two meetings did not exceed one hundred and twenty days. A meeting of the Independent Directors was held on 28.03.2024 and inter-alia, discussed on matters pertaining to performance review of the Board, Chairman and Non-Independent Directors.

### IV. Disclosure Regarding Appointment & Re-appointment of Directors in the ensuing AGM

Details of directors seeking appointment/reappointment at the ensuing Annual General meeting are provided in **Annexure "A"** annexed to the notice of AGM.

### 3. AUDIT COMMITTEE

#### a. Terms of Reference

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Section 177 of the Act and is reviewed from time to time.

The terms of reference of the Audit Committee inter- alia includes the following:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- To discuss and review with the management the annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- To review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.
- To discuss with the 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.
- To hold timely discussions with the statutory auditors regarding critical accounting policies and practices and significant financial reporting issues and judgments made.

- To recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.

- To review and monitor the auditor's independence, qualification and performance and effectiveness of audit process.

- To review with the management, performance of the statutory and internal auditors.

- To review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and frequency of internal audit.

- To evaluate internal financial controls and risk management systems.

- Scrutiny of inter-corporate loans and investments;

- Valuation of undertakings or assets of the listed entity, wherever it is necessary;

- To discuss any significant findings with internal auditors and follow-up thereon.

- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.

- To look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.

- To approve transactions, including any subsequent modifications, of the Company with related parties.

- To review and monitor the statement of use and application of funds raised through public offers and related matters.

- To review the functioning of the Whistle Blower/Vigil mechanism.

- To review the effectiveness of the system for monitoring compliance with laws and regulations and oversee compliance with legal and regulatory requirements.

- To approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.

#### b. Composition & Attendance during the year

The Audit Committee of the Company have been constituted in accordance with the provisions of Section

177 of the Act. All members of the Committee including its chairperson are financially literate, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of Meetings attended by the Directors during the year are given below:

Name of the Member	Designation	No. of meetings during the year 2023-24	
		Held	Attended
Mr. S Nagarajan, Chairman*	Non-Executive Independent Director	5	2
Mr. H N Shrinivas, Member*	Non-Executive Independent Director	5	2
Mr. T. Sudhakar Pai, Member*	Managing Director, Executive	5	1
Mr. Jamsheed M Panday, Member*	Non-Executive Director	5	1
Mr. Ravindra Dhariwal, Chairman**	Non-Executive Independent Director	5	2
Ms. Meena Jagtiani, Member**	Non-Executive Independent Director	5	2
Mr. Tushaar Gautam, Member**	Managing Director, Executive	5	3

\* Upto 20.10.2023

\*\* w.e.f. 21.12.2023

Mr. Tushaar Gautam, Ms. Jyothi A Pradhan and Mr. Rahul Gautam attended Audit Committee Meeting held on December 21, 2023.

Five (5) Audit Committee Meetings were held during the year ended 31st March, 2024, i.e., on 15.05.2023, 29.08.2023, 21.12.2023, 03.02.2024 and 28.03.2024. The gap between any two meetings did not exceed one hundred and twenty days and necessary quorum was present at all meetings.

The Committee relies on the expertise and knowledge of the management, the internal auditor and the statutory auditor, in carrying out its oversight responsibilities. It also uses external expertise, if required. The management is responsible for the preparation, presentation and integrity of the Company's financial statements, including consolidated statements, accounting and financial reporting principles. The management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal controls.

The Ex-Chairperson of the Audit Committee attended the last Annual General Meeting of the Company held on 29th September, 2023. The Company Secretary acts as secretary to the meeting.

### 4. NOMINATION AND REMUNERATION COMMITTEE

#### a. Term of reference

The terms of reference of the Committee broadly cover the matters specified for the Nomination and Remuneration Committee under Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee has been entrusted with the following responsibilities;

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and Recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other senior management.
- Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- To carry out evaluation of every Director's performance.
- To devise policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or notification as may be applicable.

#### b. Composition and Attendance during the year

The Composition of the said Committee and details of meetings attended by the Directors are given below:



Name of the Member	Designation	No. of meetings during the year 2023-24	
		Held	Attended
Mr. H N Shrinivas, Chairman*	Non-Executive Independent Director	2	1
Mr. S Nagarajan, Member*	Non-Executive Independent Director	2	1
Ms. Jaya S Pai, Member*	Managing Director, Executive	2	1
Mr. Jamsheed M Panday, Member*	Non-Executive Director	2	-
Mr. Ravindra Dhariwal Chairman**	Non-Executive Independent Director	2	-
Ms. Meena Jagtiani Member**	Non-Executive Independent Director	2	-
Ms. Jyothi Ashish Pradhan Member**	Non-Executive Director	2	1

\* Upto 20.10.2023

\*\* w.e.f. 21.12.2023

Ms. Jyothi A Pradhan, Mr. Rahul Gautam and Mr. Tushaar Gautam attended NRC Meeting held on December 21,

The constitution and composition of the Committee thus satisfy the requirements of Section 178 of the Act. The Committee during the financial year 2023–24, met on 20.10.2023 & 21.12.2023. The Ex-Chairman of the Nomination and Remuneration Committee attended last Annual General Meeting of the Company held on 29th September, 2023. The Company Secretary acts as secretary to the meeting.

#### c. Remuneration policy

In view of the requirement of the provision of section 178 of Companies Act, 2013, the NRC has suitably framed and implemented remuneration policy of the Company to keep pace with the business environment and market linked positioning. The NRC takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages for Directors, Key managerial personnel and Senior Management which are designed based on the following set of principles:

- Aligning Key Executive and Board remuneration with the longer term interests of the Company and its shareholders;
- Minimize complexity and ensure transparency;
- Link to long term strategy as well as annual business performance of the Company;
- Promotes a culture of meritocracy and is linked to key performance and business drivers; and
- Reflective of line expertise, market competitiveness so as to attract the best talent.

#### Remuneration paid to Executive Directors & KMP(s)

As per the remuneration policy the remuneration paid to Executive Directors is recommended by the NRC and approved by the Board in the Board Meeting, subject to the subsequent approval by the shareholders at the General Meeting and such other authorities, as the case may be.

At the Board meeting, only the Non-Executive and Independent Directors vote in approving the remuneration paid to the Executive Directors. The remuneration is arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company. The elements of the remuneration and limits are pursuant to the provisions of Section 197, 198 and Schedule V of the Act. The remuneration structure comprises of Basic Salary, Commission, Perquisites if any and Allowances, Contribution to Provident Fund and other funds as per company policy.

#### 5. SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE OR STAKEHOLDERS' RELATIONSHIP COMMITTEE

##### a. Terms of Reference

The Committee, inter-alia, approves issuance of duplicate share certificates as well as oversees and reviews all matters connected with the securities transfer, transmission, nomination, dematerialization and rematerialization including redressing grievances related thereto, allotment of shares and to review from

time to time overall working of the secretarial department/RTA of the Company relating to the shares/securities. The Committee also considers redressing of shareholder's complaints relating to non-receipt of notices/annual reports and dividends etc.

#### b. Composition and Attendance during the year

During the financial year ended 31st March, 2024 the Committee met 1 time on 21.10.2023. The necessary quorum was present at all meetings. The Company

Secretary of the Company acts as the secretary to the meeting. The Ex-Chairman of the Committee attended last Annual General Meeting of the Company held on 29th September, 2023. The constitution of the Committee is in compliance with section 178 of the Act.

The composition of the SRC and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Designation	No. of meetings during the year 2023-24	
		Held	Attended
Mr. S Nagarajan, Chairman*	Non-Executive Independent Director	1	-
Mr. H N Shrinivas, Member*	Non-Executive Independent Director	1	-
Mr. T. Sudhakar Pai, Member*	Managing Director, Executive	1	-
Mr. Jamsheed M Panday*	Non-Executive Director	1	-
Mr. Meena Jagtiani, Chairman**	Non-Executive Independent Director	1	-
Ms. Ravindra Dhariwal Member **	Non-Executive Independent Director	1	-
Ms. Jyothi Ashish Pradhan Member**	Non- Executive Director	1	1

\* upto October 20, 2023

\*\* w.e.f. 03.02.2024

Mr. Tushaar Gautam, Ms. Jyothi A Pradhan and Mr. Rahul Gautam attended SRC Meeting held on October 21, 2023.

#### c. Details of investor complaints received, redressed and pending during the financial year ended 31st March, 2024

Opening Balance	Received	Resolved	Closing balance
Nil	Nil	Nil	Nil

#### 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR" COMMITTEE)

##### a. Term of reference

The terms of reference of the CSR Committee cover the matters specified for CSR Committees under Section 135 of the Companies Act, 2013 read with read with Companies (Corporate Social Responsibility) Rules, 2014 which includes to Formulate and recommend to the Board, a Policy on CSR, indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act, to recommend the amount to be spent on the CSR activities or Monitor the Company's CSR Policy periodically or to oversee the Company's conduct with regard to its Corporate and societal obligations and its reputation as a responsible

corporate citizen and such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The Annual Report on CSR activities for the year 2023-24 is annexed as an **Annexure F** forms a part of the Board's Report.

##### b. Composition and Attendance during the year

The Corporate Social Responsibility Committee of the Board ("CSR Committee") has been constituted pursuant to the provision of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014.

The composition of the CSR Committee and the details of the Meetings attended by the Directors during the year are given below:

Name of the Member	Designation	No. of meetings during the year 2023-24	
		Held	Attended
Ms Jaya S Pai, Chairman*	Non-Executive Independent Director	1	1
Mr. H N Shrinivas, Member*	Non-Executive Independent Director	1	1
Mr. S Nagarajan, Member*	Managing Director, Executive	1	1
Mr. Jamsheed M Panday*	Non-Executive Director	1	1
Ms. Meena Jagtiani, Chairman**	Non-Executive Independent Director	1	-
Ms. Ravindra Dhariwal, Member**	Non-Executive Independent Director	1	-
Ms. Jyothi Ashish Pradhan Member**	Non-Executive Director	1	-

\* upto October 20, 2023

\*\* w.e.f. 03.02.2024

The CSR Committee met on June 1, 2023 during FY 24. Ms. Jaya S Pai acts as the Chairman to the meeting till October 20, 2023 and thereafter Ms. Meena Jagtiani Acts as the chairman of the Committee. Company Secretary acts as secretary to the meeting.

#### 7. GENERAL BODY MEETINGS

A. The particulars of day, date, time, venue special resolutions passed, if any, in last three Annual General Meetings of the Company are given below:

Year	Particulars of the AGM	Day, date and Time	Venue	Summary of special resolution(s) passed if any,
2023	12th AGM	Friday, September 29, 2023 11.30 A.M.	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	None
2022	11TH AGM	Wednesday 28-12-2022 11.30 A.M.	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	Re-appointment of Sri T Sudhakar Pai as Managing Director of the Company for a further period of 5 years
2021	10th AGM	Thursday 25-11-2021 11.30 A.M	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)	None

#### B. Extra ordinary General Meeting

During the period under review, your company has convened an Extra Ordinary General Meeting (EGM) on January 23, 2024 a) to confirm the appointment of M/s. M S K A & Associates (FRN: 105047W) as the statutory auditor of the Company, b) to regularize the appointment of Mr. Rahul Gautam and Ms. Jyothi Ashish Pradhan as Non-Executive director of the company, c) appointment of Mr. Ravindra Dhariwal and Ms. Meena Jagtiani as an Independent Directors on the board of the Company and d) to approve change in the designation and appointment of Mr. Tushaar Gautam as Managing Director of the Company.

#### Postal Ballot

The Company has not passed any resolution through postal ballot during the year under review.

#### 8. Reconciliation of Share Capital Audit

As stipulated by Companies Amendment Act, a qualified Practicing 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 half yearly and the report thereon is submitted to the Registrar of Companies Mumbai.

#### 9. Disclosures

##### A. Related Party Transactions

During the financial year ended 31st March, 2024 there

are no materially significant related party transactions, which have potential conflict with the interest of Company at large. Related party transactions entered during the financial year under review are disclosed in the notes to the audited financial statements of the company for the financial year ended 31st March, 2024. These transactions entered were at an arm's length basis and were in the ordinary course of business. The Company has obtained necessary approval of the members for RPTs whenever required as per the Act.

#### B. Disclosure of accounting treatment in preparation of Financial Statements

In the financial statements for the year ended 31 March, 2024, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

#### C. Management Discussion and Analysis Report

The management discussion and analysis report is provided as annexure to the Directors Report.

#### D. Details of non-compliance with regard to capital market

Your Company is not listed hence it is not required to give any disclosure under this heading.

#### E. Whistle-Blower Policy/ Vigil Mechanism

The Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

#### 10. GENERAL SHAREHOLDERS INFORMATION

##### A. Annual General Meeting

Day & Date	Time	Venue
Wednesday, July 17, 2024	2.00 P.M.	Venue- E - Meeting, through video Conference (VC) or other Audio visual Means (OAVM). Registered office shall be deemed venue for AGM

#### B. Dates of Book Closure

Not applicable as the Company does not intend to close its book this time.

#### C. Dividend Payment Date

The board of directors of your company has not recommended any dividend for the current financial year due to loss.

#### D. Listing on Stock Exchanges

Shares of the Company are not listed on any stock exchange.

#### Payment of Depository Fees

Annual Custody/Issuer fee for the year 2023-24 has been paid by the Company to CDSL & NSDL.

#### E. Registrar and Share Transfer Agent & Share Transfer System

M/s. Purva Sharegistry (India) Private Limited is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. The Company has authorized the Registrar and Transfer Agent to approve and execute transfer and transmission of shares. All correspondence with regard to share transfers and matters related therewith may directly be addressed to the Registrar and Share Transfer Agents at the address given below:

Particulars	Purva Sharegistry (India) Private Limited
Contact Person	Mrs. Purva Shah/ Mr. Rajesh Shah
Address	9, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Lower Parel (E), Mumbai - 400 011.
Phone Nos.	+91-022-2301-6761/2518
Email ID	support@purvashare.com



#### F. Distribution of Shareholding as on 31st March 2024

Slab of Shareholding (no. of equity share)	No. of Shareholders	% of total	No. of shares held	Nominal Value (in Rs.)	% of Shareholding
Upto - 5000	1596	91.62	349071	1745355	0.95
5001-10000	97	5.57	135280	676400	0.37
10001-20000	28	1.61	75660	378300	0.21
20001-30000	7	0.40	35616	178080	0.10
30001-40000	3	0.17	20202	101010	0.05
40001-50000	2	0.11	17697	88485	0.05
50001-100000	4	0.23	50271	251355	0.14
100001 and above	5	0.29	35868464	179342320	98.13
<b>Total</b>	<b>1742</b>	<b>100.00</b>	<b>36552261</b>	<b>182761305</b>	<b>100.00</b>

#### G. Categories-wise list of Shareholders

Category	No. of Shareholders	% of Shares	Total
Resident Individuals	1597	91.67	720956
Corporate Promoter under same management	1	0.06	35545951
N.R.I (Repat & Non-repat)	45	2.58	26419
Bodies Corporate	32	1.84	115770
Clearing Members	2	0.11	203
LLP	4	0.23	292
Trust	1	0.06	283
Hindu Undivided Family	58	3.33	25267
Foreign National	1	0.06	116986
NBFC registered with RBI	1	0.06	134
<b>Total</b>	<b>1742</b>	<b>100.00</b>	<b>36552261</b>

#### H. Dematerialization of shares and liquidity

Percentage of shares held in physical and dematerialized form as on 31st March, 2024:

Physical form : Nil  
Electronic form with NSDL & CDSL : 100.00%

#### I. Factories Locations

All factories location is mentioned somewhere in this Report.

#### J. Address for Correspondence

Enquiries, if any relating to shareholder accounting records, share transfers, transmission of shares, change of address / bank mandate details for physical shares, receipt

of dividend warrants, loss of share certificates etc., and related grievances may be addressed to Purva Shareregistry (India) Private Limited (PURVA), Unit: Kurlon Enterprise Limited or to the Company at.

**Company Secretary, Kurlon Enterprise Limited,**

**Corporate office: Jaibharat Industrial Area, Jalahalli Camp Road, Muniswara Nagar, Yeswanthpur Bangalore 560022. E-mail: secretary@kurlon.com.**

#### K. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund

Please refer the directors report for disclosure under this section.

For and on Behalf of the Board For Kurlon Enterprise Limited

Date : 15-05-2024

Place : Noida

Sd/- Tushaar Gautam, Managing Director

DIN : 01646487

Sd/- Rahul Gautam, Director

DIN : 00192999

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### ECONOMIC SCENARIO AND OUTLOOK

##### Global Economy

The world economy is projected to maintain a steady growth rate of 3.2% throughout 2024 and 2025, mirroring the momentum observed in 2023. Amidst a dynamic global economic landscape, the emergence of inflationary pressures prompted a tightening of monetary policies across various regions. As a result, capital inflows in most nations have remained sturdy. Following the peak of global inflation in mid-2022, economic activity has steadily expanded. There is stability in employment and income growth leading to favourable demand dynamics. This includes substantial government expenditure and household consumption, alongside an expansion in supply, supported by unexpected increases in labour force participation. Major advanced economies have stayed on track with their growth trajectories path despite significant adjustments in central bank interest rates. Risks are now broadly balanced, and households are observed tapping into their savings. (Source: IMF World Economic Outlook, April 2024)

##### Outlook

As inflation moves closer towards targeted levels and central banks in several economies adopt a more relaxed policy stance, the implementation of tighter fiscal measures, aimed at addressing elevated government debt, is expected to potentially dampen growth prospects. Projections indicate a decline in global headline inflation, with an estimated annual average of 6.8% in 2023, moderating to 5.9% in 2024 and further to 4.5% in 2025. Advanced economies are expected to reach their inflation objectives sooner compared to emerging markets and developing economies. A plausible growth acceleration is expected in G20 emerging markets that could support global growth and, with a positive correlation, affect the growth in other countries. Strengthening policy frameworks to absorb any potential shocks is needed.

##### Indian Economy

Despite considerable global disruptions, India recorded a strong growth rate of 7.6% in FY 2023-24,

improving upon the 7% growth achieved in the previous fiscal year, FY 2022-23. This growth rate stands as the highest among both advanced and emerging economies globally. The growth has been primarily supported by a targeted monetary policy aimed at maintaining inflation within the target levels, which has been crucial in promoting sustainable growth over the medium term. This policy has not only stabilized the economy but also increased consumer confidence, leading to higher demand across multiple sectors.

Moreover, capital expenditure saw a significant boost, increasing from Rs. 10.5 lakh crore in FY23 to Rs. 12.7 lakh crore in FY24. This surge in spending has catalyzed private investment and expanded economic activities across the country. The economy further benefited from a solid foundation of domestic demand, majorly driven by continuous private consumption and enhanced public infrastructure projects. Together with prudent fiscal management and strong tax revenue performance, these factors have laid a strong foundation for continued economic growth. (Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>, <https://pib.gov.in/PressReleasePage.aspx?PRID=2010223> and [https://www.indiabudget.gov.in/doc/Budget\\_at\\_Glance/budget\\_at\\_a\\_glance.pdf](https://www.indiabudget.gov.in/doc/Budget_at_Glance/budget_at_a_glance.pdf))

##### Outlook

The economic forecast for India in fiscal year 2024-25 is highly optimistic, with the GDP expected to grow by around 7%4. This substantial growth is driven by major infrastructure investments, supported by solid fiscal strategies and ongoing policy improvements. The growing workforce and focused development in smaller cities are poised to boost demand in critical sectors such as transportation, real estate, and consumer goods, which are crucial for long-term economic stability and growth.

Internationally, as economic conditions improve and developed nations adopt more relaxed monetary policies, India is likely to attract more private investments. This increase in investment is expected to enhance exports and stimulate additional economic

activities, which could help reduce the fiscal deficit more swiftly. Although inflation remains a concern due to high consumer demand and rising food prices, increased private sector investment is expected to help stabilize prices and maintain economic momentum.

#### MARKET OVERVIEW

##### Health and Wellness Industry

The wellness sector in India has undergone significant evolution shaping into a diverse ecosystem comprising consumers, providers, adjacent industries, facilitators, and increased government involvement. Consumers, predominantly a youthful demographic with increasing disposable incomes, are increasingly prioritizing wellness solutions to address lifestyle challenges, driven by a desire to enhance both physical appearance and mental well-being.

Providers within the wellness industry offer a wide range of services and products catering to consumer needs, ranging from basic hygiene to curative and enhancement solutions. Adjacent industries, including healthcare, media, retail, gaming, hospitality, and education, are capitalizing on the growth of the wellness sector. They are diversifying revenue streams, utilizing existing capabilities, and offering a broader range of services and products to their existing customer base. This is further strengthened by promotions and word-of-mouth driving increased consumer engagement. Facilitators including employers, insurance companies, and educational institutions are poised to play a pivotal role in promoting and instilling pro-wellness behaviors among consumers in the future. The Government plays a multifaceted role in the wellness industry, serving as a provider, facilitator, enabler and regulator. It actively shapes and ensures adherence to standards contributing to the sector's growth and sustainability.

The overall wellness market in India is estimated at INR 490 billion, with wellness services making up 40% of this share. Key trends in the industry include:

- The wellness industry in India is attracting both domestic and international players due to its expansion.

- Established players are broadening their horizons and venturing into new markets globally and domestically. Franchising has emerged as a favoured strategy for this expansion.

- Companies are actively seeking public and private investments to fuel their growth plans.

- While there is optimism about future growth prospects, the timeline for investment recovery may extend longer than initially anticipated.

- Micro-segmentation offers a chance to tailor value propositions more precisely to meet consumer needs. Additionally, there is a growing trend towards commercializing traditional Indian home remedies. (source: <https://www.pwc.in/assets/pdfs/publications-2011/wellness-report-15-sept.pdf>)

##### INDIAN MATTRESS INDUSTRY

Both branded and non-branded players co-exist in the market utilizing local distribution channels. To meet evolving consumer preferences, companies are expanding their product availability through both online and offline channels. While the unorganized sector maintains dominance, the organized sector is steadily driven by an increased demand for high quality mattresses. Factors such as rising income levels, heightened health consciousness, and expansion in the real estate and hospitality sectors is driving the growth of the Indian mattress industry.

The competition in the marketplace has driven manufacturers to integrate smart technological innovations incorporating smart features such as the ability to record sleeping patterns. With a prospective sales growth of 10%-15%, the market leaders are penetrating new markets and introducing innovative products in existing markets. Moreover, the booming housing industry in major metropolitan cities presents further opportunities for these brands. (Source: <https://www.mordorintelligence.com/industry-reports/india-mattress-market> and Mordor Intelligence)

##### Strategic Growth Drivers for the Mattress Industry

The mattress industry is experiencing significant growth driven by several key trends:

- Focus on Sleep Health: There is a growing awareness

of the importance of quality sleep for overall health and well-being. This has led to an increased demand for mattresses designed to promote better sleep, incorporating features like pressure point relief, cooling technology, and adjustable firmness.

- Growing Population and Urbanization: With a rising global population, particularly in urban areas, the need for more housing units is increasing, resulting in a higher demand for mattresses.

- E-commerce and Direct-to-Consumer: The rise of online shopping platforms and direct-to-consumer models has revolutionized the mattress industry. This offers greater convenience to customers, a wider range of options, and often more competitive pricing.

- Product Innovation: Mattress companies are constantly innovating with new materials, technologies, and designs. This includes features like smart mattresses that track sleep patterns, offer adjustable comfort levels, and use of ecofriendly materials.

- Expanding Commercial Use: The hospitality industry (hotels) and healthcare facilities are significant consumers of mattresses, and their growth translates to a larger market for mattress manufacturers.

- Specialized and Orthopedic Mattresses: There is a growing emphasis on health and wellness driving demand for specialized mattresses tailored to specific needs, such as back pain relief or allergy control.

##### Organized Mattress Industry

##### Analysis of the Indian Mattress Market

The Indian Mattress Market is segmented based on type, application, and distribution channels. Types include innerspring, memory foam, latex, and others such as hybrid, gel, air beds, and celliant-infused mattresses. Application-wise, the market is categorized into residential and commercial sectors. Distribution channels comprise specialty stores, multi-brand outlets, online platforms, and other channels like manufacturers retailers, warehouse clubs, discount retailers, distributors, and omnichannel sellers.

As of 2024, the India Mattress Market is estimated to be valued at USD 2.13 billion, with projections to reach

USD 3.21 billion by 2029. This reflects a Compound Annual Growth Rate (CAGR) of 8.54% during the forecast period (2024-2029).

Several factors contribute to the growth of the Indian mattress market, including rising income levels, increased health consciousness among consumers, and expansions within the real estate and hospitality sectors. Notably, there is a shift in consumer preferences towards prioritising comfort and functionality in mattresses. In response to these changing preferences mattress manufacturers have expanded their sales channels to include both offline and online avenues aiming to better cater to consumer demands.

##### OUR BUSINESS

Kurlon is the Mattress of India. Our motto is to have more and more people enjoying a happy and healthy life by using a Kurlon product.

For over 60 years, Kurl-on has been a symbol of comfort, trust, and healthy sleep for families across India. Our brand is built on a deep understanding of our customers and a commitment to providing them with the support they need for a good night's sleep. We believe that comfort is a right, not a luxury, and our goal is to make it accessible to everyone. Kurl-on's legacy began in 1962, when it was established as Karnataka Coir Products. In 1965, our first plant opened in Bangalore to produce rubberized coir mattresses, which quickly became synonymous with the brand. Over the years, we have expanded our product line to include foam and spring mattresses and entered the furniture and furnishings business. That's how Kurl-on became The Mattress of India. Our Brand Purpose is to continue delivering high-quality products and innovative sleep solutions that bring happiness and comfort to people's lives. With a focus on customer satisfaction, accountability, and a passion for what we do, we're working to help India sleep healthy and create a legacy of comfort for generations to come.

Kurlon is a leading mattress manufacturing company in India, it has now 3 different verticals in home furnishing such as Mattresses, Sofa & PU Foam. With 7 manufacturing plants across Karnataka, Orissa,



Madhya Pradesh, and Gujarat and 12+ ASOs/Branches and over 4000 Plus active dealers, Kurlon has geographical presence across all cities in India (PAN INDIA) reaching consumers directly through various channels such as Exclusive counters (Company owned Company Operated Stores (COCO) and Franchisees (FOFO), Multi Brand Outlets, Large format retail outlets, etc. to millions of consumers every year and the numbers are growing. Kurlon supplies high ended premium quality products to its customers across India.

#### OUR VISION & MISSION

Our Brand aim is to be the market leader through brand led communication and products that bring about high consumer delight. Our goals for this historic brand are:

- Ensuring the comfort of Kurl-on is present in every household.
- Helping India sleep healthier.
- Spreading the message that the comfort of Kurl-on is for everyone.
- Innovating new and exciting ideas in the mattress and rest space.
- Expanding our legacy of comfort to new generations.

Thereby delivering exponential growth and maximized wealth, for the channel and stakeholders, in a socially responsible way.

#### FINANCIAL OVERVIEW

For FY24, the Company's total revenue (standalone) was pegged at Rs. 80,031.89 lakhs as against Rs. 84,287.22 lakhs for the previous financial year whereas Loss for the year (before other comprehensive Income / Loss) for FY 24 stood at Rs. 5060.58 Lakhs as compared to loss of Rs. 1774.96 Lakhs during last year. Net Loss after tax and other comprehensive Income for FY 24 stood at Rs. 4,888.56 Lakhs as compared to Net loss of Rs. 1348.92 Lakhs.

On a Consolidated basis, the Company's total revenue was pegged at Rs. 81,986.05 lakhs as against Rs. 85,889.51 lakhs for the previous financial year. Whereas Loss after tax and other comprehensive

income stood at Rs. 5,427.93 Lakhs as compared to net profit of Rs. 1,029.24 Lakhs previous year.

The financial results of the company have been impacted due to a) written of insurance receivables, b) impairment of good will and c) writing of property plant and equipment on physical verification. Your Board continues to make its best possible efforts to improve the overall working and financial performance of your Company.

#### OUTLOOK ON FUTURE PROSPECTS, OPPORTUNITIES, THREATS, RISKS AND CONCERNS

##### Future prospects and opportunities

Rising awareness of health and sleep's importance is leading to increased demand for mattresses that promote better sleep posture, pain relief, and overall well-being. This opens doors for the development and marketing of specialized mattresses like orthopaedic and anti-allergic options.

Advancements in technology pave the way for incorporating smart features into mattresses. From sleep trackers to adjustable firmness settings, and temperature control, these innovation appeal to tech-savvy consumers seeking personalized sleep experiences.

India's growing residential and commercial construction sector creates a larger market for mattresses in new hotels, hospitals, and homes. Consumers today are increasingly looking for mattresses tailored to their individual needs and preferences. This offers companies the opportunity for companies to provide customization options such as size, firmness, and material choices catering to unique requirements of each customer.

##### Threats, risk and concern

The Indian mattress market is becoming increasingly competitive, with both established players and new startups vying for market share. This competition may trigger price wars and put pressure on profit margins.

The ongoing inflationary pressures can also significantly impact the company's profitability. Price hikes in raw materials, manufacturing, and transportation costs can erode profit margins and lead to increased product prices. Such price volatility can

make customers more price-sensitive, affecting their purchasing decisions and loyalty to the brand. Consumer preferences within the home furnishing industry can be highly volatile. Changing trends, evolving lifestyles, and competitive offerings can swiftly alter customer preferences. The company needs to be agile in adapting to these changes, ensuring that its product offerings remain relevant and appealing to the target market.

#### INTERNAL CONTROL SYSTEM & ADEQUACY

The Company has an adequate system of internal controls commensurate with the size and nature of business of the company designed to provide reasonable assurance that assets are safeguarded; transactions are executed in accordance with the management's authorization and properly recorded. Accounting records are adequate for preparation of financial statements and other financial information. Internal audit is conducted on a continuous basis to ascertain the adequacy and effectiveness of internal control systems. Their observations are reviewed by the senior management and the Audit Committee.

#### CSR INITIATIVES

Kurlon, since beginning, has been determined to focus on holistic development, including the growth of society as a whole, particularly in the region of its operations. This is done with the aim to establish social license to operate and maintain a harmonious relationship with local stakeholders. For last two years, more focus has been given on expanding the CSR footprint in our operational areas along with meeting the expectations of the people. Kurlon spends its CSR obligations through renowned Sheela Foundation, which play a pivotal role in strategically planning and systematically executing our CSR initiatives. For more details on Corporate Social Responsibility at Kurlon, refer director's report.

#### MATERIAL DEVELOPMENT IN HUMAN RESOURCES

At the heart of every successful Company lies its dedicated workforce, serving as the cornerstone of business continuity. Employees bring invaluable expertise, passion, and adaptability to the table, making them indispensable assets in navigating the dynamic external and internal landscapes. Their role in crafting and executing strategic plans, coupled with their keen ability to identify and mitigate risks, is paramount in driving the Company's growth and resilience.

To nurture and empower its employees further, the Company has implemented a range of human resources programmes aimed at fostering motivation, engagement, and well-being. These initiatives not only cultivate a secure and supportive work environment but also prioritize career development and upskilling opportunities, ensuring that our employees thrive and remain instrumental in our continued success. Total employee strength of the company stood at 816 (including workmen and consultant).

#### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's intent, expectations or predictions may be "forward looking statements" within the meaning of applicable laws. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply conditions, finished goods prices, raw materials costs and availability, fluctuations in exchange rates, changes in Government regulations, tax laws, natural calamities, litigation and industrial relations, economic developments within the country and other factors. The Company bears no obligations to update any such forward looking statement.

For and on Behalf of the Board For Kurlon Enterprise Limited

Date : 15-05-2024  
Place : Noida

Sd/-  
Tushaar Gautam, Managing Director  
DIN : 01646487

Sd/-  
Rahul Gautam, Director  
DIN : 00192999

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**[Pursuant to section 204(1) of the Companies Act,  
2013 and Rule No.9 of the Companies**

**(Appointment and Remuneration of Managerial  
Personnel) Rules, 2014]**

**FOR THE FINANCIAL YEAR ENDED: 31-03-2024**

**To,  
The Members,  
KURLON ENTERPRISE LIMITED,**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KURLON ENTERPRISE 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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2024 (the audit period) complied with the statutory provisions 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by KURLON ENTERPRISE LIMITED during the audit period for the financial year ended on 31.03.2024 according to the provisions of:

- i.** The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii.** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii.** The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv.** 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;

**v.** Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies the following laws / acts are also inter alia, applicable to the Company:

- a.** The Environment (Protection) Act, 1986
- b.** Water (Prevention and Control of Pollution), Act, 1974
- c.** The Legal Metrology Act, 2009
- d.** Air (Prevention and Control of Pollution), Act, 1981
- e.** Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

I have also examined compliance with the applicable clauses of the following:

**a.** Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except the below observation was made during the audit:

The observation with respect to the FCGPR compliance pursuant to issue of Bonus shares remains the same.

I have not examined compliance by the Company with:

**a.** Applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

The Company has appointed Mr. Tushaar Gautam, Mr. Rahul Gautam and Ms. Jyothi Ashish Pradhan as an additional director on the board of the Company w.e.f. October 20, 2023 and Mr. Ravindra dhariwal and Ms. Meena Jagtiani as an independent Directors w.e.f. December 21, 2023.

Mr. T Sudhakar Pai, Ms. Jaya S Pai, Mr. HN Shrinivas, Mr. S Nagarajan and Mr. Jamsheed M Panday ceased to be the directors of the Company w.e.f. October, 2023.

During the reporting period, the Company has convened an Extra Ordinary General Meeting (EGM) on January 23, 2024 a) to confirm the appointment of M/s. M S K A &

Associates (FRN: 105047W) as the statutory auditor of the Company, b) to regularize the appointment of Mr. Rahul Gautam and Ms. Jyothi Ashish Pradhan as Non-Executive director of the company, c) appointment of Mr. Ravindra Dhariwal and Ms. Meena Jagtiani as an Independent Directors on the board of the Company and d) to approve change in the designation and appointment of Mr. Tushaar Gautam as Managing Director of the Company.

Adequate notice of the Board/Committees Meeting were circulated along with the agenda and other materialistic papers to all directors in accordance with the provisions of the Companies Act, 2013.

M/s. M S K A & Associates, Chartered Accountant (FRN: 105047W), were appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of existing auditor Viz. M/s. S. R. Batliboi &

Associates, LLP Bangalore (FRN: 101049W/E300004) to hold the office till the conclusion of next Annual General Meeting of the Company.

During the reporting year no dividend was declared by the board.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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.

**I further report that during the audit period:**

**a.** There was no other event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For DEEPAK SADHU, Company Secretaries**

**DEEPAK SADHU**

**Authorised Signatory**

ACS: 39541; CP No: 14992

Bangalore, Date : 8th May 2024

UDIN : A039541F000331096, Peer Review Number : 2387/2022

**ANNEXURE – A  
(To the Secretarial Audit Report)**

**To,  
The Members,  
KURLON ENTERPRISE LIMITED**

My report of even date is to be read along with this letter.

**1.** Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

**2.** I have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I

believe that the processes and practices, I followed, provide are as on able basis for my opinion.

**3.** I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

**4.** Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

**5.** Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

**6.** The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For DEEPAK SADHU, Company Secretaries**

**DEEPAK SADHU**

**Authorised Signatory**

ACS: 39541; CP No: 14992

Bangalore, Date : 8th May 2024

UDIN : A039541F000331096, Peer Review Number : 2387/2022



## REPORT ON CSR ACTIVITIES

### A BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

At Kurlon, CSR is no mere acronym, is an integral part of the Company's culture imbibed by one and all involved in the working of the Company. Our vision is to actively contribute to the social and economic development of the communities in which we operate. By doing so will build a better and sustainable way of life for the weaker sections of the society and help raise the country's human Development Index. The company in today's context is working in the areas of preventive healthcare, education, environment and other focus areas under sustainable development goals.

### JOURNEY TOWARDS SOCIAL CHANGE AND IMPACTFUL BUSINESS

On April 1, 2014, India became the first country to legally mandate corporate social responsibility. The new rules in Section 135 of India's Companies Act make it mandatory for companies of a certain turnover and profitability to spend two percent of their average net profit for the past three years on CSR. Kurlon Enterprise Limited setup an CSR Committee and defined the organization CSR policy approved by Board of Director to focus on CSR Activity

locally in the area where a company is present , for that Kurlon have set up an dedicated CSR Department in the organization looking for overall CSR Strategy and implementation as per new.

#### VISION : Connecting people changing lives

MISSION: We empower local communities to alleviate poverty by creating opportunities and a sustainable environment thereby bringing joy and comfort.

#### OUR VALUE PROPOSITION

1. We care
2. We connect
3. We share
4. We respect

#### OUR FOCUS AND COMMUNITY LED DEVELOPMENT

Building inclusive models that sustain across geographies and sectors, rural and urban.

1. Health & WASH
2. Livelihood
3. Education
4. Environment
5. Employee Volunteering

### 1. 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	Mrs. Jaya S Pai*	Chairperson, Non-independent Non-Executive Director	1	1
2	Sri. Sivaramakrishnan Nagarajan*	Member, Independent, Non-Executive Director	1	1
3	Sri H. N. Shrinivas*	Member, Independent, Non-Executive Director	1	1
4	Mr. Jamsheed M Panday*	Member, Non-Executive Director	1	1
5	Ms. Meena Jagtiani**	Chairperson, Independent Non-Executive Director	-	-
6	Mr. Ravindra Dhariwal**	Member, Independent, Non-Executive Director	-	-
7.	Ms. Jyothi Ashish Pradhan**	Member, Non-Executive Director	-	-

\* upto October 20, 2023

\*\* w.e.f. February 3, 2024

### 2. 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

Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company at [www.kurlon.com](http://www.kurlon.com)

### 3. 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: Not Applicable

4. 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 are as follows

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set- off for the financial year, if any (in Rs.)
-	-	-	-

### 5. Average Net Profit of the Company as per section 135(5)

Year	Amount (in Lakhs)
2020-2021	8,890.93
2021-2022	1,602.83
2022-2023	1755.73
<b>Total</b>	<b>12249.49</b>
<b>Average</b>	<b>4,083.16</b>

### 6. Prescribed CSR Expenditure for FY 2023-24

Particulars	Amount (in Lakhs)
a). Two percent of average net profit of the company as per section 135(5)	81.66
b). Surplus arising out of the CSR projects or programs or activities of the previous financial years.	-
c). Amount required to be set off for the financial year, if any	-
<b>Total CSR obligation for the financial year (7a+7b-7c).</b>	<b>81.66</b>

### 7.a). CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)					
	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	
1,06,30,543/-	-	-	-	-	-	-

### b). Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(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 Rs.).	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency
-	-	-	-	-	-	-	-	-	-	-	-

(1)	(2)	(3)	(4)	(5)		(8)	(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		Amount spent for the project (in Rs.).	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.			Name	CSR registration Number
1	Health Care/ Education/ Skill Development / Art and Culture	Health Support, Promoting Education And skill development	No	Karnataka Uttar - Pradesh	Udupi, Noida	1,06,30,543	Partial Direct or Partially through Sheela Foundation	Sheela Foundation	NA
						<b>1,06,30,543</b>			

d) Amount spent in Administrative Overheads: NA

e) Amount spent on Impact Assessment, if applicable: NA

f) Total amount spent for the Financial Year (7b+7c+7d+7e) : Rs. 106.30 Lakhs

g) Excess amount for set off, if any: 80.60 Lakhs

#### 6. Prescribed CSR Expenditure for FY 2023-24

Particulars	Amount (in Lakhs)
(i). Two percent of average net profit of the company as per section 135(5)	81.66
(ii). Total amount spent for the Financial Year	81.66
(iii). Excess/shortfall of CSR spent for the financial year [(ii)-(i)]	-
(iv). Surplus arising out of the CSR projects or programmes or activities of the previous financial years	-
(v). Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

#### 8.

##### 9.a). Details of Unspent CSR amount for the preceding three financial years: None

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	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 Rs.)
				Name of the Fund	Amount (in Rs.).	Date of Transfe	
-	-	-	-	-	-	-	-

##### b). Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): None

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 Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed / Ongoing
-	-	-	-	-	-	-	-	-

#### 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). NOT APPLICABLE

(i). Date of creation or acquisition of the capital asset(s).	-
(ii). Amount of CSR spent for creation or acquisition of capital asset.	-
(iii). Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	-
(iv). Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	-

#### 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).: Not Applicable

Sd/-  
**Tushaar Gautam**  
Managing Director

Sd/-  
**Meena Jagtiani**  
Chairman of CSR Committee



**In formation as per clause (m) of subsection 134 of the companies act, 2013 read with rule 8 of the Companies (Accounts) rules, 2014 and forming part of the director's report for the year ended March 31, 2024.**

**A. Conservation of Energy**

The Company accords great importance to conservation of energy. The Company is committed to optimizing use of energy in operations and also brings about continuous improvements in the efficiency of processes and products through use of energy efficient and renewable energy technology.

(i)	The steps taken or impact on conservation of energy	<p><b>BBSR Unit :</b></p> <ul style="list-style-type: none"> <li>Installed a 40 kVA UPS system to power the vertical foam machine, eliminating the need for a diesel generator.</li> <li>Implemented conveyor automation to prevent idle runs and optimize efficiency.</li> <li>Automated sewage treatment plant (STP) processes for improved efficiency.</li> <li>Upgraded to a new Leister technology lamination machine.</li> <li>Re-aligned the boiler burner to enhance boiler efficiency.</li> </ul> <p><b>Sofa unit ( Dabaspet ) :</b></p> <ul style="list-style-type: none"> <li>Solar panels are cleaned using eco-friendly solutions to prevent carbon buildup.</li> <li>Manual cleaning methods are replaced by STIHL RE 105.0 X high pressure washer for efficient cleaning.</li> <li>Energy-saving timers, model EAPL-B1DCAX installed on dust collector motors result in significant monthly energy and cost savings.</li> </ul> <p><b>Jhagadia Unit :</b></p> <ul style="list-style-type: none"> <li>Replaced old LT panel and APFC panel due to feeder failures, using fully protected LT panel with three ACBs for individual sources.</li> <li>Installed 100 Kvar APFC panel to improve power factor.</li> <li>Upgraded manual filler mixer process to automated system to increase filler percentage, maintain above 49%, and reduce processing time.</li> <li>Replaced 180-watt mercury light fittings with 80-watt LED lights in filler mixer room, saving 20 units monthly.</li> </ul> <p><b>Foam unit (Dabaspet) :</b></p> <ul style="list-style-type: none"> <li>Doubling the solar panel cleaning frequency from once to twice a month is projected to increase solar yield from less than 62% to over 63%.</li> <li>Using an eco-friendly chemical for cleaning not only prevents carbon buildup but also enhances power generation efficiency by 62-63%, reducing water consumption and energy costs, leading to monthly savings of INR of 10,000.</li> </ul> <p><b>Gwalior unit :</b></p> <ul style="list-style-type: none"> <li>A new toilet with automated sensors conserves water by detecting hand movements to activate and stop the water flow.</li> <li>A specialized trolley has been created to transport materials like EPE rolls from storage to the lamination machine in the EPE section.</li> <li>A modern panel pasting machine in the fabrication section enhances productivity while reducing air consumption.</li> <li>A water flow meter (AKVN) was installed to monitor water usage on a daily and monthly basis.</li> </ul>
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		<ul style="list-style-type: none"> <li>JUMBO display temperature indicators were installed at the lamination machine to efficiently regulate temperature with larger displays.</li> <li>Maintained thermic fluid heater efficiency at 87% to achieve optimal fuel consumption.</li> </ul> <p><b>D3 unit (Assembling unit) :</b></p> <ul style="list-style-type: none"> <li>Replacing a 2 HP motor with a 1 HP motor for the tape edge machine's table unit to reduce the power consumption: 3 no.</li> <li>Replaced 20 W tube lights with 18 W LED tube: 15 no.</li> <li>Replacing 72 W outside lights with 40 W solar lights: 4 no.</li> <li>Installing 100 W industrial fans instead of 200 W fans in all sections. : 4 no.</li> <li>Installed a 15 HP VFD to the compressor motor to reduce the power consumption.</li> <li>Installed timers to control the outside lighting ON-OFF time.</li> </ul> <p><b>Yeshwanthapur unit :</b></p> <ul style="list-style-type: none"> <li>Replaced damaged GI Chiller water coolant lines with CPVC SDR 11 at the foam section.</li> <li>Achieved Vulcanizer Automation through HMI and PLC installation, enabling process automation and parameter tracking.</li> <li>Installed a water flow meter for monitoring water usage in clay and ZDC chemical formulation.</li> <li>Implemented a 10KVA UPS system to provide uninterrupted power for the rollator machine.</li> <li>Installed an Aluminum oval gear flow meter in the Polyol line to accurately monitor Polyol consumption.</li> <li>Maintained boiler efficiency at 92% for optimal fuel consumption.</li> </ul> <p><b>Combined all unit.</b></p> <ul style="list-style-type: none"> <li>Daily monitoring maintains a 0.99 power factor at the substation, reflecting in the monthly electricity bill.</li> <li>ISO 50001-2018 recertification signifies adherence to energy management standards and commitment to efficient energy use.</li> <li>Trained subordinates and peers on the electrical safety and energy conservation.</li> </ul>
(ii)	The steps were taken by the company for utilizing alternate sources of energy	<p><b>BBSR unit :</b></p> <ul style="list-style-type: none"> <li>1MWP solar plant is monitoring daily basis and analyses the generation, utilization and export.</li> </ul> <p><b>GWL unit :</b></p> <ul style="list-style-type: none"> <li>1MWP solar plant is monitoring daily basis and analyses the generation, utilization and export.</li> </ul> <p><b>Spring Unit (Peenya-1) :</b></p> <ul style="list-style-type: none"> <li>100 KW roof solar plant is monitoring daily basis and analyses the generation, utilization and export.</li> </ul> <p><b>Sofa Unit (Dabaspet) :</b></p> <ul style="list-style-type: none"> <li>150 KW roof solar plant is monitoring daily basis and analyses the generation, utilization and export.</li> </ul> <p><b>Foam Unit (Dabaspet) :</b></p> <ul style="list-style-type: none"> <li>300 KW roof solar plant is monitoring daily basis and analyses the generation, utilization and export.</li> </ul>

(iii)	The capital investment on energy conservation equipment's	<p><b>BBSR Unit :</b></p> <ul style="list-style-type: none"> <li>Installed a UPS for the vertical foam machine at a cost of 1 L INR.</li> <li>Acquired a new Leister technology lamination machine costing 15 L INR.</li> <li>Re-aligned the boiler burner to enhance boiler efficiency, costing 2.5 L INR.</li> </ul> <p><b>Sofa unit (Dabaspet) :</b></p> <ul style="list-style-type: none"> <li>Economically friendly chemical for solar panel cleaning.: Rs.15K INR</li> <li>High Pressure Washer : Rs. 20K INR</li> <li>Dust collector Bag Filter replace : Rs.10 L INR</li> <li>EAPL Timer : 16K INR</li> </ul> <p><b>JDG Unit :</b></p> <ul style="list-style-type: none"> <li>New LT panel and APFC panel fully automated : 29 L INR</li> <li>Mixer process automated system time. : 55K INR</li> <li>LED Flame proof lights. : 26K INR</li> </ul> <p><b>GWL unit :</b></p> <ul style="list-style-type: none"> <li>Panel pasting machine : 1.5 L INR</li> <li>APFC controller : 0.20 L INR</li> <li>Temperature JUMBO display : 0.35 L INR</li> <li>Flow meter for water line AKVN : 25K INR</li> </ul> <p><b>D3 unit :</b></p> <ul style="list-style-type: none"> <li>1 HP motor for tape machine 1.1K INR</li> <li>LED Light fitting cost : 15K INR</li> <li>40 W solar light cost : 60K INR</li> <li>15 HP VFD : 30K INR</li> </ul> <p><b>Yeshwantpura Unit :</b></p> <ul style="list-style-type: none"> <li>Vulcanizer automation : 3L INR</li> <li>UPS for Rollator Machine : 4 L INR</li> <li>Flow meter for polyol tank : 1 L INR</li> <li>Flow meter for water line in compounding section : 20K INR</li> </ul>
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## B. Technology absorption

(i)	The efforts made towards technology absorption	<p><b>BBSR Unit :</b></p> <ul style="list-style-type: none"> <li>Installed an online UPS for the fire siren to ensure it functions during power failures by connecting it to secondary power.</li> <li>Implemented a new dust extraction system at the STR8 plant to effectively reduce dust.</li> <li>Installed an overhead conveyor system.</li> <li>Upgraded the CPU of the Gribetz quilting machine from an older version to the latest version.</li> </ul> <p><b>Sofa Unit (Dabaspet) :</b></p> <ul style="list-style-type: none"> <li>Installed combined dust collector unit which now serves both drilling and cutting machines, reducing redundancy.</li> </ul>
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		<ul style="list-style-type: none"> <li>Installed CNC router machine exclusively cuts sofa panel wood, eliminating need for additional equipment.</li> <li>Industrial plugs replace domestic switches for enhanced functionality.</li> <li>New VCB with safety features installed for HT line protection.</li> <li>Dust-proof aluminum cabin installed for membrane pressing machine.</li> <li>Fabricated spray booth with exhaust system for membrane panel spray operations.</li> </ul> <p><b>Jhagadia Unit :</b></p> <ul style="list-style-type: none"> <li>Implemented timer-based system for automatic sirens instead of manual activation by security guards.</li> <li>Transitioned from importing stone materials for F&amp;K machine to sourcing locally.</li> <li>Installed anti-vibration pads for pedestal dust exhausters to minimize movement and mitigate electrical accidents caused by vibration.</li> </ul> <p><b>Foam Unit (Dabaspet) :</b></p> <ul style="list-style-type: none"> <li>Upgraded lighting in the Block cutter area to energy-efficient LED lights, saving up to 40 units per month.</li> <li>Enhanced security with a remote-controlled sliding gate system for easier operation by security guards.</li> <li>Improved safety in the embossing stove area by renovating with heat-resistant materials to reduce electrical accident risks.</li> <li>Increased water pressure in the staff washroom by installing a 0.5hp water booster pump, aiding in better hygiene maintenance.</li> <li>Installed a new air drier system to reduce moisture in compressed air output line.</li> <li>Changed normal blade to Simon's blade for the block cutter to decrease breakdowns.</li> </ul> <p><b>D3 unit (Assembling unit) :</b></p> <ul style="list-style-type: none"> <li>To provide uninterrupted power, a 2 KVA UPS has been installed for the camera and DVR system.</li> <li>To provide uninterrupted power, a 20 KVA UPS has been installed for the bonnel assembler unit.</li> <li>To provide balanced power, a 20 KVA voltage stabilizer has been installed to maintain 380 V for the automatic tape edge machine.</li> <li>New 24 V battery charger units have been installed for the 125 KVA gensets, eliminating the need for daily gen-set starts to charge the battery.</li> <li>A pocket assembler spun-bonded cutting system has been developed.</li> </ul> <p><b>Yeshwanthapur Unit :</b></p> <ul style="list-style-type: none"> <li>Installed a new fire hydrant line at NF shed with a 1000KL tank and motor, using CPVC Line and hydrant real hose.</li> <li>Installed a side trimming blade unit at quilting machine 3 to address productivity issues and ensure safety.</li> <li>Replaced LED lights in the SFG storage area with flame-proof fittings for enhanced safety.</li> <li>Installed two 1hp spot coolers on Vulcanizer-1's right side to alleviate cooling difficulties.</li> </ul>
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		<ul style="list-style-type: none"> <li>Resolved Softy Foam jamming issues in the border machine by replacing the knurling roller with a rubberized roller.</li> <li>Installed spot coolers with safety measures for mat press-1 and mat press-4 to address cooling difficulties and fire risks.</li> <li>Replaced normal sockets with industrial ones across all areas to address safety concerns.</li> <li>Modified the fan in Vulcanizer-1 to improve pad cooling after vulcanization.</li> <li>Replaced side wood supports of the FC conveyor system to prevent belt jamming.</li> <li>Adjusted pad trolley to store pressed pads vertically to reduce fire risk.</li> <li>Replaced HMI for automatic testing post-Rollator operation and introduced additional safety logic circuit for sealing machine.</li> <li>Fabricated a new CPVC system with air regulators and valves for improved functionality.</li> <li>Installed digital tachometer running hour meter to monitor feed rollers' usage accurately.</li> </ul> <p><b>Gwalior unit :</b></p> <ul style="list-style-type: none"> <li>Improved safety at the lamination machine with a new metallic hose pipe.</li> <li>Long-term solution for leakage by replacing TDI pump with magnetic coupling.</li> <li>Installed pneumatic system to reduce static charge and electrical consumption.</li> <li>Reduced sparks in cutting blades with TPI blade replacement.</li> <li>Enhanced un-bailing machine with new vibrator screen conveyor.</li> <li>Modified mattress testing machine for accurate results and updated load cell.</li> <li>Installed moisture drain valve in air receiver tank for operational improvement.</li> <li>Strengthened electrical safety with additional LOTO locks and dedicated station, coupled with training for staff.</li> </ul>
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<p><b>BBSR Unit :</b></p> <ul style="list-style-type: none"> <li>Reduced trim percentage from 13% to 9% with the STR8 cutting machine.</li> <li>Lowered carbon footprint and energy consumption with the solar plant.</li> <li>Achieved power savings during production and uninterrupted power supply through automation of the overhead conveyor.</li> </ul> <p><b>Foam (Dabaspets) Unit :</b></p> <ul style="list-style-type: none"> <li>Eco-friendly chemicals improve solar panel efficiency from 55% to 75%.</li> <li>Procured cheaper blades from M/s Crystal Blades, saving 40%.</li> <li>Redesigned stirrer components for durability and noise reduction.</li> <li>Recoated foaming machine rollers with sand for longevity and quality.</li> <li>Upgraded rainwater pumping system with a submersible pump for improved capacity.</li> <li>Enhanced circular cutting machine performance by recoating emery paper with sand.</li> </ul>

		<p><b>Sofa Unit (Dabaspets) :</b></p> <ul style="list-style-type: none"> <li>Eco-friendly chemical for solar panel cleaning boosts power generation efficiency from 55% to 75% by reducing carbon buildup.</li> <li>VCB installation enhances electrical system safety by detecting and addressing faults.</li> <li>Dust-proof aluminum cabin with false ceiling improves product quality and process efficiency in membrane pressing.</li> <li>STIHL RE 105.0 X HIGH PRESSURE WASHER reduces water consumption and cleaning time for solar panels compared to mopping.</li> <li>Electromagnetic switch installation ensures worker safety during store scissor lift gate operation.</li> <li>Shared dust collector system for cutoff and pillar drilling machines reduces energy consumption by eliminating a motor.</li> </ul> <p><b>Yeshwanthapura Unit :</b></p> <ul style="list-style-type: none"> <li>Installed fire prevention measures with a fire hydrant line installation.</li> <li>Reduced the risk of pad fires by installing mancoolers at matpress-1 and vulcanizer.</li> <li>Enhanced fire safety in the ME section with flame-proof LED light installations.</li> <li>Upgraded electrical sockets to industrial standards across the facility.</li> <li>Improved cooling efficiency at the vulcanizer with modified fan mounting.</li> <li>Enhanced durability of FC conveyor with hylum side support installation.</li> <li>Enabled automatic result inspection and data logging with a new HMI for the rollator machine.</li> <li>Monitored machine running hours with the installation of a tacho hour meter.</li> </ul> <p><b>D3 unit :</b></p> <ul style="list-style-type: none"> <li>New spun-bonded cutting fabric for the pocket assembler, resulting in simplified operations and time savings.</li> <li>The installation of the tape edge machine motor, solar lights, industrial fan, and LED lighting, resulting in a 22% energy saving for these areas.</li> <li>VFDs are being installed for the compressor to reduce the power consumption and for motor protection.</li> </ul> <p><b>Gwalior Unit :</b></p> <ul style="list-style-type: none"> <li>Enhanced safety by installing flame-proof LED lights in all sections to prevent fire accidents.</li> <li>Upgraded sockets from domestic to industrial standards for improved safety and compliance.</li> <li>Issued a new Loto kit to ensure accurate electrical system isolation during maintenance procedures.</li> </ul> <p><b>UTL Unit :</b></p> <ul style="list-style-type: none"> <li>Implemented an air drier system to minimize moisture in air lines, resulting in decreased breakdowns and reduced spare costs for pneumatic staple guns from 0.5% to 0.1%.</li> <li>Adopted Simon's blade for the block cutter to decrease breakdowns, blade cuts, and costs.</li> </ul>
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(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	<p><b>BBSR Unit :</b></p> <ul style="list-style-type: none"> <li>Gribetz quilting machine CPU imported from Gribetz, USA.</li> <li>HC 2500 quilting machine Motherboard with software imported from HC , China</li> </ul> <p><b>Jhagadia Unit :</b></p> <ul style="list-style-type: none"> <li>Blade Guide by F&amp;K Company , Germany</li> <li>HMI imported by ladder burg company, Norway</li> </ul> <p><b>Gwalior Unit :</b></p> <ul style="list-style-type: none"> <li>Pocket coiler machine HMI from Foshan Yunatian Mattress Machinery Co., Ltd, China.</li> <li>Procured the spares for the tape edge from James Cash Pvt Ltd.</li> <li>Procured the Spares for the Paragon M+ Gribretz Quilting machine.</li> <li>SA330 quilting machine CPU from Foshan Yunatian Mattress Machinery Co., Ltd, China.</li> </ul> <p><b>Yeshwanthapur Unit :</b></p> <ul style="list-style-type: none"> <li>VFD for auto packing machine.</li> <li>CAM bearing part unit for SA330 quilting machine.</li> <li>Spares for the tape edge.</li> <li>Spares for Quilting machine-2</li> <li>SA330 quilting machine CPU from Foshan Yunatian Mattress Machinery Co., Ltd, China.</li> <li>SA330 ASSEMBLING CAM BEARING PART from Foshan Yunatian Mattress Machinery Co., Ltd, China.</li> </ul>
	(a) The details of technology imported	<p><b>BBSR Unit :</b></p> <ul style="list-style-type: none"> <li>HMI installed for quilting machine.</li> <li>CPU for Yunatian quilting machine.</li> </ul> <p><b>Jhagadia Unit :</b></p> <ul style="list-style-type: none"> <li>Electro pneumatic Brake for foam lifting table</li> <li>Blade Guide for the looper machine</li> <li>HMI for foaming machine</li> </ul> <p><b>Gwalior Unit :</b></p> <ul style="list-style-type: none"> <li>HMI for pocket machine @ Foshan</li> <li>Spares for the tape edge.</li> <li>Spares for Quilting machine-2</li> <li>SA330 quilting machine CPU from Foshan Yunatian Mattress Machinery Co., Ltd, China</li> </ul> <p><b>Yeshwanthapur Unit :</b></p> <ul style="list-style-type: none"> <li>VFD for auto packing machine.</li> <li>CAM bearing part unit for SA330 quilting machine.</li> <li>Spares for the tape edge.</li> <li>Spares for Quilting machine-2</li> <li>SA330 quilting machine CPU from Foshan Yunatian Mattress Machinery Co., Ltd, China.</li> </ul>
	(b) The year of import	<p><b>BBSR Unit :</b> Year 2021, Year 2022</p> <p><b>Jhagadia Unit :</b> Year 2021, Year 2022</p> <p><b>Gwalior Unit :</b> Year 2023, Year 2023, Year 2023, Year 2022</p> <p><b>Yeshwanthapur Unit :</b> Year 2023, Year 2023, Year 2023, Year 2022, Year 2023, Year 2021</p>

	(c) Whether the technology been fully absorbed	<p><b>BBSR Unit :</b></p> <ul style="list-style-type: none"> <li>Yes, HMI installed for quilting machine.</li> <li>Yes, the CPU is installed on Yunatian quilting machine.</li> </ul> <p><b>Jhagadia Unit :</b></p> <ul style="list-style-type: none"> <li>Yes, Elect pneumatic Brake for foam lifting table</li> <li>Yes, Blade Guide for the looper machine</li> <li>Yes, HMI for foaming machine</li> </ul> <p><b>Gwalior Unit :</b></p> <ul style="list-style-type: none"> <li>Yes, the spares have been installed</li> <li>Yes, the spares have been installed</li> <li>Yes, the spares have been installed.</li> <li>Yes, CPU is installed on Yunatian quilting machine.</li> </ul> <p><b>Yeshwanthapur Unit :</b></p> <ul style="list-style-type: none"> <li>Yes, the spares have been installed</li> <li>Yes, the spares have been installed</li> <li>Yes, the spares have been installed.</li> <li>NO, but planned to install the Spares.</li> <li>Yes, the CPU is installed on Yunatian quilting machine.</li> </ul>
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	<p><b>Yeshwanthapura Unit :</b></p> <ul style="list-style-type: none"> <li>Spares for quilting machine-2 is not yet installed, but planned to install the Spares.</li> </ul>
(iv)	The expenditure incurred on Research and Development	<p><b>BBSR Unit :</b></p> <ul style="list-style-type: none"> <li>On a length counter for the quilting roll cutting machine invested INR 15,000</li> <li>On realigning the boiler burner to enhance boiler efficiency invested INR 250,000.</li> </ul> <p><b>Sofa Unit (Dabaspel) :</b></p> <ul style="list-style-type: none"> <li>Economically friendly chemical for solar panel cleaning: INR 15,000</li> <li>High Pressure Washer: INR 20,000</li> </ul> <p><b>Jhagadia Unit :</b></p> <ul style="list-style-type: none"> <li>Mixer process automated system time. : 55K INR</li> </ul> <p><b>D3 Unit :</b></p> <ul style="list-style-type: none"> <li>Online conveyer and spray system: 45000 INR</li> </ul> <p><b>Yeshwanthapura Unit :</b></p> <ul style="list-style-type: none"> <li>On automation vulcanizer process : 300000 INR</li> <li>On Rollator machine data logging and final testing HMI : 10000 INR</li> </ul>

**C. Foreign Exchange Earnings and Outgo**

(Amount in Rs. Lacs)

	2023-2024	2022-2023
Total foreign exchange inflow	78.62	69.47
Total foreign exchange outflow	2004.21	2564.77

For and on Behalf of the Board For Kurlon Enterprise Limited

Date : 15-05-2024  
Place : Bangalore.

Sd/-  
Tushaar Gautam, Managing Director  
DIN : 01646487

Sd/-  
Rahul Gautam, Director  
DIN : 00192999



## 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, 2024 and 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 material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

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, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and loss, other comprehensive income, changes in equity and its cash flows 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) 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.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Board Report but does not include the standalone 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 Standalone 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 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

## Report on the Audit of the STANDALONE Financial Statements

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 Management and 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 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 financial statements of the Company for the year ended March 31, 2023, were audited by another auditor whose report dated August 29, 2023 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of the above 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 excepts for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).

(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, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

(g) 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".

Report on the Audit of the STANDALONE Financial Statements

(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 50 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, 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.

b. The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), 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.

c. 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 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 Companies Act 2013 to the extent it applies to payment of dividend.

vi. Based on our examination, the Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording the audit trail (edit log) facility, however, the audit trail feature was not enabled throughout the year for all the relevant transactions at the application level, whereas it was fully enabled at the database level within the accounting software to log any direct data changes.

The audit trail facility, to the extent it was enabled, as reported above, has been operated throughout the year for relevant transactions in the accounting software. Further, during the course of our examination, we did not come across any instance of the audit trail being tampered with, in respect of the accounting software for the period and the relevant transactions for which the audit trail feature was enabled and operating.

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 read with Schedule V of the Act and the rules thereunder.

**For M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No. 105047W

**Harsh Jain**

Partner

Place : Bengaluru  
Date : May 15, 2024

Membership No: 305641  
UDIN: 24305641BKFTXR7243

Report on the Audit of the STANDALONE Financial Statements

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KURLON ENTERPRISE 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 and Board of Directors.

- Conclude on the appropriateness of management and Board of Director'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.

**For M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No. 105047W

**Harsh Jain**

Partner

Place : Bengaluru  
Date : May 15, 2024

Membership No: 305641  
UDIN: 24305641BKFTXR7243



Report on the Audit of the STANDALONE Financial Statements

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KURLON ENTERPRISE LIMITED FOR THE YEAR ENDED MARCH 31, 2024**

[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, Investment Property and relevant details of Right-Of-Use Assets.

i. **(a) B** The Company has maintained proper records showing full particulars of intangible assets.

i. **(b)** Property, Plant and Equipment and Right Of Use Assets were physically verified by the management according to a phased programme designed to cover all items 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. Pursuant to the programme, a portion of property, plant and equipment and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

i. **(c)** According to the information and explanations given to us, 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 standalone financial statements, are held in the name of the Company, except for the immovable property acquired as part of the terms of share purchase agreement by and amongst Kurlon Enterprise Limited, Sheela Foam Limited, Kanara Consumer Products Limited and Kurlon Trade and Invest Management Private Limited in the current year. As explained to us, registration of title deed(s) is in progress in respect of immovable property acquired during the year.

Sl. No.	Description of Property	Gross carrying value <sup>5</sup>	Held in the name of	Whether promoter, director or their relative or employee	Period held - Indicate range, where appropriate	Reason for not being held in name of Company
01	Leasehold Land - Bhubaneswar	1,143 Lakhs	Kanara Consumer Products Limited	No.	N.A	The lease is in the name of the erstwhile holding company, Kanara Consumer Products Limited. Post-change in ownership during the year (on October 20, 2023), the company is in the process of transferring the lease to its name.

i. **(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 and Intangible Assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

i. **(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 under clause 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

Report on the Audit of the STANDALONE Financial Statements

procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

ii. **(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. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns are filed with such Banks are not in agreement with the books of accounts of the Company. Details of the same are as below.

Quarter Ended	Amount as per books of accounts (Rs. In Lakhs)	Amount as per quarterly return (Rs. In Lakhs)	Discrepancy (give details)
June 2023	15,778.13	16,199.20	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
September 2023	15,155.60	15,190.13	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
December 2023	16,884.39	17,800.58	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
March 2024	17,420.84	18,568.57	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances. Additionally, provisional entries passed in books at year end not considered in return submitted to bank.

iii. **(a)** According to the information explanation provided to us, the Company has provided loans, advances in the nature of loans, stood guarantee, and/or provided security(ies) to other entities.

**(A)** The details of such loans, advances, guarantee or security(ies) to subsidiaries, Joint Ventures and Associates are as follows:

	Guarantees	Security	Loans	Advances in the nature of loans
Aggregate amount provided during the year	-	-	465.60	-
Subsidiaries	-	-	465.60	-
Balance Outstanding as at balance sheet date in respect of above cases -Subsidiaries	-	-	3,066.53	-

During the year the Company has not stood guarantee and provided security to any other entity.

Report on the Audit of the STANDALONE Financial Statements

**iii. (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 investments made and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made, guarantees provided and securities given are not prejudicial to the interest of the Company.

**iii. (c)** The loans and advances in the nature of loan are repayable on demand. During the year, the Company has not demanded such loans or interest. Accordingly, in our opinion the repayments of principal amounts and receipts of interest are regular (Refer reporting under clause 3(iii)(f) below).

**iii. (d)** According to the information and explanations given to us and on the basis of our

examination of the records of the Company, there is no overdue amount remaining outstanding as at the balance sheet date as the loans and advances in the nature of loans are repayable on demand and the Company has not demanded such loans and advances in nature of loan (including receivable in nature of loan)

**iii. (e)** According to the information and explanation provided to us, the loans or advances in the nature of loan granted has not been demanded by the Company during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.

**iii. (f)** According to the information and 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:

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans / advances in nature of loans.	3,066.53	-	3,066.53
- Repayable on demand			
Total	3,066.53	-	3,066.53
Percentage of loans/ advances in nature of loans to the total loans	100%	-	3,066.53

**iv.** According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, in respect of loans, investments, guarantees and security made.

**v.** According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of 'the Act' and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no

amounts outstanding as on March 31, 2024, which are in the nature of deposits.

**vi.** Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the same, and 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.

Report on the Audit of the STANDALONE Financial Statements

**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, 2024, outstanding 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, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded Rs.	Amount Paid Rs.	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act 1961	Income Tax	1072.45	-	2017-18	Commissioner of Income Tax (Appeals)
		229.55	60.03	2014-15	
Value Added Tax, Sales Tax and Entry Tax	Value Added Tax, Sales Tax and Entry Tax	78.35	15.98	2015-16	The Joint Commissioner - Commerical Taxes
		34.72	8.70	2016-17	
		724.12	142.93	2017-18	
		79.84	7.92	2017-18	
				2018-19	
Goods and Services Tax Act 2018	Goods and Services Tax	149.35	8.56	2017-18	Office of Deputy Commissioners of State Tax Jurisdiction
				2018-19	
				2019-20	
		624.79	0.26	2018-19	
		6.94	6.94	2020-21	
		26.92	26.92	2022-23	

**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 Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.

**ix. (a)** In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or

borrowings or in payment of interest thereon to any lender.

**ix. (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 wilful defaulter by any bank or financial institution or government or any government authority.

**ix. (c)** In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly,



Report on the Audit of the STANDALONE Financial Statements

the provision stated under clause 3(ix)© of the Order is not applicable to the Company.

**ix. (d)** According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by 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.

**ix. (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. Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.

**x. (a)** In our opinion and according to the information and 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. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.

**x. (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 under clause 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 or on the Company has been

noticed or reported during the year in the course of our audit.

**xi. (b)** 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.

**xi. (c)** As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

**xii.** The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 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 Companies Act, 2013, 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.

**xiv. (b)** We have considered the internal audit reports of the Company issued till the date of our audit report, 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 any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the

Report on the Audit of the STANDALONE Financial Statements

Companies Act, 2013 in clause 3(xv) of the Order is not applicable to the Company.

**xvi. (a)** The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.

**xvi. (b)** The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

**xvi. (c)** The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.

**xvi. (d)** According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group). Accordingly, the provisions stated under clause 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. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.

**xviii.** There has been resignation of the statutory auditor during the year, there were no issues, objections or concerns raised by the outgoing auditor.

**xix.** According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 55 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.** 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 specified in schedule VII of the Act or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII to 'the Act'. Accordingly, reporting under clause 3(xx)(a) and 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

**Harsh Jain**  
Partner

Place : Bengaluru  
Date : May 15, 2024

Membership No: 305641  
UDIN: 24305641BKFTXR7243

Report on the Audit of the STANDALONE Financial Statements

**ANNEXURE C TO THE INDEPENDENT AUDITOR'S  
REPORT OF EVEN DATE ON THE STANDALONE  
FINANCIAL STATEMENTS OF KURLON  
ENTERPRISE LIMITED**

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Kurlon Enterprise Limited on the Financial Statements for the year ended March 31, 2024]

**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, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Opinion**

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, 2024, 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 and Board of Director's  
Responsibility for Internal Financial Controls**

The Company's Management and the Board of Directors are 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

Report on the Audit of the STANDALONE Financial Statements

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

**Harsh Jain**  
Partner

Place : Bengaluru  
Date : May 15, 2024

Membership No: 305641  
UDIN: 24305641BKFTXR7243

### Standalone Balance Sheet as at March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	March 31, 2024	March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	24,849.36	18,585.69
Right-of-use assets	5	2,946.85	2,362.69
Capital work-in-progress	4	55.15	98.26
Goodwill	6	-	2,103.16
Other intangible assets	6	120.69	129.77
Investment in subsidiaries	7	1,771.50	1,785.57
<b>Financial assets</b>			
(i) Loans	8	-	215.89
(ii) Other financial assets	9	747.79	2,590.03
Non current tax assets (net)	10	1,344.15	1,496.05
Other non-current assets	11	27.36	1,510.85
<b>Total non current assets</b>		<b>31,862.85</b>	<b>30,877.96</b>
<b>Current assets</b>			
Inventories	12	8,539.07	7,890.94
<b>Financial assets</b>			
(i) Investments	13	1,027.82	1,602.30
(ii) Trade receivables	14	7,745.88	5,868.23
(iii) Cash and cash equivalents	15	114.60	214.01
(iv) Bank balances other than cash and cash equivalents	16	222.25	149.31
(v) Loans	17	-	10.00
(vi) Other financial assets	18	67.69	15,568.74
<b>Other current assets</b>	19	2,221.96	10,180.13
<b>Total current assets</b>		<b>19,939.27</b>	<b>41,483.66</b>
<b>Total assets</b>		<b>51,802.12</b>	<b>72,361.62</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Equity share capital	20	1,827.62	1,827.62
Other equity	21	27,640.53	45,982.34
<b>Total equity</b>		<b>29,468.15</b>	<b>47,809.96</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	22	1,750.10	921.21
(ii) Other financial liabilities	23	5,423.59	5,781.90
Provisions	24	555.78	377.03
Deferred tax liabilities (net)	25	143.23	638.84
<b>Total non current liabilities</b>		<b>7,872.70</b>	<b>7,718.98</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	26	11.55	1,660.91
(ii) Lease liabilities	22	319.48	413.24
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	27	91.81	313.09
- Total outstanding dues of creditors other than micro enterprises and small enterprises	27	11,966.30	11,714.21
(iv) Other financial liabilities	28	568.99	902.24
Provisions	24	847.14	632.68
Current tax liabilities (net)	29	9.99	512.99
Other current liabilities	30	646.01	683.32
<b>Total current liabilities</b>		<b>14,461.27</b>	<b>16,832.68</b>
<b>Total liabilities</b>		<b>22,333.97</b>	<b>24,551.66</b>
<b>Total equity and liabilities</b>		<b>51,802.12</b>	<b>72,361.62</b>
Summary of material accounting policies	2		

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

**Tushaar Gautam**  
Managing Director  
DIN : 01646487  
Place : Noida, Date : May 15, 2024

**Abhilash Padmanabh Kamti**  
Chief Financial Officer  
Place : Noida, Date : May 15, 2024

**Rahul Gautam**  
Director  
DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place : Noida, Date : May 15, 2024

### Standalone Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	March 31, 2024	March 31, 2023
<b>Income</b>			
Revenue from operations	31	80,031.89	84,287.22
Other income	32	736.63	665.67
<b>Total Income</b>		<b>80,768.52</b>	<b>84,952.89</b>
<b>Expenses</b>			
Cost of materials consumed	33	39,336.19	37,930.92
Purchase of stock-in-trade		7,158.30	9,079.51
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	167.96	1,311.94
Other manufacturing expenses	35	5,428.84	4,951.64
Employee benefits expense	36	5,785.82	5,260.55
Finance costs	37	216.45	190.00
Depreciation and amortisation expense	38	1,594.78	2,532.52
Other expenses	39	23,936.52	22,915.10
<b>Total Expenses</b>		<b>83,624.86</b>	<b>84,172.18</b>
<b>Profit/(Loss) before tax</b>		<b>(2,856.34)</b>	<b>780.71</b>
Exceptional items	39.2	(2,204.24)	(2,555.67)
Profit /(Loss) before tax from continuing operations		(5,060.58)	(1,774.96)
<b>Income Tax expense</b>			
Current tax	53	-	647.68
Tax expenses related to earlier year	53	-	(45.49)
Deferred tax (net)	53	(495.62)	(1,059.70)
<b>Total Income tax expense</b>		<b>(495.62)</b>	<b>(457.51)</b>
<b>Profit/(Loss) for the year</b>		<b>(4,564.96)</b>	<b>(1,317.45)</b>
<b>Other comprehensive income (net of tax)</b>			
Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) of the net defined benefit plans		(313.61)	(42.05)
Income tax on above item		(9.99)	10.58
Total Other comprehensive income/ (loss) (net of tax)		(323.60)	(31.47)
Total comprehensive income for the year		(4,888.56)	(1,348.92)
Earnings per equity share (face value of Rs.5/- each):			
Basic and diluted (Rs.)	40	(12.49)	(3.60)
Summary of material accounting policies.	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

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DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place : Noida, Date : May 15, 2024



### Standalone Cash Flow Statement for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)		
Particulars	March 31, 2024	March 31, 2023
<b>A. Cash flows from Operating Activities</b>		
Profit before tax	(5,060.58)	780.71
<b>Adjustments for:</b>		
Depreciation and amortisation expense	1,594.78	2,532.52
Finance costs	216.45	190.00
Advance to suppliers written off	-	0.10
Liabilities/provisions no longer required written back	(525.12)	(16.82)
Provision for doubtful receivables		73.53
Provision for warranty	237.12	363.07
Advances/Balances written off	1,870.14	-
Bad debts written off	5.33	123.08
Fair value (gain) / loss on investments (net)	(15.39)	511.28
(Profit) / Loss on sale of investments (net)	(26.10)	(491.04)
(Profit) / Loss on sale of property, plant and equipment (net)	1,499.10	291.72
Gain on early termination of lease	(83.08)	(11.18)
Impairment of assets	2,103.16	-
Rental Income	(7.80)	-
Interest income	(39.38)	(105.10)
<b>Operating profit before working capital changes</b>	<b>1,768.63</b>	<b>4,241.87</b>
Changes in working capital:		
(Increase)/Decrease in Inventories	(648.13)	3,649.42
(Increase) / Decrease in loans and trade receivables	(1,872.98)	(605.58)
Decrease / (Increase) in other financial and non-financial assets	5,619.50	(20,819.50)
(Decrease) / Increase in trade payables	81.50	373.80
(Decrease)/ Increase in other financial liabilities, non-financial liabilities and provisions	(47.66)	(311.78)
<b>Cash generated from operations</b>	<b>4,900.86</b>	<b>(13,471.77)</b>
Income taxes paid (net of refunds)	(674.87)	(139.27)
Net cash flow from operating activities (A)	4,225.99	(13,611.04)
<b>B. Cash flow from investing activities</b>		
<b>Purchase of property, plant and equipment and change in capital work in progress</b>	<b>(4,296.96)</b>	<b>(1,513.03)</b>
Proceeds from Sale of property, plant and equipment	494.22	1,188.02
Capital Advances (paid)/ received	1,483.49	638.19
Investment in shares of Subsidiary Companies (net)	14.07	-
Investment in mutual funds (net)	615.97	9,088.37
Repayment of loans by Subsidiary Company	215.89	-
Bank deposits (Investment)/Redemption	(72.94)	4,098.19
Interest received	39.38	105.10
Rental income received (short term lease)	7.80	-
<b>Net cash (used in) investing activities (B)</b>	<b>(1,499.08)</b>	<b>13,604.84</b>
<b>C. Cash flow from financing activities</b>		
Net (repayment of)/proceeds from short-term borrowings	(1,649.36)	973.35
Payment of lease liabilities (principal and interest)	(442.25)	(527.43)
Finance costs	(76.67)	(190.00)
Dividend paid	(658.05)	(183.21)
<b>Net Cash (used in) Financing Activities (C)</b>	<b>(2,826.33)</b>	<b>72.71</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(99.41)</b>	<b>66.51</b>
Cash and cash equivalents at the beginning of the year	214.01	147.50
<b>Cash and cash equivalents at the end of the year</b>	<b>114.60</b>	<b>214.01</b>

#### 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:

<b>Cash and cash equivalents</b>		
Cash on hand	2.55	4.53
Balance with banks in current accounts	112.05	209.48
<b>Balance as per Statement of Cash Flows</b>	<b>114.60</b>	<b>214.01</b>

Summary of material accounting policies. 2

The accompanying notes are an integral part of the financial statements.

#### As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

#### For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

**Tushaar Gautam**  
Managing Director  
DIN : 01646487  
Place : Noida, Date : May 15, 2024

**Abhilash Padmanabh Kamti**  
Chief Financial Officer  
Place : Noida, Date : May 15, 2024

**Rahul Gautam**  
Director  
DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place : Noida, Date : May 15, 2024

### Statement of Changes in Equity for year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)		
Particulars	Notes	Amount
<b>Balance as at April 01, 2022</b>	<b>20</b>	<b>1,827.62</b>
Add: Issued during the year		-
<b>Balance as at March 31, 2023</b>	<b>20</b>	<b>1,827.62</b>
Add: Issued during the year		-
<b>Balance as at March 31, 2024</b>	<b>20</b>	<b>1,827.62</b>

#### B. Other Equity

	Reserves and surplus				
	Retained earnings	Securities premium	Capital reserve	General reserve	Total
<b>Balance as at April 01, 2022</b>	<b>31,367.87</b>	<b>14,860.49</b>	-	<b>1,286.11</b>	<b>47,514.47</b>
Profit for the year	(1,317.45)	-	-	-	(1,317.45)
Other Comprehensive income/ (loss) for the year (net of tax)	(31.47)	-	-	-	(31.47)
Dividend paid	(183.21)	-	-	-	(183.21)
<b>Total comprehensive income for the year</b>	<b>(1,532.13)</b>	-	-	-	<b>(1,532.13)</b>
<b>Balance as at March 31, 2023</b>	<b>29,835.74</b>	<b>14,860.49</b>	-	<b>1,286.11</b>	<b>45,982.34</b>
Profit for the year	(4,564.96)	-	-	-	(4,564.96)
Other comprehensive income/ (loss) for the year (net of tax)	(323.60)	-	-	-	(323.60)
Dividend paid	(658.05)	-	-	-	(658.05)
Less : Other payment (Refer Note 66)	(14,301.13)	-	-	-	(14,301.13)
Addition to Capital reserve (Refer Note 66)	-	-	1,505.93	-	1,505.93
<b>Total comprehensive income for the year</b>	<b>(19,847.74)</b>	-	<b>1,505.93</b>	-	<b>(18,341.81)</b>
<b>Balance as at March 31, 2024</b>	<b>9,988.00</b>	<b>14,860.49</b>	<b>1,505.93</b>	<b>1,286.11</b>	<b>27,640.53</b>

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

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

#### For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

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DIN : 01646487  
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DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place : Noida, Date : May 15, 2024

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

## 1. General 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 Sheela Foam Limited engaged (Ultimate Holding Company) 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 Board of Directors approved the financial statements for the period ended March 31, 2024 and authorised for issue on May 15, 2024.

## 2. Material accounting policies

Material accounting policies adopted by the company are as under:

### 2.1. Basis of Preparation of financial statement

#### (a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with 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 and other relevant provisions of the Act.

Accounting policies have been consistently applied to all the years presented unless otherwise stated.

#### (b) Basis of measurement

The financial statement have been prepared on a historical cost convention on accrual basis, except for the following items (refer to individual accounting policies for detail):

Financial instruments - Fair value through profit or loss.

Financial instruments - Fair value through OCI

Contingent consideration

Net defined benefit(asset) / liability - Fair value of plan assets less present value of defined benefit obligation.

#### (c) Presentation currency and rounding of

The financial statement are presented in INR and all values are rounded to nearest lakhs (INR 00,000), except when otherwise indicated.

#### (d) Going Concern

The company has prepared the financial statement on

the basis that it will continue to operate as a going concern.

## 2.2. Summary of material accounting policies

### (a) Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives as follows:

Property, Plant and Equipment	Useful Life
Buildings	29 years
Plant & Machinery	20 years
Moulds	10 years
Lab Equipments	10 years
Solar Equipments	15 years
Electrical Fittings	20 years
Furniture and Fixtures	15 years
Office Equipment	20 years
Computers	06 years
Vehicles	10 years

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. The Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

### (b) Leases

#### Identifying leases

The company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (i) There is an identified asset;
- (ii) The company obtains substantially all the economic benefits from use of the asset; and
- (iii) The company has the right to direct use of the asset.

The company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the company obtains substantially all the economic benefits from use of the asset, the company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the company has the right to direct use of the asset, the company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the company applies other applicable IndASs rather than Ind AS 116.

### (c) Intangible assets

#### Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development Cost that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets when required criteria is met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The significant intangibles recognised by the company, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible assets	Useful Life
Computer Software	6 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

### (d) Goodwill

Goodwill represents the excess of the cost of a business combination over the company's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the profit and loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the other comprehensive income and accumulated in equity as capital reserve on the acquisition date.

(e) Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest company of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the company's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

**(f) Inventories**

**Basis of Valuation**

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

**Method of Valuation:**

Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads and taxes as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis. Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all

other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

**(g) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(h) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(A) Financial assets**

**(i) Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a 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.

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

- a)** at amortized cost; or
- b)** at fair value through other comprehensive income; or
- c)** at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in consolidated 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 consolidated 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.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**(iii) Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model

for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on 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 subsequent years, 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 recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the consolidated statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

impairment allowance from the gross carrying amount.

**(iv) Derecognition of financial assets**

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights 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 financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

**(b) Financial liabilities**

**(i) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

**(ii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the consolidated statement of Profit and Loss.

**Borrowings**

**(Unsecured, considered good)**

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.

**(iii) 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 consolidated statement of Profit and Loss as finance costs.

**(c) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability 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.

**(i) Share capital**

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The company's ordinary shares are classified as equity instruments.

**(j) Dividends**

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

**(k) Provisions**

The company has recognised provisions for liabilities of uncertain timing or amount including those for onerous leases, warranty claims, dealer loyalty programmes, other expenses and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

**(i) Revenue from contract with customer**

Performance obligations and timing of revenue recognition

The majority of the company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Some goods sold by the company include warranties which require the company to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with Ind AS 115, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

The company considers, whether there are other promises in the contract in which there are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the company considers the effects of variable

consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

**Schemes**

The company operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, reimbursement, investments etc. Revenue from contract with customer is presented deducting cost of all these schemes.

**(m) Other Operating Revenue**

**Rental Income**

Rental income arising from operating sub lease is accounted for on a straight - line basis over the lease terms and is included in other income in the consolidated statement of Profit and Loss due to its non-operating nature.

**Interest Income**

Interest on the deployment of surplus funds is recognized using the time proportion method based on the underlying interest rates.

**Dividend Income**

Dividend income is recorded when the right to receive payment is established

**(n) Foreign currencies**

**Functional and presentation currency**

Items included in the financial statement are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Company's functional and company's presentation currency.

**(o) Borrowing costs**

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

**(p) Employee Benefits**

**Defined contribution schemes**

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

Contributions to defined contribution pension schemes are charged to the profit and loss in the year to which they relate.

**Defined benefit schemes**

Defined benefit scheme surpluses and deficits are measured at:

(i) The fair value of plan assets at the reporting date; less

(ii) Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on government bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the postemployment benefit obligations

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

(i) Actuarial gains and losses

(ii) Return on plan assets (interest exclusive)

(iii) Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

**Other long-term service benefits**

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current

liabilities and calculated using the projected unit credit method and then discounted using yields available on government bonds that have maturity dates approximating to the expected remaining period to settlement and are denominated in the same currency as the post-employment benefit obligations.

**(q) Taxes**

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 income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered 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 year/period end 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 assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated balance sheet differs from its tax base, except for differences arising on:

(i) The initial recognition of goodwill

(ii) The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and

(iii) Investments in subsidiaries and joint arrangements where the company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities / (assets) are settled / (recovered).

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

When there is uncertainty concerning the company's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, then the company:

(i) Considers whether uncertain tax treatments should be considered separately, or together as a company, based on which approach provides better predictions of the resolution;

a. Determines if it is probable that the tax authorities will accept the uncertain tax treatment; and

b. If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

(i) The same taxable company company, or

(ii) Different company entities which intend either to settle current tax assets and liabilities 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 assets or liabilities are expected to be settled or recovered.

**2.3 Changes in accounting policies and disclosures**

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 for annual periods beginning on or after April 01, 2023. The company has applied these amendments for the first-time in these financial statement.

(a) Amendments to Ind AS 8 - definition of accounting estimates

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.

The amendments had no impact on these financial statement.

(b) Amendments to Ind AS 1 - disclosure of accounting policies

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.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statement.

(c) Amendments to Ind AS 12 - deferred tax related to assets and liabilities arising from a single transaction

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 such as leases. The company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet.

(d) New standards and amendments issued but not effective

There are no such standards which are notified but not yet effective.

**3 Critical accounting estimates and judgements**

**Estimates and assumptions**

(a) Leases - estimating the incremental borrowing rate

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the company would have to pay to borrow over a similar



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the company 'would have to pay', which requires estimation when no observable rates are available. The company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

**(b) Provision for expected credit losses of trade receivables and contract assets**

The company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for companyings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forwardlooking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

**(c) Defined benefit plans (post-employment gratuity)**

The cost of the defined benefit gratuity plan and other post-employment medical benefits 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; future salary increases and mortality rates. Due to the 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. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**(d) Legal proceedings - estimates of claims and legal processes**

The company is currently involved in a number of legal disputes. The company reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statement but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the company's management as to how it will respond to the litigation, claim or assessment.

**(e) Impairment of non-financial assets and goodwill**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them.

**(f) Going concern**

The assessment of going concern assumption involves significant judgements over availability of sufficient resources, future business plan, availability of funding/ financial resources.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**4. Property, plant and equipment**

	Freehold land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total Property, plant and equipment	Capital Work in Progress
<b>Gross Carrying Amount</b>									
As at April 1, 2022	991.42	9,461.98	20,685.38	3,031.51	440.90	799.15	679.24	36,089.58	398.26
Additions	-	389.16	508.07	265.66	48.57	66.43	43.04	1,320.93	342.28
Disposals*	-	(981.95)	(1,036.20)	(310.18)	(46.14)	(9.53)	(4.56)	(2,388.56)	(642.28)
As at March 31, 2023	991.42	8,869.19	20,157.25	2,986.99	443.33	856.05	717.72	35,021.95	98.26
Additions	4,631.45	1,591.76	2,572.91	295.10	86.43	45.12	53.80	9,276.57	709.60
Disposals/Adjustments	-	-	(4,159.96)	(500.10)	(248.33)	(201.78)	(177.75)	(5,287.92)	(752.71)
As at March 31, 2024	5,622.87	10,460.95	18,570.20	2,781.99	281.43	699.39	593.77	39,010.60	55.15
<b>Accumulated depreciation</b>									
As at April 1, 2022	-	1,275.63	11,316.51	1,564.85	169.23	528.71	527.71	15,382.64	-
Depreciation expense for the year	-	282.87	1,283.65	211.03	46.54	74.55	63.80	1,962.44	-
Disposals	-	(230.60)	(479.70)	(169.20)	(16.72)	(8.30)	(4.30)	(908.82)	-
As at March 31, 2023	-	1,327.90	12,120.46	1,606.68	199.05	594.96	587.21	16,436.26	-
Depreciation expense for the year	-	-	315.95	543.22	98.10	24.49	12.08	22.06	1,015.90
Disposals / Adjustments	-	-	(2,467.98)	(370.49)	(111.44)	(175.26)	(165.75)	(3,290.92)	-
As at March 31, 2024	-	1,643.85	10,195.70	1,334.29	112.10	431.78	443.52	14,161.24	-
<b>Net carrying amount</b>									
As at March 31, 2023	991.42	7,541.29	8,036.79	1,380.31	244.28	261.09	130.51	18,585.69	98.26
As at March 31, 2024	5,622.87	8,817.10	8,374.50	1,447.70	169.33	267.61	150.25	24,849.36	55.15

\*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	230.6	751.35
Plant & Equipment	1018.1	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
<b>Total</b>	<b>2,082.39</b>	<b>773.95</b>	<b>1,308.44</b>

**Notes :**

- Leasehold Land includes Rs. 1,143 Lakh in respect of cost of land at Bhubaneshwar facility, wherein the title deeds are held in the name of Kanara Consumer Products Limited (KCPL), the erstwhile holding company. The process of transfer of title is on-going and is currently awaiting the approval at Odisha Industrial Infrastructure Development Corporation (IDCO)
- Refer note no. 49 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.
- During the period ended March 31, 2023, the company has revised the useful life of Property, plant and equipment and Intangible assets with effect from April 1, 2023. Set out below is the impact of such change on future period depreciation:

Particulars	For the year ended March 31, 2024
Decrease in depreciation	882.43



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**d. Capital work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:**

March 31, 2024					
Amount in Capital work-in-progress for a period of					
Capital work-in-progress	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	54.55	0.60	-	-	55.15
March 31, 2023					
Amount in Capital work-in-progress for a period of					
Capital work-in-progress	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	20.86	29.25	37.31	10.84	98.26

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 as of March 31, 2024 and March 31, 2023.

#### 5. Right to use assets

	Leasehold Land	Buildings	Total
<b>Gross Carrying Amount</b>			
<b>As at April 1, 2022</b>	<b>1,145.27</b>	<b>1,450.90</b>	<b>2,596.17</b>
Additions	-	1,022.99	1,022.99
Disposal	-	(391.56)	(391.56)
<b>As at March 31, 2023</b>	<b>1,145.27</b>	<b>2,082.33</b>	<b>3,227.60</b>
Additions	-	1,531.88	1,531.88
Termination/adjustments	-	(681.18)	(681.18)
<b>As at March 31, 2024</b>	<b>1,145.27</b>	<b>2,933.03</b>	<b>4,078.30</b>
<b>Accumulated Depreciation</b>			
<b>As at April 1, 2022</b>	<b>58.35</b>	<b>486.68</b>	<b>545.03</b>
Depreciation expense for the year	19.45	539.42	558.87
Disposal	-	(238.99)	(238.99)
<b>As at March 31, 2023</b>	<b>77.80</b>	<b>787.11</b>	<b>864.91</b>
Depreciation expense for the year	18.70	518.00	536.70
Termination/adjustments	-	(270.16)	(270.16)
<b>As at March 31, 2024</b>	<b>96.50</b>	<b>1,034.95</b>	<b>1,131.45</b>
<b>Net book value as at March 31, 2023</b>	<b>1,067.47</b>	<b>1,295.22</b>	<b>2,362.69</b>
<b>Net book value as at March 31, 2024</b>	<b>1,048.77</b>	<b>1,898.08</b>	<b>2,946.85</b>

Refer note 43 for detailed disclosures as per IND AS 116 "Leases".

#### 6. Other Intangible assets

	Goodwill*	Computer Software	Total
<b>Gross Carrying Amount</b>			
<b>As at April 1, 2022</b>	<b>2,103.16</b>	<b>1,077.60</b>	<b>3,180.76</b>
Additions	-	-	-
Disposal	-	-	-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

#### 6. Other Intangible assets (Contd)

	Goodwill*	Computer Software	Total
<b>As at March 31, 2023</b>	<b>2,103.16</b>	<b>1,077.60</b>	<b>3,180.76</b>
Additions	-	33.58	33.58
Disposal/ Adjustments	(2,103.16)	(8.29)	(2,111.45)
<b>As at March 31, 2024</b>	<b>-</b>	<b>1,102.89</b>	<b>1,102.89</b>
<b>Accumulated Amortisation</b>			
<b>As at April 1, 2022</b>	<b>-</b>	<b>813.85</b>	<b>813.85</b>
Amortisation expense for the year	-	133.98	133.98
Disposal/ Adjustments	-	-	-
<b>As at March 31, 2023</b>	<b>-</b>	<b>947.83</b>	<b>947.83</b>
Amortisation expense for the year	-	42.17	42.17
Disposal/ Adjustments	-	(7.80)	(7.80)
<b>As at March 31, 2024</b>	<b>-</b>	<b>982.20</b>	<b>982.20</b>
<b>Net book value as at March 31, 2023</b>	<b>2,103.16</b>	<b>129.77</b>	<b>2,232.93</b>
<b>Net book value as at March 31, 2024</b>	<b>-</b>	<b>120.69</b>	<b>120.69</b>

**Note :** \*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'). During the year, the company made assessment of goodwill and concluded that the asset does not have any recoverable value. Accordingly, the goodwill of Rs. 2103.16 lakhs is written off as per IND AS 36.

#### 7. Investments in subsidiaries

	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
<b>Measured at cost</b>				
<b>Investments in equity instruments of subsidiary (all fully paid)</b>				
Kurlon Retail Limited (Formerly known as Kurlon Retail Private Limited) (Shares of Rs. 5/- each fully paid up) (refer Note (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
Sevalal Solar Private Limited (Shares of Rs. 100/- each fully paid up)	-	-	4,690	4.69
Sirar Dhotre Solar Private Limited (Shares of Rs. 100/- each fully paid up)	-	-	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
<b>Total</b>	<b>1,53,80,466</b>	<b>1,771.50</b>	<b>1,53,94,536</b>	<b>1,785.57</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**Note :** (i) As at March 31, 2024, 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. 2,790.50 lakhs (March 31, 2023 : Rs. 2,398.69 lakhs) has been provided for (refer note 8(a)).

**8. Loans (Non Current)**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
<b>At amortised cost</b>		
Loan to Subsidiaries (Refer note 42)	3,066.53	3,189.64
Less: Loss allowance-Subsidiaries (Refer note 42)	(3,066.53)	(2,973.75)
<b>Total</b>	<b>-</b>	<b>215.89</b>

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))	As At March 31, 2024		As At March 31, 2023	
			Gross	Allowance (Note (b))	Gross	Allowance (Note (b))
Kurlon Retail Limited	8.50%	On demand	2,790.50	(2,790.50)	2,398.69	(2,398.69)
Kanvas Concepts Private Limited	8.50%	On demand	135.00	(135.00)	162.91	(162.91)
Komfort Universe Products and Services Private Limited	8.50%	On demand	141.03	(141.03)	412.15	(412.15)
Sirar Solar Energies Private Limited (Refer note (e))	8.50%	On demand	-	-	98.71	-
Sirar Dhotre Solar Private Limited (Refer note (e))	8.50%	On demand	-	-	81.78	-
Sevalal Solar Private Limited (Refer note (e))	8.50%	On demand	-	-	22.08	-
Belvedere International Limited	8.50%	On demand	-	-	13.32	-
<b>Total</b>			<b>3,066.53</b>	<b>(3,066.53)</b>	<b>3,189.64</b>	<b>(2,973.76)</b>

a) 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.

b) 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 39.2).

c) 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.

**9. Other financial assets (Non Current)**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
Security deposits	747.79	567.74
Insurance Receivable*	-	2,022.29
<b>Total</b>	<b>747.79</b>	<b>2,590.03</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

\* During the previous year, a fire accident occurred at one of the Company's factories located in Jhagadia. This incident resulted in damage to various assets, including inventories, property, plant, and equipment. The Company subsequently filed a claim with the insurer for these damages. As of March 31, 2023, the recoverable value for the damaged and burnt assets, including inventories, was Rs. 2,022.29 lakhs, which the Company expected to recover from the insurer. However, only Rs. 152.15 lakhs was realized during this period. Due to the lack of any acknowledgment from the insurer regarding the possibility of further recovery, the remaining amount of Rs. 1,870.14 lakhs has been written off during the year.

**10. Non current tax assets (net)**

Particulars	As At March 31, 2024	As At March 31, 2023
Advance income tax (net of provision for income tax)	1,344.15	1,496.05
<b>Total</b>	<b>1,344.15</b>	<b>1,496.05</b>

**11. Other non current assets**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
Capital advances	27.36	1,510.85
<b>Total</b>	<b>27.36</b>	<b>1,510.85</b>

Note: During the year the company has received back the advance paid to Maha Rashtra Apex Corporation Limited (MRACL) (a related party) of Rs. 1222.76 lakhs for joint bidding with Kanara Consumer Products Limited (KCPL) concerning auction of property in Jai Bharath Industrial Area, Yeshwanthpur, Bengaluru.

**12. Inventories**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Valued at lower of cost and net realisable value unless otherwise stated</b>		
Raw materials	3,683.63	2,962.94
Work-in-progress	1,256.29	987.57
Finished goods	2,649.44	3,068.02
Stock-in-trade	366.03	384.13
Stores and spares	583.68	488.28
<b>Total</b>	<b>8,539.07</b>	<b>7,890.94</b>

**Notes :**

(i) The carrying value of inventories as reflected above is net of provision for aged/slow moving stock of Rs. 498.00 lakhs (March 31, 2023 : Rs. 619.84 lakhs).

(ii) During the period ended March 31, 2023, the company has revised the % of provision for aged/slow moving stock effect from April 1, 2023. There is a decrease in provision of Rs. 81.52 lakhs for the year.

**13. Investments (Current)**

Particulars	As At March 31, 2024	As At March 31, 2023
In Mutual Funds - fully paid up		
Carried at fair value through profit and loss- Quoted	1,027.82	1,602.30
<b>Total Investments</b>	<b>1,027.82</b>	<b>1,602.30</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

#### 14. Trade receivables

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(At amortised cost)</b>		
<b>Unsecured</b>		
Trade receivables - considered good	7,745.88	5,868.23
Trade receivables - considered doubtful	1,135.89	1,666.42
<b>Trade receivables (gross)</b>	<b>8,881.77</b>	<b>7,534.65</b>
Less: Provision for expected credit loss	(1,135.89)	(1,666.42)
<b>Total</b>	<b>7,745.88</b>	<b>5,868.23</b>
<b>Further classified as</b>		
Receivable from related parties (Refer note 42)	408.80	-
<b>Receivable from others</b>	<b>7,337.08</b>	<b>5,868.23</b>
<b>Total</b>	<b>7,745.88</b>	<b>5,868.23</b>

#### a. Movement in Provision for Expected Credit Loss

Particulars	As At March 31, 2024	As At March 31, 2023
Balance at the beginning of the year	1,666.42	1,557.95
Charge / (reversal) in allowance during the year (net)	(530.53)	108.47
<b>Total Balance at the end of the year</b>	<b>1,135.89</b>	<b>1,666.42</b>

#### b. Trade Receivables ageing schedule.

	Not due	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	
<b>As At March 31, 2024</b>							
<b>(i) Undisputed trade receivables</b>							
- considered good	2,437.98	4,481.80	427.94	387.43	-	-	7,735.15
- which have significant increase in credit risk	-	-	-	127.06	72.14	724.62	923.82
<b>(ii) Disputed trade receivables</b>							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	3.22	7.52	17.04	28.21	166.81	222.80
<b>Total</b>	<b>2,437.98</b>	<b>4,485.02</b>	<b>435.46</b>	<b>531.53</b>	<b>100.35</b>	<b>891.43</b>	<b>8,881.77</b>
	Not due	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	
<b>As At March 31, 2023</b>							
<b>(i) Undisputed trade receivables</b>							
- considered good	3,931.86	1,336.37	372.51	12.67	214.82	-	5,868.23
- credit impaired	-	-	181.29	208.73	514.78	475.90	1,380.70
<b>(ii) Disputed trade receivables</b>							
- considered good	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	0.87	7.04	17.70	16.60	243.51	285.72
<b>Total</b>	<b>3,931.86</b>	<b>1,337.24</b>	<b>560.84</b>	<b>239.10</b>	<b>746.20</b>	<b>719.41</b>	<b>7,534.65</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

#### 15. Cash and cash equivalents

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Balance with banks :</b>		
Current accounts	112.05	209.48
Cash on hand	2.55	4.53
<b>Total</b>	<b>114.60</b>	<b>214.01</b>

#### 16. Bank balances other than cash and cash equivalents

Particulars	As At March 31, 2024	As At March 31, 2023
Deposits having original maturity more than 3 months but less than 12 months	2.77	0.05
Earmarked balances with banks *	161.08	134.25
Unclaimed dividend account	58.40	15.01
<b>Total</b>	<b>222.25</b>	<b>149.31</b>

\*Deposits receipts pledged with banks for obtaining letter of credit & bank guarantee facilities.

#### 17. Loans

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
At amortised cost		
Unsecured considered good	-	10.00
<b>Total</b>	<b>-</b>	<b>10.00</b>

**Note :** No loans or advances are granted to promoters, directors, Key Management Personnel (KMP) and related parties.

#### 18. Other financial assets (current)

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
Interest accrued but not due on deposits with Banks, bonds and debentures	13.65	20.04
Security Deposits (Refer Note 66)	54.04	15,548.70
<b>Unsecured, credit impaired</b>		
Interest accrued on loan given to subsidiaries	194.13	42.12
Less : Loss allowance*(Refer note 42)	(194.13)	(42.12)
<b>Total</b>	<b>67.69</b>	<b>15,568.74</b>

\* 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, 2024. Refer note 8(a) for details.



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

### 19. Other current assets

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
Advances to related parties (Refer Note 42)	-	7,713.74
Advance to suppliers	881.75	1,583.37
Advances to employees	42.21	70.20
Balances with Statutory/Government authorities	224.22	308.05
Prepaid expenses	509.39	504.77
Other receivables	564.39	-
<b>Total</b>	<b>2,221.96</b>	<b>10,180.13</b>
<b>(Unsecured, credit impaired)</b>		
Advance to suppliers	-	24.92
Less : Provision for doubtful advances	-	(24.92)
<b>Total</b>	<b>2,221.96</b>	<b>10,180.13</b>

### 20. Equity share capital

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Authorised share capital:</b>		
15,06,00,000 fully paid equity shares of Rs. 5/- each	7,530.00	7,530.00
(March 31, 2023 : 15,06,00,000 fully paid equity shares of Rs. 5/- each)	7,530.00	7,530.00
<b>Issued, subscribed &amp; paid up share capital:</b>		
3,65,52,261 fully paid equity shares of Rs. 5/- each	1,827.62	1,827.62
(March 31, 2023 : 3,65,52,261 equity shares of Rs. 5/- each)	-	-
<b>Total</b>	<b>1,827.62</b>	<b>1,827.62</b>

### (b) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	March 31, 2024		March 31, 2023	
	Number of shares	Rs. In Lakhs	Number of shares	Rs. In Lakhs
At the beginning of the year	3,65,52,261	1,827.62	3,65,52,261	1,827.62
Bonus shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>3,65,52,261</b>	<b>1,827.62</b>	<b>3,65,52,261</b>	<b>1,827.62</b>

### (c) 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 and carry a right to dividend. 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.

### (d) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2024		March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Kanara Consumer Products Limited (formerly known as Kurlon Limited)*	70,147	0.19%	3,23,38,830	88.47%
Kurlon Trading and Invest Management Private Limited	-	0.00%	22,63,545	6.19%
Sheela Foam Limited (the Holding Company)	3,55,45,951	97.25%	-	0.00%

\* Includes the beneficial interest in 100 shares, which are registered in the name of the Managing Director.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

During the year Kanara Consumer Products Limited and Kurlon Trading and Invest Management Private Limited sold their shares to Sheela Foam Limited (SFL) vide Share Purchase Agreement (SPA) dated July 17, 2023 and the shares were transferred on October 20, 2023. Accordingly, SFL became the holding company with effect from October 20, 2023.

### (e) Shareholding of promoters & promoter group

Promoter name	March 31, 2024			March 31, 2023		
	Number of Shares	% of holding	% Change during the year	Number of Shares	% of holding	% Change during the year
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	70,147	0.19%	(99.78)%	3,23,38,830	88.47%	4.57%
Tonse Sudhakar Pai	-	-	(100)%	347	0.00%	-
Jaya Sudhakar Pai	-	-	(100)%	2,647	0.01%	662.82%
Sheela Foam Limited, (the Holding Company)	3,55,45,951	97.25%		100%	-	-
<b>Total</b>		<b>97.44%</b>			<b>88.48%</b>	

#### Note :

- The above shareholding information is based on the records of the company.
- The company has neither allotted any equity shares as fully paid up without payment being received in cash nor has bought back any class of equity shares during the period of five years immediately preceeding the balance sheet date.

### 21. Other equity

Particulars	As At March 31, 2024	As At March 31, 2023
Securities premium account	14,860.49	14,860.49
Capital reserve	1,505.93	-
General reserve	1,286.11	1,286.11
Retained earnings	9,988.00	29,835.74
<b>Total</b>	<b>27,640.53</b>	<b>45,982.34</b>

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Securities premium account</b>		
Opening balance	14,860.49	14,860.49
Addition	-	-
<b>Closing balance</b>	<b>14,860.49</b>	<b>14,860.49</b>
<b>Capital reserve</b>		
Opening balance	-	-
Addition (Refer Note 66)	1,505.93	-
<b>Closing balance</b>	<b>1,505.93</b>	<b>-</b>
<b>General reserve</b>		
Opening balance	1,286.11	1,286.11
Addition	-	-
<b>Closing balance</b>	<b>1,286.11</b>	<b>1,286.11</b>
<b>Retained earnings</b>		
Opening balance	29,835.74	31,367.87
Net profit for the year	(4,564.96)	(1,317.45)
Remeasurements of the net defined benefit plans (net of tax)	(323.60)	(31.47)
Less : Dividend paid	(658.05)	(183.21)
Less : Other payment (Refer Note 66)	(14,301.13)	-
<b>Closing balance</b>	<b>9,988.00</b>	<b>29,835.74</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

## 22. Lease liabilities

Particulars	As At March 31, 2024	As At March 31, 2023
Lease liabilities (Refer note 43)	2,069.58	1,334.45
<b>Total</b>	<b>2,069.58</b>	<b>1,334.45</b>
Non current	1,750.10	921.21
<b>Current</b>	<b>319.48</b>	<b>413.24</b>

## 23. Other non current financial liabilities

Particulars	As At March 31, 2024	As At March 31, 2023
Deposits from dealers and others	5,423.59	5,781.90
<b>Total</b>	<b>5,423.59</b>	<b>5,781.90</b>

## 24. Provisions

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Long-term provisions:</b>		
Provision for employee benefits:		
- Provision for gratuity (Refer note 41)	342.56	44.46
- Provision for warranty (Refer note below)	213.22	332.57
<b>Total</b>	<b>555.78</b>	<b>377.03</b>
<b>Short-term provisions:</b>		
Provision for employee benefits:		
- Compensated absences	314.03	71.96
- Gratuity (Refer note 41)	124.70	74.45
-Provision for warranty (Refer note below)	408.41	486.27
<b>Total</b>	<b>847.14</b>	<b>632.68</b>

### Note :

#### 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.

During the period ended March 31, 2024, the company has revised the provision policy effective from April 1, 2023 and accordingly, there is a decrease in provision of Rs. 83.00 lakhs for the year.

Particulars	As At March 31, 2024	As At March 31, 2023
At the beginning of the year	818.84	818.84
Add : Created during the year	237.12	361.79
Less : Utilised during the year	(434.33)	(361.79)
<b>At the end of the year</b>	<b>621.63</b>	<b>818.84</b>

## 25. Deferred tax liabilities (net)

Particulars	As At March 31, 2024	As At March 31, 2023
Deferred tax liabilities (net) (Refer Note 53)	143.23	638.84
<b>Total</b>	<b>143.23</b>	<b>638.84</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

## 26. Borrowings

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Secured borrowings</b>		
Bank overdraft	11.55	1,010.91
Unsecured borrowings		
Loans from related parties (Refer Note 43)	-	650.00
<b>Total</b>	<b>11.55</b>	<b>1,660.91</b>

### Note :

i) Facilities availed from banks of Rs. 11.55 lakhs (March 31, 2023 : Rs. 1010.91 lakhs)

a) The Company has obtained various facilities from Axis Bank, Kotak 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. (for Axis Bank), 3 months MCLR + 0.2% p.a. (for Kotak Bank) and 1 Year MCLR+0.15% p.a. (for IDBI Bank) on the cash credit and working capital loan facilities respectively. The outstanding balance against the aforesaid facility as of March 31, 2023 is Rs.1.00 lakhs (March 31, 2023 : Rs. 1,001.71).

b) The Company has obtained corporate credit cards from banks and the outstanding balance as of March 31, 2024 is Rs. 10.55 lakhs (March 31, 2023 : Rs. 9.20 lakhs).

ii) Loan from related parties is Nil (March 31, 2023 : Rs. 650 lakhs)

During the previous year, Company has obtained a loan from Ms. Jaya S Pai, director. The loan is unsecured and is repayable on demand and carries interest rate at 10% p.a and the same has been repaid during the year.

## 27. Trade payables

Particulars	As At March 31, 2024	As At March 31, 2023
(i) Total outstanding dues of micro enterprises and small enterprises	91.81	313.09
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises	11,966.30	11,714.21
<b>Total</b>	<b>12,058.11</b>	<b>12,027.30</b>

### a) Exposure Towards Micro, Small And Medium Enterprises

Particulars	As At March 31, 2024	As At March 31, 2023
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:	82.12	279.97
Interest:	9.72	33.12
	<b>91.84</b>	<b>313.09</b>

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.

The amount of interest accrued and remaining unpaid at the end of each accounting year.	9.72	33.12
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.	33.12	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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**b. Ageing Analysis for Trade payables:**

	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	
<b>As At March 31, 2024</b>							
(i) MSME	-	73.46	18.35	-	-	-	91.81
(ii) Others	-	3,480.37	8,359.58	38.77	44.52	43.06	11,966.30
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,553.83</b>	<b>8,377.93</b>	<b>38.77</b>	<b>44.52</b>	<b>43.06</b>	<b>12,058.11</b>

	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	
<b>As At March 31, 2023</b>							
(i) MSME	-	264.06	17.48	22.59	8.96	-	313.09
(ii) Others	-	10,443.35	1,233.47	25.27	7.70	4.42	11,714.21
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>10,707.41</b>	<b>1,250.95</b>	<b>47.86</b>	<b>16.66</b>	<b>4.42</b>	<b>12,027.30</b>

**28. Other financial liabilities (current)**

Particulars	As At March 31, 2024	As At March 31, 2023
Creditors for capital goods	-	4.84
Employee related liabilities	568.99	897.40
<b>Total</b>	<b>568.99</b>	<b>902.24</b>

**29. Current tax liabilities (net)**

Particulars	As At March 31, 2024	As At March 31, 2023
Income tax payable	9.99	512.99
<b>Total</b>	<b>9.99</b>	<b>512.99</b>

**30. Other current liabilities**

Particulars	As At March 31, 2024	As At March 31, 2023
Advance from customer	376.95	393.60
Statutory dues payable	210.66	274.58
Unclaimed dividend account	58.40	15.14
<b>Total</b>	<b>646.01</b>	<b>683.32</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**31. Revenue from operations**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Revenue from contracts with customers</b>		
Sale of products		
Finished goods	93,812.91	93,612.02
Traded goods	1,373.58	828.80
Less : Schemes & rebates	(15,609.50)	(10,402.42)
	<b>79,576.99</b>	<b>84,038.40</b>
<b>Other operating revenue</b>		
-Income from sale of processed scrap	454.90	248.82
<b>Total</b>	<b>80,031.89</b>	<b>84,287.22</b>

**Note :** Includes sale of finished goods and semi-finished goods to related parties (refer note 42).

**a) Timing of revenue from operations**

Particulars	As At March 31, 2024	As At March 31, 2023
Goods transferred at a point in time	80,031.89	84,287.22
<b>Total</b>	<b>80,031.89</b>	<b>84,287.22</b>

**b) Reconciliation of amount of revenue recognised with contract price**

Particulars	As At March 31, 2024	As At March 31, 2023
Revenue as per contract price	95,641.39	94,689.64
Less : Schemes & rebates	(15,609.50)	(10,402.42)
<b>Total</b>	<b>80,031.89</b>	<b>84,287.22</b>

**c) Movement in contract liabilities during the year \***

Particulars	As At March 31, 2024	As At March 31, 2023
Opening balance	393.60	436.82
Less : Revenue recognised during the year	(393.60)	(436.82)
Add : Amount of consideration received during the year	376.95	393.60
<b>Closing balance</b>	<b>376.95</b>	<b>393.60</b>

\* Contract liabilities consists of advances received from customers towards supply of products.

**32. Other income**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Interest income from:</b>		
Bank deposits	9.42	65.24
Others	29.96	15.02
<b>Financial assets at fair value</b>		
Unwinding of interest on security deposits	14.69	24.84
Rental income	7.80	4.85
Liabilities/provisions no longer required written back	525.12	16.82
Income from sale of Mutual fund - designated at fair value through profit and loss	26.10	491.04
Fair valuation adjustments of Investments through profit and loss (refer note 45)	15.39	-
Gain on early termination of lease	83.08	11.18
Other miscellaneous income	25.07	36.68
<b>Total</b>	<b>736.63</b>	<b>665.67</b>



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**Note :** a. 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."

**33. Cost of materials consumed**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening inventory	2,962.94	5,242.40
Add: Purchases	40,056.88	35,651.46
Less: Inventories at the end of the year	(3,683.63)	(2,962.94)
<b>Total</b>	<b>39,336.19</b>	<b>37,930.92</b>

**34. Changes in inventories of finished goods, Stock-in-Trade and work-in-progress**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Closing stock:</b>		
Finished goods	2,649.44	3,068.02
Stock-in-trade	366.03	384.13
Work-in-progress	1,256.29	987.57
	<b>4,271.76</b>	<b>4,439.72</b>
<b>Opening stock:</b>		
Finished goods	3,068.02	3,536.69
Stock-in-trade	384.13	378.43
Work-in-progress	987.57	1,836.54
	<b>4,439.72</b>	<b>5,751.66</b>
<b>Total</b>	<b>167.96</b>	<b>1,311.94</b>

**35. Other manufacturing expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	899.63	1,055.11
<b>Repair and maintenance:</b>		
- Buildings	182.09	162.24
- Plant and equipment	195.14	112.03
Processing and other charges	4,151.98	3,622.26
<b>Total</b>	<b>5,428.84</b>	<b>4,951.64</b>

**36. Employee benefits expense**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages, allowance, and other benefits	5,233.57	4,767.09
Gratuity expenses (Refer note 41)	85.22	70.80
Contribution to provident and other funds (Refer note 41)	223.53	221.77
Workmen and staff welfare	243.50	200.89
<b>Total</b>	<b>5,785.82</b>	<b>5,260.55</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**37. Finance costs**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense:		
- On lease liabilities	139.78	102.91
- On borrowings from banks	76.67	87.09
<b>Total</b>	<b>216.45</b>	<b>190.00</b>

**38. Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer note 4)	1,015.91	1,839.67
Depreciation on right-of-use assets (Refer note 5)	536.70	558.87
Amortisation of Other intangible Assets (Refer note 6)	42.17	133.98
<b>Total</b>	<b>1,594.78</b>	<b>2,532.52</b>

**39. Other expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Bank Charges	72.55	186.40
<b>IT support services</b>		
Freight and forwarding	6,168.56	7,252.09
Rent and hire	1,549.30	2,186.26
Insurance	637.70	423.47
Rates and taxes	279.56	295.89
Legal and professional	4,505.31	4,763.85
Director's sitting fees	12.69	3.75
Other Repairs and maintenance	332.19	277.94
Selling and promotion	-	-
Travelling and conveyance	908.76	932.10
Loss on sale/disposal of fixed assets	1,499.10	291.72
Warranty	-	-
Advertisement & Selling Expenses	3,648.86	3,268.71
<b>Net Loss on Foreign Currency exchange loss</b>		
Advances/Balances written off	-	-
Provision for expected credit loss	-	73.53
Net loss on foreign currency transactions and translations	-	-
Provision for doubtful advances	-	-
Provision for warranty	237.12	363.07
Bad debts written off	5.33	123.08
Contribution towards corporate social responsibility expenditure (Refer note 52)	81.66	135.46
Fair value loss for Investments designated through profit and loss	-	511.28
Security expenses	729.19	595.53
Warehouse charges	805.90	983.81
Postage and telephone expenses	-	-
Goodwill written off (refer note 6)	2,103.16	-
Miscellaneous	359.58	247.16
<b>Total</b>	<b>23,936.52</b>	<b>22,915.10</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**a) Auditor's remuneration included in legal and professional (excluding GST)**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit	28.60	65.00
Others	9.50	-
Certification	8.15	-
Out of pocket expenses	-	1.50
<b>Total</b>	<b>46.25</b>	<b>66.50</b>

**b) Exceptional items**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Provision for loans to related parties [Refer Note 8(a)]	92.77	2,555.67
Adjustment to Property, plant and equipment	131.75	-
Insurance receivable written off (Refer Note 9)	1,870.14	-
Adjustment to Right to use asset	34.34	-
Liabilities no longer required written back	(151.76)	-
Other Asset written off	227.00	-
	<b>2,204.24</b>	<b>2,555.67</b>

**40. Earnings per share**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year attributable to Equity shareholders	(4,564.96)	(1,317.45)
Earnings used in the calculation of basic and diluted earnings per share	(4,564.96)	(1,317.45)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	365.52261	365.52261
<b>Basic and diluted earnings per share</b>	<b>(12.49)</b>	<b>(3.60)</b>

**41. Employee Benefits**

**A. Defined contribution plans**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution towards Provident Fund (PF)	214.60	213.58
Employer's Contribution towards Employee State Insurance (ESI)	8.79	8.13
Employer's Contribution towards Labour Welfare fund (LWF)	0.14	0.06
<b>Total</b>	<b>223.53</b>	<b>221.77</b>

**B. The Code on Social Security, 2020**

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/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 in the period the Code becomes effective.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**C. Liabilities for compensated absences**

The liabilities for compensated absences relate to the company's liabilities for Annual Leave and Sick Leave.

The entire amount of the above liabilities are presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

**D. Post employment benefits**

**Defined benefit plans**

**Gratuity**

The Group has a defined benefit gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. The Gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under this Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The plans are exposed to a number of risks, including:

- Investment risk: movement of discount rate used against the return from plan assets
- Interest rate risk: decreases/increases in the discount rate used will increase/decrease the defined benefit obligation
- Longevity risk: changes in the estimation of mortality rates of current and former employees.
- Salary risk: increases in future salaries increase the gross defined benefit obligation.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

**(i) Changes in the present value of defined benefit obligation**

Particulars	As At March 31, 2024	As At March 31, 2023
Present value of obligation at the beginning of the year	731.30	673.94
Interest cost	49.91	44.94
Current service cost	78.19	57.36
Benefits paid		
- Pay-outs from plan	(123.05)	(87.33)
- Pay-outs from employer	(8.59)	-
Actuarial (gains) / losses arising from changes in financial assumptions	234.81	(16.02)
Actuarial (gains) / losses arising from experience adjustments	79.65	58.41
<b>Present value of obligation at the end of the year*</b>	<b>1,042.22</b>	<b>731.30</b>
*Included in provision for employee benefits (Refer note no.24)		
Changes in the present value of defined benefit obligation		

**(ii) Changes in the fair value of plan assets**

Particulars	As At March 31, 2024	As At March 31, 2023
Opening balance of fair value of plan assets	612.39	460.78
Contributions made	41.88	201.67
Expected return on plan assets	0.85	0.34
Interest Income	42.89	36.93
Benefits paid out from plan	(123.05)	(87.33)
<b>Closing balance of fair value of plan assets</b>	<b>574.96</b>	<b>612.39</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**(iii) Assets and liabilities recognised in the Balance Sheet**

Particulars	As At March 31, 2024	As At March 31, 2023
Present value of obligation as at the end of the year	1,042.22	731.30
Fair value of plan assets	574.96	612.39
<b>Net asset / (liability) recognised in Balance Sheet</b>	<b>467.26</b>	<b>118.91</b>
Current Portion	124.70	74.45
<b>Non-Current Portion</b>	<b>342.56</b>	<b>44.46</b>

**(iv) Expense recognised in the Statement of Profit and Loss**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	78.19	57.36
Past service cost	-	-
Interest cost	7.03	8.01
<b>Total expenses recognised in the Statement Profit and Loss*</b>	<b>85.22</b>	<b>65.37</b>

\*Included in Employee benefits expense (Refer note 36 ). Actuarial loss of 313.61 lakhs for the year ended March 31, 2024 (March 31, 2023: 42.05 lakhs) is included in other comprehensive income.

**(v) Remeasurement (gain)/ loss recognised in other comprehensive income**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Actuarial changes arising from changes in Demographic Assumptions</b>	-	-
Actuarial changes arising from changes in financial assumptions	234.81	(16.02)
Actuarial changes arising from changes in experience adjustments	79.65	58.41
Return on Plan Asst (more)/Less than Expected based on Discount rate	(0.85)	(0.34)
<b>Recognised in other comprehensive income</b>	<b>313.61</b>	<b>42.05</b>

**(vi) The major categories of plans assets are as follows:**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Unquoted Investments:</b>		
Gratuity Fund maintained at Insurance Companies (Life Insurance Corporaton of India)	574.96	612.39
<b>Total</b>	<b>574.96</b>	<b>612.39</b>

The Company is expected to contribute Rs. 124.70 lakhs (FY22-23: Rs.74.45 lakhs) to the plan during the FY 2024-25.

**(vii) Actuarial assumptions**

Particulars	As At March 31, 2024	As At March 31, 2023
Discount rate (per annum)	7.23%	7.50%
Salary escalation rate	8.00%	5.00%
Expected return on plan assets	7.50%	7.13%
Attrition rate	10.00%	10.00%
Retirement age	60 years	60 years

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is extracted from the report obtained from Actuary.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**Expected Future Benefit Payments**

The expected maturity analysis of undiscounted gratuity benefits obligations are as follows:

Particulars	As At March 31, 2024	As At March 31, 2023
Within the next 12 months (next annual reporting year)	104.95	80.84
Between 1-2 years	120.04	82.00
Between 2-5 years	281.28	236.76
More than 5 years	1,556.18	938.54

The average duration of the defined benefit obligation at the end of the reporting year is 9.22 years (March 31, 2023: 8.88 years).

**Asset Liability Matching Strategies**

The Group has funded the gratuity liability with the insurance Group. The entire investible assets are managed by the fund managers of the Insurance Group and the Asset Values as informed by the Insurance Group has been taken for the actuarial valuation purpose. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

**Quantitative sensitivity analysis for significant assumption is as below**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Defined Benefit Obligations (DBO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

**(a) Increase/ (Decrease) on present value of defined benefits obligation at the end of the year**

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below.

Actuarial assumptions	Reasonably possible change	March 31, 2024		March 31, 2023	
		Increase	Decrease	Increase	Decrease
Discount rate	(+/- 01%)	(71.57)	82.13	(43.27)	48.87
Salary escalation rate	(+/- 01%)	70.88	(63.89)	45.59	(41.89)
Attrition rate	(+/- 01%)	(6.79)	7.78	(6.17)	5.54

(b) The sensitivity analysis presented above may not be representative of the actual change in the defined obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some assumption 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 same as that applied in calculation of defined benefit obligation liability recognised in the balance sheet.

**Note 42 : Related Party Transactions**

**(A) Names of related parties and nature of relationship are given below :**

Relationship	Name of the party	Country of incorporation & principal place of business	Principal activities	Proportion of ownership interest	
				March 31, 2024	March 31, 2023
Holding Company	Kanara Consumer Products Limited (Formerly known as Kurlon Limited) up to October 20, 2023	India	Manufacturing of polyurethane foams and mattresses	0.19%	88.47%
	Sheela Foam Limited (w.e.f October 20, 2023)	India	Manufacturing of polyurethane foams	97.25%	0%



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**Note 42 : Related Party Transactions**

**(A) Names of related parties and nature of relationship are given below :**

Relationship	Name of the party	Country of incorporation & principal place of business	Principal activities	Proportion of ownership interest	
				March 31, 2024	March 31, 2023
Subsidiary companies (wholly owned)	Kurlon Retail Limited	India	Retail Trading of mattresses	100.00%	100%
	Komfort Universe Products & Services Limited	India	Trading of Semi-finished Goods (SFG), foam products, RC Pads, EPE Products etc	100.00%	100%
	Belvedere International Limited	India	Trading of mattresses and other related products	100.00%	100%
	Kanvas Concepts Private Limited	India	Business of interiors & exteriors of Homes, stage designer, furnishing, designing, decorating etc.	100.00%	100%
	Starship Value Chain and Manufacturing Private Limited	India	Business of logistics	100.00%	100%
Subsidiary Entities	Sevalal Solar Private Limited (up to October 13, 2023)	India	Electric power generation, transmission and distribution	0.00%	94%
Subsidiary Entities	Sirar Solar Energies Private Limited (up to October 13, 2023)	India	Electric power generation, transmission and distribution	0.00%	94%
Subsidiary Entities	Sirar Dhotre Solar Private Limited (up to October 13, 2023)	India	Electric power generation, transmission and distribution	0.00%	94%
Fellow subsidiaries	Manipal Software & E-Com Private Limited (up to October 20, 2023)				
	Manipal Natural Private Limited (up to October 20, 2023)				
	Staquo World Private Limited (w.e.f October 20, 2023)				
	Staquo Software Private Limited (Formerly know as Divya Software Solutions Private Limited) (w.e.f October 20, 2023)				
	Sleepwell Enterprises Private Limited (w.e.f October 20, 2023)				
	Joyce Foam Pty. Ltd. (w.e.f October 20, 2023)				
	International Foam Technologies Spain S.L. (w.e.f October 20, 2023)				
	Sheela Foam Trading LLC (Dubai) (w.e.f October 20, 2023)				
	Sevalal Solar Private Limited (w.e.f October 13, 2023 up to October 20, 2023)				
	Sirar Solar Energies Private Limited (w.e.f October 13, 2023 up to October 20, 2023)				
	Sirar Dhotre Solar Private Limited (w.e.f October 13, 2023 up to October 20, 2023)				

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Relationship	Name of the party	Country of incorporation & principal place of business	Principal activities	Proportion of ownership interest	
				March 31, 2024	March 31, 2023
Enterprises owned or significantly influenced by key management personnel / Directors and their relatives	Maha Rashtra Apex Corporation Limited (up to October 20, 2023)				
	Jayamaharal Trade and Investments Private Limited (up to October 20, 2023)				
	Manipal Advertising Services Private Limited (up to October 20, 2023)				
	Manipal Metropolis Builders Private Limited				
	Jai Bharath Mills Private Limited (up to October 20, 2023)				
	Rangoli Resorts Private Limited (w.e.f October 20, 2023)				
	Manipal Travels (India ) Private Limited (up to October 20, 2023)				
	Sleepwell Foundation (Trust) (w.e.f October 20, 2023)				
	Manipal Software & E-Com Private Limited(w.e.f October 20, 2023)				
	Starship Global VCT LLP (up to October 20, 2023)				
	Home Komfort Retail LLP (up to October 20, 2023)				
	Kanara Consumer Products Limited (Formerly known as Kurlon Limited) (w.e.f October 20, 2023)				
Directors and Key management personnel (KMP)	Mr. T. Sudhakar Pai, Managing Director (up to October 20, 2023)				
	Ms. Jaya S Pai, Director (up to October 20, 2023)				
	Mrs. Jyothi Ashish Pradhan, Chief Executive Officer (up to October 20, 2023)				
	Mr. H N Shrinivas, Non-Executive Director (up to October 20, 2023)				
	Mr. Nagarajan S, Non-Executive Director (up to October 20, 2023)				
	Mr. Jamsheed Minoo Panday, Non- Executive Director (up to October 20, 2023)				
	Mrs. Jyothi Ashish Pradhan, Non - Executive Director (w.e.f. October 20, 2023)				
	Mr. Rahul Gautam, Non - Executive Director (w.e.f. October 20, 2023)				
	Mr. Tushaar Gautam, Managing Director(w.e.f. October 20, 2023)				
	Mr. Ravindra Dhariwal, Non-Executive Independent Director (w.e.f. October 21, 2023)				
	Ms. Meena Jagtiani, Non-Executive Independent Director (w.e.f. October 21, 2023)				
	Mr. Abhilash Padmanabh Kamti, Chief Financial Officer				
	Mr. Monu Kumar, Company Secretary				

**(B) Disclosure of transactions between the Company and related parties during the year**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Sale of products</b>		
Kurlon Retail Limited	1,902.99	1,193.32
Belvedere International Limited	1,025.47	578.91
Home Komfort Retail LLP	-	391.84
Komfort Universe Products & Services Limited	263.01	76.56
Manipal Advertising Services Private Limited	-	0.05
Sheela Foam Limited	700.16	-
Starship Value Chain and Manufacturing Private Limited	-	-
Kanara Consumer Products Limited	1,037.07	-
	<b>4,928.70</b>	<b>2,240.68</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Scheme expenses</b>		
Kurlon Retail Limited	151.54	190.21
Komfort Universe Products & Services Limited	-	23.98
Belvedere International Limited	1.39	-
Sheela Foam Limited	0.19	-
	<b>153.12</b>	<b>214.19</b>
<b>Interest income on loan given</b>		
Kanvas Concepts Private Limited	8.69	13.85
Komfort Universe Products and Services Private Limited	0.03	27.17
Kurlon Retail Limited	117.69	-
Sevalal Solar Private Limited	2.05	0.12
Sirar Dhotre Solar Private Limited	4.70	6.41
Sirar Solar Energies Private Limited	5.41	7.13
Starship Value Chain and Manufacturing Private Limited	13.24	-
Belvedere International Limited	-	1.11
	<b>152.00</b>	<b>55.79</b>
<b>Provision for doubtful recovery of interest income on loans</b>		
Kanvas Concepts Private Limited	8.69	13.85
Komfort Universe Products and Services Private Limited	0.03	27.17
Kurlon Retail Limited	117.69	-
Sevalal Solar Private Limited	2.05	-
Sirar Dhotre Solar Private Limited	4.70	-
Sirar Solar Energies Private Limited	5.41	-
Starship Value Chain and Manufacturing Private Limited	13.24	-
Belvedere International Limited	-	1.11
	<b>152.00</b>	<b>42.13</b>
<b>Rental income</b>		
Starship Value Chain and Manufacturing Private Limited	-	4.11
	<b>-</b>	<b>4.11</b>
<b>Purchases</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	4,178.73	9,079.51
Komfort Universe Products & Services Limited	-	43.86
Belvedere International Limited	12.75	35.61
Kurlon Retail Limited	35.82	-
Sheela Foam Limited	2,935.65	-
Starship Value Chain and Manufacturing Private Limited	-	-
	<b>7,162.95</b>	<b>9,158.98</b>
<b>Managerial remuneration</b>		
T Sudhakar Pai	40.22	75.92
Jyothi Pradhan	46.36	73.89
Abhilash Padmanabh Kamti	46.46	18.00
Monu Kumar	19.12	13.63
	<b>152.16</b>	<b>181.44</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Repair &amp; Maintenance - Others</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	73.86	71.50
Kurlon Retail Limited	-	0.10
	<b>73.86</b>	<b>71.60</b>
<b>Interest paid on unsecured loan</b>		
Jaya S Pai	38.11	62.63
	<b>38.11</b>	<b>62.63</b>
<b>Freight outward</b>		
Starship Value Chain and Manufacturing Private Limited	4,030.37	6,585.84
Sheela Foam Limited	0.97	-
	<b>4,031.34</b>	<b>6,585.84</b>
<b>Warehouse charges</b>		
Starship Value Chain and Manufacturing Private Limited	958.44	983.81
	<b>958.44</b>	<b>983.81</b>
<b>Legal and consultancy charges</b>		
Starship Value Chain and Manufacturing Private Limited	2,679.84	2,825.26
Manipal Software & E-Com Private Limited	383.19	403.30
Komfort Universe Products & Services Limited	-	55.53
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	-	50.66
	<b>3,063.03</b>	<b>3,334.75</b>
<b>Advertisement and sales promotion expenses</b>		
Komfort Universe Products & Services Limited	-	211.74
Manipal Advertising Services Private Limited	306.61	668.26
Kurlon Retail Limited	17.63	2.92
Manipal Software & E-Com Private Limited	2.50	39.13
Sheela Foam Limited	60.49	-
	<b>387.23</b>	<b>922.05</b>
<b>Travelling and conveyance expenses</b>		
Manipal Travels (India) Private Limited	126.79	247.28
Komfort Universe Products & Services Limited	-	9.72
Abhilash Padmanabh Kamti	1.03	-
Jamsheed M Panday	0.14	-
Monu Kumar	0.09	-
	<b>128.05</b>	<b>257.00</b>
<b>Sitting fees</b>		
H N Shrinivas	0.78	1.17
S Nagarajan	0.78	1.17
Jaya S Pai	0.51	1.02
Jamsheed Minoo Panday	0.78	0.39
Jyothi Pradhan	2.35	-
Meena Jagtiani	2.33	-
Rahul Gautam	2.71	-
Ravindra Dhariwal	2.33	-
Tushaar Gautam	0.13	-
	<b>12.70</b>	<b>3.75</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Dividend paid</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	646.84	162.09
	<b>646.84</b>	<b>162.09</b>
<b>Reimbursement of expenses to related parties</b>		
Komfort Universe Products & Services Limited	-	298.73
Home Komfort Retail LLP	-	123.48
Starship Value Chain and Manufacturing Private Limited	-	0.34
Abhilash Padmanabh Kamti	0.70	-
Jamsheed M Panday	0.06	-
Monu Kumar	0.02	-
Sudhakar Pai T	0.23	-
	<b>1.01</b>	<b>422.55</b>
<b>Lease Rentals to related parties</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	1,340.00	2,209.00
Manipal Metropolis Builders Private Limited	16.50	29.78
Jai Bharath Mills Private Limited	5.50	6.00
Jayamahal Trade and Investments Private Limited	9.73	22.94
	<b>1,371.73</b>	<b>2,267.72</b>
<b>Miscellaneous Expenses</b>		
Kurlon Retail Limited	0.38	-
	<b>0.38</b>	-
<b>Miscellaneous Income</b>		
Starship Value Chain and Manufacturing Private Limited	3.75	-
	<b>3.75</b>	-
<b>Staff Welfare Expenses</b>		
Belvedere International Limited	0.43	-
Komfort Universe Products & Services Limited	3.89	-
Starship Value Chain and Manufacturing Private Limited	12.23	-
	<b>16.55</b>	-
<b>Sale of Investment in Subsidiaries</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	14.07	-
	<b>14.07</b>	-
<b>Sale of Assets</b>		
Jyothi Pradhan	34.47	-
Sheela Foam Limited	71.32	-
Sudhakar Pai T	1.85	-
	<b>107.64</b>	-
<b>Printing &amp; Stationery</b>		
Manipal Advertising Services Private Limited	0.59	-
	<b>0.59</b>	-
<b>Contribution to CSR expenditure</b>		
Sleepwell Foundation (Trust)	66.60	-
	<b>66.60</b>	-

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

© Disclosure of balances outstanding at the end of the reporting year

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Trade payable</b>		
Komfort Universe Products and Services Private Limited	-	732.90
Belvedere International Limited	-	40.67
Jai Bharath Mills Private Limited	-	5.40
Manipal Advertising Services Private Limited	-	3.03
Manipal Software & E-Com Private Limited	33.97	32.86
Starship Value Chain and Manufacturing Private Limited	469.53	781.81
Sheela Foam Limited	716.57	-
Kanara Consumer Products Limited (Formerly known as Kurlon Limited)	100.23	-
Manipal Metropolis Builders Private Limited	4.86	-
	<b>1,325.16</b>	<b>1,596.67</b>
<b>Trade receivable</b>		
Belvedere International Limited	266.09	175.68
Komfort Universe Products & Services Limited	863.07	474.63
Sheela Foam Limited	408.80	-
Starship Value Chain and Manufacturing Private Limited	-	0.74
Home Komfort Retail LLP	-	41.09
Manipal Advertising Services Private Limited	-	0.06
	<b>1,537.96</b>	<b>692.19</b>
<b>Investment in subsidiaries</b>		
Kurlon Retail Limited	1,760.00	1,760.00
Sevalal Solar Private Limited	-	4.69
Sirar Dhotre Solar Private Limited	-	4.69
Sirar Solar Energies Private Limited	-	4.69
Komfort Universe Products & Services Limited	5.00	5.00
Belvedere International Limited	5.00	5.00
Kanvas Concepts Private Limited	1.00	1.00
Starship Manufacturing and Services Private Limited	0.50	0.50
	<b>1,771.50</b>	<b>1,785.57</b>
<b>Capital advances</b>		
Maha Rashtra Apex Corporation Limited	-	1,222.76
	<b>-</b>	<b>1,222.76</b>
<b>Security deposit</b>		
Jayamahal Trade and Investments Private Limited	-	9.00
Manipal Metropolis Builders Private Limited	10.00	30.00
Jai Bharath Mills Private Limited	-	30.00
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	-	15,300.00
	<b>10.00</b>	<b>15,369.00</b>



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Loan to related parties (Gross)</b>		
Kurlon Retail Limited	2,790.50	2,398.69
Kanvas Concepts Private Limited	135.00	162.91
Komfort Universe Products & Services Limited	141.03	412.15
Sirar Solar Energies Private Limited	-	98.71
Sirar Dhotre Solar Private Limited	-	81.78
Sevalal Solar Private Limited	-	22.08
Belvedere International Limited	-	13.01
	<b>3,066.53</b>	<b>3,189.33</b>
<b>Loss allowance on loans given to related parties</b>		
Kurlon Retail Limited	2,790.50	2,398.69
Kanvas Concepts Private Limited	135.00	162.91
Komfort Universe Products & Services Limited	141.03	412.15
	<b>3,066.53</b>	<b>2,973.75</b>
<b>Interest income receivable</b>		
Sevalal Solar Private Limited	-	0.12
Sirar Dhotre Solar Private Limited	-	6.41
Sirar Solar Energies Private Limited	-	7.13
	<b>-</b>	<b>13.66</b>
<b>Advance against supply of goods and services to related parties</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	-	7,433.58
Starship Global VCT LLP	-	280.37
	<b>-</b>	<b>7,713.95</b>
<b>Unsecured loans payable</b>		
Jaya S Pai	-	650.00
	<b>-</b>	<b>650.00</b>
<b>Advance from customers</b>		
Sheela Foam Limited	6.63	-
Home Komfort Retail LLP	-	0.38
	<b>6.63</b>	<b>0.38</b>
<b>Lease liabilities</b>		
Jayamahal Trade and Investments Private Limited	-	153.70
Manipal Metropolis Builders Private Limited	-	86.67
Jai Bharath Mills Private Limited	-	-
	<b>-</b>	<b>240.37</b>
<b>Advance to Employee</b>		
Jyothi Pradhan	3.15	-
	<b>3.15</b>	<b>-</b>
<b>Advance to related parties</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	473.33	-
	<b>473.33</b>	<b>-</b>
<b>Other Receivables</b>		
Kanara Consumer Products Limited	564.39	-
	<b>564.39</b>	<b>-</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Employee Payables</b>		
Abhilash Padmanabh Kamti	0.19	-
	<b>0.19</b>	<b>-</b>
<b>Sitting fees payable</b>		
Ravindra Dhariwal	2.18	-
	<b>2.18</b>	<b>-</b>

**Disclosure of Key management personnel (KMP) compensation**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salary, wages and bonus	152.16	181.44
Post-employment gratuity	6.30	-
	<b>158.46</b>	<b>181.44</b>

**Terms and conditions:**

Sales of goods to related parties were made at the usual list prices, that prevail in arm's length transactions. Purchases were made at market prices. Outstanding balances at the year-end with related parties are unsecured and interest free (other than loans at market rates) to be settled in cash in the next three months.

The Company has not made any allowance for bad or doubtful debts in respect of related party trade receivables nor has any guarantee been given or received during the year ended March 31, 2024 and March 31, 2023 relating to related party transactions.

**43. Disclosures as per Ind AS 116 'Leases'**

**A) Leases where Group is a lessee**

The following is the summary of practical measures applied

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment
2. Applied the exemption not to recognize ROU assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

**a) The changes in the carrying value of ROU assets**

Particulars	As At March 31, 2024	As At March 31, 2023
Opening balance	2,362.69	2,051.14
Additions during the year	1,531.88	1,022.99
Disposals / deletions during the year	(411.02)	(391.56)
Depreciation	(536.70)	(319.88)
<b>Closing balance</b>	<b>2,946.85</b>	<b>2,362.69</b>

**b) The movement in lease liabilities**

Particulars	As At March 31, 2024			As At March 31, 2023		
	Buildings	Office equipments	Total	Buildings	Office equipments	Total
Opening Balance	1,334.45	-	1,334.45	1,002.66	-	1,002.66
Recognised during the year	1,483.53	-	1,483.53	979.49	-	979.49
Interest on lease	139.78	-	139.78	102.91	-	102.91
Payments during the year	(513.63)	-	(513.63)	(586.86)	-	(586.86)
Disposal of lease during the year	(374.55)	-	(374.55)	(163.75)	-	(163.75)
<b>Closing Balance</b>	<b>2,069.58</b>	<b>-</b>	<b>2,069.58</b>	<b>1,334.45</b>	<b>-</b>	<b>1,334.45</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**c) Break-up of current and non-current lease liabilities**

Particulars	As At March 31, 2024	As At March 31, 2023
Current Lease Liabilities	1,750.10	921.21
Non-current Lease Liabilities	319.48	413.24
<b>Total</b>	<b>2,069.58</b>	<b>1,334.45</b>

**d) Maturity analysis of lease liabilities**

Particulars	As At March 31, 2024	As At March 31, 2023
Less than one year	319.48	430.23
One to five years	1,672.76	803.28
More than five years	77.34	100.94
<b>Total</b>	<b>2,069.58</b>	<b>1,334.45</b>

**e) Amounts recognised in statement of Profit and Loss account**

Particulars	As At March 31, 2024	As At March 31, 2023
Interest on Lease Liabilities	139.78	102.91
<b>Total</b>	<b>139.78</b>	<b>102.91</b>

**44. 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.

**45. 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,

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

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.

This section gives an overview of the significance of financial instrument for the Company and provides additional information on balance sheet item that contain financial instruments.

**Financial instruments by category**

Particulars	As At March 31, 2024			As At March 31, 2023		
	Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Investments in Subsidiaries	1,771.50	-	-	1,785.57	-	-
Investments in Mutual Funds	-	-	1,027.82	-	-	1,602.30
Trade receivables	7,745.88	-	-	5,868.23	-	-
Cash and cash equivalents	114.60	-	-	214.01	-	-
Bank balances other than cash and cash equivalents	222.25	-	-	149.31	-	-
Loans	-	-	-	225.89	-	-
Other financial assets	815.48	-	-	18,158.77	-	-
<b>Total financial assets</b>	<b>10,669.71</b>	<b>-</b>	<b>1,027.82</b>	<b>26,401.78</b>	<b>-</b>	<b>1,602.30</b>
<b>Financial liabilities</b>						
Borrowings	11.55	-	-	1,660.91	-	-
Lease liabilities	2,069.58	-	-	1,334.45	-	-
Trade payables	12,058.11	-	-	12,027.30	-	-
Other financial liabilities	6,050.98	-	-	6,699.28	-	-
<b>Total financial liabilities</b>	<b>20,190.22</b>	<b>-</b>	<b>-</b>	<b>21,721.94</b>	<b>-</b>	<b>-</b>

The management assessed that the fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables, other financial liabilities and borrowings approximate the carrying amount largely due to short-term maturity of this instruments and insignificant changes in assumptions, where applicable.

Non-current financial assets and liabilities are discounted using an appropriate discounting rate where time value of money is material.

**46. 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.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**i. Currency risk**

a) The Company's exposure to currency risk as at year end is as below :

Particulars	As At March 31, 2024			As At March 31, 2023		
	Currency	Foreign currency	Rs. Lakhs	Currency	Foreign currency	Rs. Lakhs
Trade payables	USD	61,661.12	51.41	USD	1,19,987.86	99.59
	EUR	-	-	EUR	31,112.73	27.03
Advance to suppliers	USD	38,075.47	31.75	USD	-	-
	EUR	1,53,420.00	138.41	EUR	-	-
Trade receivables	USD	900.00	0.75	USD	27,732.00	22.39

**b) Foreign currency sensitivity analysis**

The Company is mainly exposed to USD and EURO. 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.

Particulars	As At March 31, 2024	As At March 31, 2023
Basis point	Effect on profit before tax	
+500	0.95	(5.21)
(-500)	(0.95)	5.21

**(ii) Interest 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 :

Particulars	As At March 31, 2024	As At March 31, 2023
Basis point	Effect on profit before tax	
+100	1.16	(10.11)
(-100)	(1.16)	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.

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.

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

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

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 :

Particulars	Trade receivables		Loans & other financial assets		Other assets	
	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023	As At March 31, 2024	As At March 31, 2023
At the beginning of the year	1,666.42	1,592.89	3,015.87	434.90	24.92	24.92
Allowance created/(reversed) during the year	(530.53)	73.53	244.79	2,580.97	(24.92)	-
<b>At the end of the year</b>	<b>1,135.89</b>	<b>1,666.42</b>	<b>3,260.66</b>	<b>3,015.87</b>	<b>-</b>	<b>24.92</b>

**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**

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>March 31, 2024</b>				
Borrowings	11.55	-	-	11.55
Lease liabilities	319.48	1,750.10	-	2,069.58
Trade payables	11,931.79	126.32	-	12,058.11
Other financial liabilities	627.39	5,423.59	-	6,050.98
<b>Total</b>	<b>12,890.21</b>	<b>7,300.01</b>	<b>-</b>	<b>20,190.22</b>
<b>March 31, 2023</b>				
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
<b>Total</b>	<b>15,035.82</b>	<b>6,855.03</b>	<b>100.94</b>	<b>21,991.79</b>

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no significant liquidity risk is perceived.

**47. 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.



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At March 31, 2024	As At March 31, 2023
Equity	1,827.62	1,827.62
Other Equity	27,640.52	45,982.34
<b>Total equity (I)</b>	<b>29,468.14</b>	<b>47,809.96</b>
Borrowings (including lease liabilities)	2,081.13	2,995.36
Less: cash and cash equivalents	114.60	214.01
<b>Total debt (ii)</b>	<b>1,966.53</b>	<b>2,781.35</b>
Overall financing (iii) = (i) + (ii)	31,434.67	50,591.31
Gearing ratio (in %) (ii)/ (iii)	0.06	0.05

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, 2024 and March 31, 2023.

#### 48. Distributions made

Dividend on equity shares declared and paid

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Dividend on equity shares declared and paid</b>		
Final dividend for the year ended March 31, 2023: INR 2 per share (March 31, 2023: Final dividend for the year ended March 31, 2022: INR 0.50 per share)	658.05	183.21
<b>Proposed dividend</b>		
Proposed dividend for the year ended March 31, 2024: INR NIL per share (March 31, 2023: Proposed dividend for the year ended March 31, 2023: INR 2 per share)	-	731.04

**Note :** The Company has not proposed any dividend as at March 31,2024

#### 49. Commitments for expenditure

Particulars	As At March 31, 2024	As At March 31, 2023
Capital commitments (net of advances)	545.68	21.04
<b>Total</b>	<b>545.68</b>	<b>21.04</b>

#### 50. Contingent liabilities

Particulars	As At March 31, 2024	As At March 31, 2023
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		
- Income tax	1,072.45	1,072.45
- Sales tax	257.90	4,293.80
- Excise duty	-	2,212.13
- GST	1,418.42	636.97
<b>Total</b>	<b>2,748.77</b>	<b>8,215.35</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**Note :** 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, 2024. 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.

#### 51. Segment information

##### Operating segment information

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 Chief Operating Decision Maker (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.

#### 52. 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	As At March 31, 2024	As At March 31, 2023
Gross amount required to be spent as per section 135 of the Act	81.66	143.95
Add: Amount Unspent from previous years	-	-
<b>Total Gross amount required to be spent during the year</b>	<b>81.66</b>	<b>143.95</b>
Amount approved by the Board to be spent during the year		
<b>Amount approved by the Board to be spent during the year</b>	<b>81.66</b>	<b>143.95</b>
Amount spent during the year on		
(I) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	106.31	135.98

#### Details of CSR expenditure in respect of other than ongoing projects

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Promotion of health and education	-	94.86
Protection of environment	-	0.09
Employee Volunteering through Trust for promotion of health	-	3.43
Contribution to Corpus of Trust	66.60	37.60
Prime Minister National Relief Fund	0.70	-
Protecting national heritage, art, and culture.	38.34	-
<b>Total</b>	<b>106.31</b>	<b>135.98</b>

Nature of Activity	Balance excess as at April 1, 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess as at March 31, 2024
Healthcare / Education / Skill Development / Art and culture	-	81.66	106.31	(24.65)

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

### 53. Income Tax and Deferred Tax

#### a) Income tax expense charged to the statement of profit or loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
- Current tax taxes	-	647.68
- Adjustments in respect of current income tax of previous year	-	(45.49)
- Deferred tax charge / (income)	(495.62)	(1,059.70)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(495.62)</b>	<b>(457.51)</b>

#### b) Income tax expense charged to OCI

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net loss/(gain) on remeasurements of defined benefit plans	(9.99)	10.58
<b>Income tax charged to OCI</b>	<b>(9.99)</b>	<b>10.58</b>

#### c) Recognition of deferred tax asset to the extent of deferred tax liability

Balance sheet	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax asset	1,935.49	1,775.49
Deferred tax liabilities	(2,078.71)	(2,414.33)
<b>Deferred tax (assets) / liabilities, net</b>	<b>(143.22)</b>	<b>(638.84)</b>

#### d) Reconciliation of tax charge

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	(5,060.59)	(1,774.96)
Tax Rate	25.17%	25.17%
Income tax expense at tax rates applicable	(1,273.75)	(446.76)
Effect of difference in tax rates	20.55	34.10
Others	757.58	0.64
	<b>(495.62)</b>	<b>(412.02)</b>
Adjustments recognised in the current year in relation to tax of prior years	-	(45.49)
<b>Income tax expense</b>	<b>(495.62)</b>	<b>(457.51)</b>

Particulars	As at March 31, 2023	Credit / (Charge) in the statement of profit / (loss)	Credit / (Charge) in other comprehensive income	As at March 31, 2024
<b>Deferred tax assets</b>				
On Provision for gratuity	29.93	87.67	-	117.60
On Provisions for leave encashment	18.11	60.93	-	79.04
On Provision for Other 43(B) items	72.45	(72.45)	-	-
On Mutual Fund Investment	128.68	(124.81)	-	3.87
On Provision for expected credit loss	431.28	(145.40)	-	285.88
On Provision for Warranty	-	156.45	-	156.45
On lease liabilities	335.89	184.98	-	520.87
On 35DD disallowance	4.45	(4.45)	-	-
On Doubtful advances	6.27	(6.27)	-	-
On Loans to related parties	748.43	23.35	-	771.78
	<b>1,775.49</b>	<b>160.00</b>	<b>-</b>	<b>1,935.49</b>

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	Credit / (Charge) in the statement of profit / (loss)	Credit / (Charge) in other comprehensive income	As at March 31, 2024
<b>Deferred tax liabilities</b>				
On property, plant and equipment	(1,588.11)	251.06	-	(1,337.05)
On Right to use of assets	(594.64)	(147.02)	-	(741.66)
On Goodwill	(231.58)	231.58	-	-
	<b>(2,414.33)</b>	<b>335.62</b>	<b>-</b>	<b>(2,078.71)</b>
<b>Deferred tax assets/(liabilities), net</b>	<b>(638.84)</b>	<b>495.62</b>	<b>-</b>	<b>(143.22)</b>

#### Year ended March 31, 2022

Particulars	As at March 31, 2022	Credit / (Charge) in the statement of profit / (loss)	Credit / (Charge) in other comprehensive income	As at March 31, 2023
<b>Deferred tax assets</b>				
On Provision for Bonus	1.37	(1.37)	-	-
On Provision for gratuity	52.29	(22.36)	-	29.93
On Provisions for leave encashment	-	18.11	-	18.11
On Provision for Other 43(B) items	68.28	4.17	-	72.45
On Mutual Fund Investment	-	128.68	-	128.68
On Provision for expected credit loss	412.72	18.56	-	431.28
On lease liabilities	252.35	83.54	-	335.89
On 35DD disallowance	12.62	(8.17)	-	4.45
On Doubtful advances	6.27	-	-	6.27
On Loans to related parties	105.22	643.21	-	748.43
	<b>911.12</b>	<b>864.37</b>	<b>-</b>	<b>1,775.49</b>
<b>Deferred tax liabilities</b>				
On property, plant and equipment	(1,718.31)	130.20	-	(1,588.11)
On Right to use of assets	(516.30)	(78.34)	-	(594.64)
On Goodwill	(231.58)	-	-	(231.58)
On Mutual Fund Investment	(143.47)	143.47	-	-
	<b>(2,609.66)</b>	<b>195.33</b>	<b>-</b>	<b>(2,414.33)</b>
<b>Deferred tax assets/(liabilities), net</b>	<b>(1,698.54)</b>	<b>1,059.70</b>	<b>-</b>	<b>(638.84)</b>

### 54. Disclosure for specific ratios

Ratio	Formula	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Reasons for variances
		<u>Numerator</u>				
		<u>Denominator</u>				
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	1.38	2.46	44%	There has been a significant reduction in security deposits under other financial assets and advances paid to related parties under other current assets, in accordance with the terms of the Tripartite Agreement (TA) and the Share Purchase Agreement (SPA) as referenced in Note 66.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Ratio	Formula	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Reasons for variances
Debt equity Ratio	Debt / Equity	Debts = Lease liabilities + Borrowings	0.07	0.06	(13%)	NA
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	7.72	6.11	(26%)	There is a reduction in purchases as compared to previous year
Net capital turnover Ratio	Revenue / Working Capital	Revenue = Revenue from operations	14.61	3.42	(327%)	There has been a substantial decrease in revenue from operations, security deposits under other financial assets, and advances paid to related parties under other current assets, in accordance with the terms of the Tripartite Agreement and Share Purchase Agreement as referenced in Note 66.
Return on Equity Ratio	Profit after tax / Shareholder's Equity	Total comprehensive income for the year	(0.17)	(0.03)	(488%)	There has been a substantial decrease in Profit after tax as compared to previous year, primarily due to the write-off of PPE, goodwill, and insurance receivables
Return on capital employed	EBIT / Capital Employed	EBIT = Profit before tax + Finance costs	(0.13)	(0.03)	(354%)	There has been a substantial decrease in EBIT, along with reductions in security deposits under other financial assets and advances paid to related parties under other current assets, in accordance with the terms of the Tripartite Agreement and Share Purchase Agreement as referenced in Note 66.
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	6.34	4.97	(27%)	There has been a substantial decrease in Cost of Goods Sold as compared to previous year.
Return on investment	Net Profit / Net Investment	Net Profit = Profit before tax + Finance costs	(0.16)	(0.03)	(396%)	There has been a substantial decrease in Net Profit as compared to previous year, compared to previous year primarily due to the write-off of PPE, goodwill, and insurance receivables.

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Ratio	Formula	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Reasons for variances
Trade receivables turnover ratio	Net Credit Sales / Average Trade Receivables	Net Credit sales = Revenue from operations	11.76	14.90	21%	NA

### 55. 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,

### 56. Events after the reporting period

There are no significant adjusting events after the reporting period.

### 57. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

### 58. 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).

### 59. 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.

### 60. 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.

### 61. Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions

#### As at March 31, 2024

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
Jun-23	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts & Inventories	15,778.13	16,199.20	(421.07)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
Sep-23	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts & Inventories	15,155.60	15,190.13	(34.54)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.



Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
Dec-23	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts & Inventories	16,884.39	17,800.58	(916.19)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
Mar-24	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts & Inventories	17,420.84	18,568.57	(1,147.73)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances. Additionally, provisional entries passed in books at year end not considered in return submitted to bank.
<b>As at March 31, 2023</b>						
Quarter	Name of Bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly statement (Rs. In Lakhs)	Amount of difference	Reason for material discrepancies
Jun-22	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts & Inventories	17,536.87	18,985.04	(1,448.17)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
Sep-22	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts & Inventories	17,941.50	18,351.30	(409.80)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
Dec-22	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts & Inventories	18,385.42	18,407.53	(22.10)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
Mar-23	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts & Inventories	15,425.59	16,668.74	(1,243.15)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances. Additionally, provisional entries passed in books at year end not considered in return submitted to bank.

**62. Loans or advances in the nature of loans granted to Promoters, Directors, KMPS and the Related Parties either severally or jointly with any other person**

Type of Borrower	Particulars		March 31, 2024			March 31, 2023	
	Loans / Advances granted Individually or Jointly with others during the year	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)	465.60	Yes	No	3,066.53	100.00%	215.89	95.57%

Notes forming part of the Standalone Financial Statements for the year ended March 31, 2024

**63. Registration of charges or satisfaction with Registrar of Companies**

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**64. 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.

**65. Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**66. Significant Events during the year**

During the year, the company entered into a tripartite agreement (TA) with Sheela Foam Limited (SFL) and Kanara Consumer Products Limited (KCPL) on October 18, 2023, pursuant to the Share Purchase Agreement (SPA) dated July 17, 2023, involving SFL, KCPL, and Kurlon Trading and Invest Management Private Limited. Based on these agreements, the company conducted the following transactions during the year.

1. KCPL Transferred Dabaspert Foam Land, Dabaspert Sofa Land, Bhubaneshwar Land and Haridwar Land for a consideration of Rs. 4,631.45 lakhs.

2. The company acquired the Gwalior Business from KCPL for a consideration of Rs. 3400 lakhs, and the excess of liability over asset of Rs. 1,505.93 lakhs of the said business acquisition has been recognised as capital reserve.

3. As per one of the terms of the SPA, the company sold its investment in Sevalal Solar Private Limited, Sirar Dhotre Solar Private Limited and Sirar Solar Energies Private Limited to KCPL for a consideration of Rs. 14.07 lakhs (investment at par value).

4. The company has adjusted lease deposit amount of Rs. 15,300 towards acquisition cost for the assets received from KCPL and further adjusting the liabilities owed to KCPL. The remaining balance of Rs. 14,301.13 lakhs has been reduced from the Retained earnings under other payments as surplus cash paid to KCPL.

**67. Scheme of Amalgamation of wholly owned Subsidiaries**

The Board of Directors of the Company ('Board') at its meeting held on March 28, 2024, has approved the Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or

"Transferor Company 1") and Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2") and Kurlon Retail Limited ("KRL" or "Transferor Company 3") and Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4") and Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or Transferor Company 5") and Kurlon Enterprise Limited ("KEL" or "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 ("Scheme"). The Scheme is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Mumbai ("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.

**68. Scheme of Amalgamation with Holding Company**

During the year the board of holding company, Sheela Foam Limited, approved the Scheme of Amalgamation of Kurlon Enterprise Limited ("KEL" or "Amalgamating Company") with Sheela Foam Limited ("SFL" or "Amalgamated 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 Mumbai ("NCLT").

**69. Revaluation of property, plant and equipment, intangible assets and investment property**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during current year or previous year.

**70. Regrouped / reclassification of comparative figures**

The comparative figures have been regrouped / reclassified, where necessary, to confine to this period's classification in alignment with the Parent Company presentation.

**71. Audit Trail**

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. During the financial year 2023-24, the Company had enabled the audit trail feature within the accounting software at the application level and at the database level, except for certain tables and transaction fields within the accounting software wherein the audit trail feature was not enabled.

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

**Tushaar Gautam**  
Managing Director  
DIN : 01646487  
Place : Noida, Date : May 15, 2024

**Abhilash Padmanabh Kamti**  
Chief Financial Officer  
Place : Noida, Date : May 15, 2024

**Rahul Gautam**  
Director  
DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place : Noida, Date : May 15, 2024

Report on the Audit of the CONSOLIDATED Financial Statements

**Opinion**

We have audited the accompanying consolidated financial statements of Kurlon Enterprise 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, 2024, 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 material accounting policy information 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, 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 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (Sas), as specified under section 143(10) of the Act. Our responsibilities under those SAs 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 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.

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the other information. The other information comprises the Director's report but does not include the 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 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 Consolidated Financial Statements**

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms 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 Management and 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 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

Report on the Audit of the CONSOLIDATED Financial Statements

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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and 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 each Company.

**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. The consolidated financial statements of the Group for the year ended March 31, 2023, were audited by

another auditor whose report dated ---August 29, 2023 expressed an unmodified opinion on those statements.

b. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 4,773.50 lakhs as at March 31, 2024, total revenues of Rs. 13,240.03 lakhs and net cash flows amounting to Rs. 41.22 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, and 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.

c. Attention is drawn to the fact that the auditors of three of the subsidiaries have highlighted material uncertainty related to related to going concern in their respective audit reports. However, the financial statements of these subsidiary companies have been prepared on a going concern basis.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiaries referred to in the Other Matters section above 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 except for the matters stated in the paragraph 1(h)(vi) below on reporting under Rule 11(g).

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other



Report on the Audit of the CONSOLIDATED Financial Statements

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.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024, 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, are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.

f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 1(h)(vi) below on reporting under Rule 11(g).

g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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 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 51 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 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, 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 with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties 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, to the best of their knowledge and belief, 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.

(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

Report on the Audit of the CONSOLIDATED Financial Statements

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. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries that are Indian companies under the Act, we report that the final dividend paid by the Holding Company and its subsidiaries during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.

vi. Based on our examination, the Holding Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording the audit trail (edit log) facility, however, the audit trail feature was not enabled throughout the year for all the relevant transactions at the application level, whereas it was fully enabled at the database level within the accounting software to log any direct data changes.

The audit trail facility, to the extent it was enabled, as reported above for the Holding Company, has been

operated throughout the year for relevant transactions in the accounting software. Further, during the course of our examination, we did not come across any instance of the audit trail being tampered with, in respect of the accounting software for the period and the relevant transactions for which the audit trail feature was enabled and operating.

Based on the other auditor's reports on the subsidiary companies incorporated in India whose financial statements have been audited under the Act, the subsidiary companies incorporated in India have used accounting software(s) for maintaining their respective books of account for the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s), and further, the respective auditors did not come across any instance of audit trail feature being tampered with.

2. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries, in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the Companies included in the consolidated financial statements are as follows:

Sl. No.	Name of the Company	CIN	Type of Company (Holding / Subsidiary / Associate)	Clause number of the CARO Report which is qualified or Adverse
01	Kurlon Enterprise Limited	U36101MH2011PLC222657	Holding Compan	3(i)(c) 3(ii)(b)
02	Starship Value Chain & Manufacturing Private Limited	U36900KA2020PTC139535	Subsidiary Company	3(i)(a)(A) 3(i)(b)

**For M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Harsh Jain**  
Partner

Membership No: 305641  
UDIN: 24305641BKFTXR7243

Place : Bengaluru  
Date : May 15, 2024



Report on the Audit of the CONSOLIDATED Financial Statements

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KURLON ENTERPRISE 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 Holding 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 the management and Board of Directors.
- 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 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.

**For M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No. 105047W

**Harsh Jain**

Partner

Place : Bengaluru  
Date : May 15, 2024

Membership No: 305641  
UDIN: 24305641BKFTXR7243

Report on the Audit of the CONSOLIDATED Financial Statements

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KURLON ENTERPRISE LIMITED**

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Kurlon Enterprise Limited on the Consolidated Financial Statements for the year ended March 31, 2024]

**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, 2024, we have audited the internal financial controls reference to consolidated financial statements of Kurlon Enterprise Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of 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.

Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one subsidiary, which is

incorporated in India namely Kanvas Concepts Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

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, 2024, 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 and Board of Director's Responsibility for Internal Financial Controls**

The respective Management and the Board of Directors of the Holding Company and 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

Report on the Audit of the CONSOLIDATED Financial Statements

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 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 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 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

Report on the Audit of the CONSOLIDATED Financial Statements

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**

Place : Bengaluru  
Date : May 15, 2024

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.

Our opinion is not modified in respect of this matter.

**For M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Harsh Jain**  
Partner  
Membership No: 305641  
UDIN: 24305641BKFTXR7243



## Report on the Audit of the CONSOLIDATED Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Kurlon Enterprise 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, 2024, 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 material accounting policy information 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, 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 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2024, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (Sas), as specified under section 143(10) of the Act. Our responsibilities under those SAs 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 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.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the Director's report but does not include the 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 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 Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms 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 Management and 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 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

## Report on the Audit of the CONSOLIDATED Financial Statements

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 Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and 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 each Company.

### 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. The consolidated financial statements of the Group for the year ended March 31, 2023, were audited by

another auditor whose report dated ---August 29, 2023 expressed an unmodified opinion on those statements.

b. We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 4,773.50 lakhs as at March 31, 2024, total revenues of Rs. 13,240.03 lakhs and net cash flows amounting to Rs. 41.22 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, and 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.

c. Attention is drawn to the fact that the auditors of three of the subsidiaries have highlighted material uncertainty related to related to going concern in their respective audit reports. However, the financial statements of these subsidiary companies have been prepared on a going concern basis.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiaries referred to in the Other Matters section above 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 except for the matters stated in the paragraph 1(h)(vi) below on reporting under Rule 11(g).

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other



Report on the Audit of the CONSOLIDATED Financial Statements

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.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024, 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, are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.

f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 1(h)(vi) below on reporting under Rule 11(g).

g. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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 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 51 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 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, 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 with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties 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, to the best of their knowledge and belief, 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.

(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

Report on the Audit of the CONSOLIDATED Financial Statements

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. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries that are Indian companies under the Act, we report that the final dividend paid by the Holding Company and its subsidiaries during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.

vi. Based on our examination, the Holding Company has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording the audit trail (edit log) facility, however, the audit trail feature was not enabled throughout the year for all the relevant transactions at the application level, whereas it was fully enabled at the database level within the accounting software to log any direct data changes.

The audit trail facility, to the extent it was enabled, as reported above for the Holding Company, has been

operated throughout the year for relevant transactions in the accounting software. Further, during the course of our examination, we did not come across any instance of the audit trail being tampered with, in respect of the accounting software for the period and the relevant transactions for which the audit trail feature was enabled and operating.

Based on the other auditor's reports on the subsidiary companies incorporated in India whose financial statements have been audited under the Act, the subsidiary companies incorporated in India have used accounting software(s) for maintaining their respective books of account for the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s), and further, the respective auditors did not come across any instance of audit trail feature being tampered with.

2. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries, in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the Companies included in the consolidated financial statements are as follows:

Sl. No.	Name of the Company	CIN	Type of Company (Holding / Subsidiary / Associate)	Clause number of the CARO Report which is qualified or Adverse
01	Kurlon Enterprise Limited	U36101MH2011PLC222657	Holding Compan	3(i)(c) 3(ii)(b)
02	Starship Value Chain & Manufacturing Private Limited	U36900KA2020PTC139535	Subsidiary Company	3(i)(a)(A) 3(i)(b)

**For M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Harsh Jain**  
Partner

Membership No: 305641  
UDIN: 24305641BKFTXR7243

Place : Bengaluru  
Date : May 15, 2024

Report on the Audit of the CONSOLIDATED Financial Statements

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KURLON ENTERPRISE 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 Holding 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 the management and Board of Directors.
- 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 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.

**For M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No. 105047W

**Harsh Jain**

Partner

Place : Bengaluru  
Date : May 15, 2024

Membership No: 305641  
UDIN: 24305641BKFTXR7243

Report on the Audit of the CONSOLIDATED Financial Statements

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KURLON ENTERPRISE LIMITED**

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Kurlon Enterprise Limited on the Consolidated Financial Statements for the year ended March 31, 2024]

**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, 2024, we have audited the internal financial controls reference to consolidated financial statements of Kurlon Enterprise Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of 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.

Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one subsidiary, which is

incorporated in India namely Kanvas Concepts Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

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, 2024, 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 and Board of Director's Responsibility for Internal Financial Controls**

The respective Management and the Board of Directors of the Holding Company and 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



Report on the Audit of the CONSOLIDATED Financial Statements

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 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 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 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

Report on the Audit of the CONSOLIDATED Financial Statements

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**

Place : Bengaluru  
Date : May 15, 2024

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.

Our opinion is not modified in respect of this matter.

**For M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Harsh Jain**  
Partner  
Membership No: 305641  
UDIN: 24305641BKFTXR7243



Consolidated Balance Sheet as at March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)			
Particulars	Notes	March 31, 2024	March 31, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	25,073.09	18,905.74
Right-of-use assets	5	4,722.05	6,063.82
Capital work-in-progress	4	55.15	98.26
Goodwill	6	-	2,103.16
Other Intangible assets	6	124.04	132.34
Financial assets			
(i) Loans	7	-	2.28
(ii) Other financial assets	8	1,266.03	2,954.34
Non current tax assets (net)	9	1,368.56	2,382.39
Other non-current assets	10	27.36	1,510.85
<b>Total non current assets</b>		<b>32,636.28</b>	<b>34,153.18</b>
<b>Current assets</b>			
Inventories	11	9,001.11	8,049.43
Financial assets			
(i) Investments	12	1,027.82	1,602.30
(ii) Trade receivables	13	6,889.17	5,529.89
(iii) Cash and cash equivalents	14	280.09	345.97
(iv) Bank balances other than cash and cash equivalents	15	225.86	164.26
(v) Loans	16	-	10.00
(vi) Other financial assets	17	67.69	15,590.09
Other current assets	18	2,977.38	10,270.80
<b>Total current assets</b>		<b>20,469.12</b>	<b>41,562.74</b>
<b>Total assets</b>		<b>53,105.40</b>	<b>75,715.92</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

**Tushaar Gautam**  
Managing Director  
DIN : 01646487  
Place : Noida, Date : May 15, 2024

**Abhilash Padmanabh Kamti**  
Chief Financial Officer  
Place :Nodia , Date : May 15, 2024

**Rahul Gautam**  
Director  
DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place :Nodia , Date : May 15, 2024

Consolidated Balance Sheet as at March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)			
Particulars	Notes	March 31, 2024	March 31, 2023
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	1,827.62	1,827.62
Other equity	20	26,545.76	45,176.24
<b>Equity attributable to shareholders of the Holding Company</b>		<b>28,373.38</b>	<b>47,003.86</b>
Non-controlling interests		-	(15.69)
<b>Total equity</b>		<b>28,373.38</b>	<b>46,988.17</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	21	-	59.32
(ii) Lease liabilities	22	3,135.63	3,911.16
(iii) Other non current financial liabilities	23	5,484.94	5,835.60
Provisions	24	723.42	446.45
Deferred tax liabilities (Net)	25	92.37	600.83
<b>Total non current liabilities</b>		<b>9,436.36</b>	<b>10,853.36</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	26	13.20	1,668.13
(ii) Lease liabilities	22	1,048.76	1,346.50
(iii) Trade payables	27		
- Total outstanding dues of micro enterprises and small enterprises		100.03	313.09
- Total outstanding dues of creditors other than micro enterprises and small enterprises"		11,780.33	11,025.04
(iv) Other financial liabilities	28	647.63	1,073.27
Provisions	24	863.29	706.35
Current tax liabilities (net)	29	84.99	684.10
Other current liabilities	30	757.43	1,057.91
<b>Total current liabilities</b>		<b>15,295.66</b>	<b>17,874.39</b>
<b>Total liabilities</b>		<b>24,732.02</b>	<b>28,727.75</b>
<b>Total equity and liabilities</b>		<b>53,105.40</b>	<b>75,715.92</b>

Summary of material 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

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

**Tushaar Gautam**  
Managing Director  
DIN : 01646487  
Place : Noida, Date : May 15, 2024

**Abhilash Padmanabh Kamti**  
Chief Financial Officer  
Place :Nodia , Date : May 15, 2024

**Rahul Gautam**  
Director  
DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place :Nodia , Date : May 15, 2024

### Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)			
Particulars	Notes	March 31, 2024	March 31, 2023
<b>Income</b>			
Revenue from operations	31	81,986.05	85,889.51
Other income	32	871.54	842.55
<b>Total Income</b>		<b>82,857.59</b>	<b>86,732.06</b>
<b>Expenses</b>			
Cost of materials consumed	33	39,336.19	37,930.92
Purchases of stock-in-trade	34	7,644.26	9,181.32
Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	(132.66)	1,627.12
Other manufacturing expenses	36	5,428.84	5,031.59
Employee benefits expenses	37	7,888.37	7,002.44
Finance costs	38	572.96	729.03
Depreciation and amortisation expense	39	2,531.33	3,590.98
Other expenses	40	22,952.30	20,846.95
<b>Total Expenses</b>		<b>86,221.59</b>	<b>85,940.35</b>
<b>Profit/(Loss) before tax</b>		<b>(3,363.99)</b>	<b>791.71</b>
Exceptional items	40.2	2,111.47	-
<b>Profit/(Loss) before tax from continuing operations</b>		<b>(5,475.46)</b>	<b>791.71</b>
<b>Income Tax expense</b>	55		
Current tax		163.57	824.35
Tax expenses related to earlier years		-	(45.45)
Deferred tax (net)		(517.46)	(1,033.85)
<b>Total Income tax expense</b>		<b>(353.89)</b>	<b>(254.95)</b>
<b>Profit/(Loss) for the year</b>		<b>(5,121.57)</b>	<b>1,046.66</b>
<b>Other comprehensive income (net of tax)</b>			
Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) of the net defined benefit plans		(296.37)	(27.77)
Income tax on above item	55	(9.99)	10.35
<b>Total Other comprehensive income/ (loss) (net of tax)</b>		<b>(306.36)</b>	<b>(17.42)</b>
<b>Total comprehensive income for the year</b>		<b>(5,427.93)</b>	<b>1,029.24</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

**Tushaar Gautam**  
Managing Director  
DIN : 01646487  
Place : Noida, Date : May 15, 2024

**Abhilash Padmanabh Kamti**  
Chief Financial Officer  
Place :Nodia , Date : May 15, 2024

**Rahul Gautam**  
Director  
DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place :Nodia , Date : May 15, 2024

### Consolidated Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)			
Particulars	Notes	March 31, 2024	March 31, 2023
<b>Profit for the year attributable to:</b>			
Shareholders of the Holding Company		(5,121.57)	1,064.89
Non-controlling Interest		-	(18.23)
		<b>(5,121.57)</b>	<b>1,046.65</b>
<b>Other Comprehensive income for the year attributable to:</b>			
Shareholders of the Holding Company		(306.36)	(17.42)
Non-controlling Interest		-	
		<b>(306.36)</b>	<b>(17.42)</b>
<b>Profit for the year attributable to:</b>			
Shareholders of the Holding Company		(5,427.93)	1,047.47
Non-controlling Interest		-	(18.23)
		<b>(5,427.93)</b>	<b>1,029.24</b>
<b>Earnings per equity share (face value of Rs.5/- each):</b>			
Basic and diluted (Rs.)		(14.01)	2.86

#### Summary of material 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

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

**Tushaar Gautam**  
Managing Director  
DIN : 01646487  
Place : Noida, Date : May 15, 2024

**Abhilash Padmanabh Kamti**  
Chief Financial Officer  
Place :Nodia , Date : May 15, 2024

**Rahul Gautam**  
Director  
DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place :Nodia , Date : May 15, 2024

### Consolidated Statement of Cash Flows for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
<b>A. Cash flows from operating activities</b>		
Profit before tax	(5,475.46)	791.71
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,531.33	3,590.98
Finance costs	478.31	527.01
Advances to suppliers written off	4.78	1.42
Liabilities/provisions no longer required written back	(526.69)	(59.50)
Provision for doubtful advances	-	276.68
Provision for expected credit loss	18.17	73.78
Provision for warranty	237.12	363.07
Advances/Balances written off	1,870.14	-
Bad debts written off	10.37	25.44
Fair value (gain) / loss on investments (net)	(15.39)	511.28
(Profit) / Loss on sale of investments (net)	(26.10)	(491.04)
(Profit) / Loss on sale of property, plant and equipment (net)	1,528.46	304.19
Gain on early termination of lease	(166.94)	(72.93)
Net Loss on Foreign Currency	3.43	-
Goodwill written off	2,103.16	-
Rental Income	(7.80)	-
Interest income	(39.90)	(149.59)
<b>Operating profit before working capital changes</b>	<b>2,526.99</b>	<b>5,692.50</b>
<b>Changes in working capital:</b>		
Decrease / (Increase) in Inventories	(951.68)	3,964.60
Decrease / (Increase) in loans and trade receivables	(1,375.54)	389.52
Decrease / (Increase) in other financial and non-financial assets	4,817.39	(22,801.30)
Increase / (Decrease) in trade payables	593.99	(657.35)
Increase / (Decrease) in other financial liabilities, non-financial liabilities and provisions	(660.72)	(149.68)
<b>Cash generated from operations</b>	<b>4,950.43</b>	<b>(13,561.71)</b>
Income taxes paid (net of refunds)	260.14	(774.71)
<b>Net cash flows from operating activities (A)</b>	<b>5,210.57</b>	<b>(14,336.42)</b>

### Consolidated Statement of Cash Flows for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment and change in capital work in progress	(6,357.28)	(611.22)
Proceeds from sale of property, plant and equipment	494.22	1,319.18
Capital Advances (paid)/ received	1,483.49	638.19
Investment in mutual funds (net)	615.97	9,086.00
Reduction of reserves on sale of subsidiaries	266.39	-
Bank deposits (Investment)/Redemption	(61.60)	4,085.74
Rental income received (short term lease)	7.80	-
Interest income received	39.90	190.09
<b>Net cash flows (used in) investing activities (B)</b>	<b>(3,511.12)</b>	<b>14,707.98</b>
<b>C. Cash flows from financing activities</b>		
Net (repayment of)/proceeds from short-term borrowings	(1,714.25)	971.01
Payment of lease liabilities (principal and interest)	(1,416.08)	(790.87)
Finance costs	(80.11)	(529.65)
Dividend paid	(658.05)	(183.08)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>(3,868.49)</b>	<b>(532.59)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,169.03)</b>	<b>(161.03)</b>
ash and cash equivalents at the beginning of the year	345.97	507.00
<b>Cash and cash equivalents at the end of the year</b>	<b>-1,823.07</b>	<b>345.97</b>

#### 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

Particulars	March 31, 2024	March 31, 2023
<b>3. Components of cash and cash equivalents:</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	277.55	339.74
Balance with banks in current accounts	2.54	6.23
<b>Balance as per Statement of Cash Flows</b>	<b>280.09</b>	<b>345.97</b>

#### Summary of material 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 Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657
<b>For M S K A &amp; Associates</b> Chartered Accountants Firm Registration No. : 105047W	<b>Tushaar Gautam</b> Managing Director DIN : 01646487 Place : Noida, Date : May 15, 2024 <b>Abhilash Padmanabh Kamti</b> Chief Financial Officer Place :Nodia , Date : May 15, 2024
<b>Harsh Jain</b> Partner Membership No. : 305641 Place : Bengaluru, Date : May 15, 2024	<b>Rahul Gautam</b> Director DIN : 00192999 Place : Delhi, Date : May 15, 2024 <b>Monu Kumar</b> Company Secretary Membership No. : A38853 Place :Nodia , Date : May 15, 2024

The accompanying notes are an integral part of the financial statements.

As per our report of even date	For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657
<b>For M S K A &amp; Associates</b> Chartered Accountants Firm Registration No. : 105047W	<b>Tushaar Gautam</b> Managing Director DIN : 01646487 Place : Noida, Date : May 15, 2024 <b>Abhilash Padmanabh Kamti</b> Chief Financial Officer Place :Nodia , Date : May 15, 2024
<b>Harsh Jain</b> Partner Membership No. : 305641 Place : Bengaluru, Date : May 15, 2024	<b>Rahul Gautam</b> Director DIN : 00192999 Place : Delhi, Date : May 15, 2024 <b>Monu Kumar</b> Company Secretary Membership No. : A38853 Place :Nodia , Date : May 15, 2024



## Consolidated Statement of Changes in Equity for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

### (A) Equity share capital

Equity shares of Rs. 5 each - issued, subscribed and fully paid

Particulars	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	36,552,261	1,827.62	36,552,261	1,827.62
Changes in equity share capital during the year	-	-	-	-
At the end of the year	36,552,261	1,827.62	36,552,261	1,827.62

### (B) Other equity

Particulars	Retained earnings	Capital reserve	Securities premium	General reserve	Total equity attributable to equity holders of the Company	Non-controlling Interest	Total
Balance as at April 01, 2022	27,849.43	312.24	14,860.48	1286.11	44,308.26	2.54	44,310.80
Profit for the year	1,046.66	-	-	-	1,046.66	-	1,046.66
Dividend paid	(183.21)	-	-	-	(183.21)	-	(183.21)
Transfer to capital reserve	-	3.71	-	-	3.71	-	3.71
Other Comprehensive Income for the year (net of tax)	(17.42)	-	-	-	(17.42)	-	(17.42)
Transfer to non-controlling Interest	18.23	-	-	-	18.23	(18.23)	-
Total comprehensive income for the year	864.26	3.71	-	-	867.98	(18.23)	849.74
Balance as at March 31, 2023	28,713.69	315.95	14,860.48	1286.11	45,176.24	(15.69)	45,160.54
Reclassification	315.95	(315.95)	-	-	-	-	-
Profit for the year	(5,121.57)	-	-	-	(5,121.57)	-	(5,121.57)
Addition to Capital reserve	-	1,505.93	-	-	1,505.93	-	1,505.93
Dividend paid	(658.05)	-	-	-	(658.05)	-	(658.05)
Other Comprehensive Income for the year (net of tax)	(306.36)	-	-	-	(306.36)	-	(306.36)
Other Payments (refer note 66)	(14,301.13)	-	-	-	(14,301.13)	-	(14,301.13)
Non-controlling interests in subsidiaries sold	-	-	-	-	-	15.69	15.69
Reduction of reserves on sale of subsidiaries	250.70	-	-	-	250.70	-	250.70
Total comprehensive income for the year	(19,820.46)	1,189.98	-	-	(18,630.48)	15.69	(18,614.78)
Balance as at March 31, 2024	8,893.23	1,505.93	14,860.48	1286.11	26,545.76	-	26,545.76

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For **M S K A & Associates**

Chartered Accountants

Firm Registration No. : 105047W

**Harsh Jain**

Partner

Membership No. : 305641

Place : Bengaluru, Date : May 15, 2024

For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

**Tushaar Gautam**

Managing Director

DIN : 01646487

Place : Noida, Date : May 15, 2024

**Abhilash Padmanabh Kamti**

Chief Financial Officer

Place : Nodia, Date : May 15, 2024

**Rahul Gautam**

Director

DIN : 00192999

Place : Delhi, Date : May 15, 2024

**Monu Kumar**

Company Secretary

Membership No. : A38853

Place : Nodia, Date : May 15, 2024

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

## 1 General information

Kurlon Enterprise Limited (referred to as "the Holding Company") together with its subsidiaries (collectively referred to as the 'Group'). The Holding Company was incorporated in Mumbai, India on October 03, 2011 as a public limited company under the Companies Act. The Holding Company is a subsidiary of Sheela Foam Limited (SFL), a public limited company listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together referred to as the 'Group') for the year ended March 31, 2024. The Group is primarily involved 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 & logistics services.

Sl. No	Name of the entity	Country of incorporation	Relationship	% Ownership interest as at March 31, 2024	% Ownership interest as at March 31, 2023
1	Kurlon Retail Limited	India	Subsidiary	100%	100%
2	Belvedere International Limited	India	Subsidiary	100%	100%
3	Komfort Universe Products and Services Limited	India	Subsidiary	100%	100%
4	Starship Value Chain and Manufacturing Pvt	India	Subsidiary	100%	100%
5	Kanvas Concepts Private Limited	India	Subsidiary	100%	100%
6	Sevalal Solar Private Limited	India	Subsidiary	-	93.80%
7	Sirar Dhotre Private Limited	India	Subsidiary	-	93.80%
8	Sirar Solar Private Limited	India	Subsidiary	-	93.80%

The consolidated financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorized for issue on May 15, 2024.

## 2 Material accounting policies

Material accounting policies adopted by the Group are as under:

### 2.1 Basis of Preparation of Special Purpose Consolidated financial statements

#### (a) Compliance

The Group prepares its financial statements 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 to the consolidated financial statements. Accounting policies have been consistently applied to all the periods presented unless otherwise stated.

#### (b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost convention on accrual basis, except for the following items (refer to individual accounting policies for detail):  
Financial instruments - Fair value through profit or loss.  
Financial instruments - Fair value through OCI  
Contingent consideration  
Net defined benefit(asset)/liability - Fair value of plan assets less present value of defined benefit obligation

#### (c) Presentation currency and rounding of

The consolidated financial statements are presented in INR and all values are rounded to nearest lakhs (INR 00,000), except when otherwise indicated.

#### (d) Going Concern

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

#### (e) Comparative information and reclassification

The consolidated financial statements provide comparative information in respective of the previous period.

### 2.2 Basis of consolidation

The special purpose consolidated financial statements comprise the financial statements of the group and its subsidiaries as at March 31, 2024.

Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present: (i) power over the investee, (ii) exposure to variable returns from the investee, and (iii) the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31.

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 statements as of the same date as the financial statements of the Holding Company to enable the Holding Company to consolidate the financial statements of the subsidiary, unless it is impracticable to do so.

#### Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Holding Company of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

## 2.3 Summary of material accounting policies

### (a) Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions. Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives as follows:

Property, plant and equipment	Useful Life
Buildings	29 years
Plant & Machinery	20 years
Moulds	10 years
Lab Equipments	10 years
Solar Equipments	15 years
Electrical Fittings	20 years
Furniture and Fixtures	15 years
Office Equipment	20 years
Computers	6 years
Vehicles	10 years

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. The Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

### (b) Leases

#### Identifying leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (i) There is an identified asset;
  - (ii) The Group obtains substantially all the economic benefits from use of the asset; and
  - (iii) The Group has the right to direct use of the asset.
- The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits. In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IndASs rather than Ind AS 116.

### (c) Intangible assets

#### Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

Development Cost that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets when required criteria is met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use. The significant intangibles recognised by the Group, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible assets	Useful Economical Life
Buildings	29 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the special purpose consolidated statement of profit and loss when the asset is derecognised.

### (d) Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the profit and loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the other comprehensive income and accumulated in equity as capital reserve on the acquisition date.

### (e) Non-controlling interests

The Group has the choice, on a transaction by transaction basis, to initially recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at either acquisition date fair value or, at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other components of non-controlling interest such as outstanding share options are generally measured at fair value. The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.



Notes forming part of the consolidated financial statements for the year ended March 31, 2024

**(f) Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)**

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

**(g) Inventories Basis of Valuation**

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

**Method of Valuation:**

Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

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**Method of Valuation:**

Cost of raw materials has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

Cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads and taxes as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on moving weighted average basis. Cost of traded goods has been determined by using moving weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

**(h) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated balance sheet.

**(i) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(A) Financial assets**

(i) Initial recognition and measurement-At initial recognition, financial asset is measured at its fair value plus, in the case of a 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.

**(ii) Subsequent measurement-For purposes of subsequent measurement, financial assets are classified in following categories:**

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Special purpose consolidated 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 Special purpose consolidated 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.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

**Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**(iii) Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI. For recognition of impairment loss on 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 subsequent years, 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 recognizing impairment loss allowance based on 12 month ECL. Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument. In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due. ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the Special purpose consolidated statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**(iv) Derecognition of financial assets**

A financial asset is derecognized only when  
a) the rights to receive cash flows from the financial asset is transferred or  
b) retains the contractual rights 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 financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

**(B) Financial liabilities**

**(i) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

As financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

**(ii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Special purpose consolidated statement of Profit and Loss. **Borrowings**

(Unsecured, considered good)

**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.

**(iii) 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

Special purpose consolidated statement of Profit and Loss as finance costs.

**(C) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability 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.

**(j) Share capital**

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

**(k) Dividends**

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

**(l) Provisions**

The Group has recognised provisions for liabilities of uncertain timing or amount including those for onerous leases, warranty claims, dealer loyalty programmes, other expenses and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

**(m) Revenue from contract with customer**

**Performance obligations and timing of revenue recognition**

The majority of the Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes:

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question. Some goods sold by the Group include warranties which require the group to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with Ind AS 115, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. The Group considers, whether there are other promises in the contract in which there are separate performance obligations, to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

#### Schemes

The group operates several sales incentive programmes wherein the customers are eligible for several benefits on achievement of underlying conditions as prescribed in the scheme programme such as credit notes, reimbursement, investments etc. Revenue from contract with customer is presented deducting cost of all these

#### (n) Other Operating Revenue

##### Rental Income

Rental income arising from operating sub lease is accounted for on a straight - line basis over the lease terms and is included in other income in the Special purpose consolidated statement of Profit and Loss due to its non-operating nature.

##### Interest Income

Interest on the deployment of surplus funds is recognized using the time proportion method based on the underlying interest rates.

##### Dividend Income

Dividend income is recorded when the right to receive payment is established

#### (o) Foreign currencies

##### Functional and presentation currency

Items included in the Special purpose consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is the Company's functional and Group's presentation currency.

##### Transactions and balances

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 rates between the transaction date and settlement date are recognised in the 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 profit and loss.

#### (p) Borrowing costs

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

#### (q) Employee Benefits

##### Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the profit and loss in the year to which they relate.

##### Defined benefit schemes

Defined benefit scheme surpluses and deficits are measured at:

- (i) The fair value of plan assets at the reporting date; less
- (ii) Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on government bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post employment benefit obligations

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- (i) Actuarial gains and losses
- (ii) Return on plan assets (interest exclusive)
- (iii) Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss. Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

#### Other long-term service benefits

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities. Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on government bonds that have maturity dates approximating to the expected remaining period to settlement and are denominated in the same currency as the post-employment benefit obligations..

#### (r) Taxes

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 income tax

Current tax assets and liabilities are measured at the amount expected to be recovered 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 year/period end 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 assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated balance sheet differs from its tax base, except for differences arising on:**

- (i) The initial recognition of goodwill
- (ii) The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- (iii) Investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

When there is uncertainty concerning the Group's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions, then the Group:

- (i) Considers whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- a. Determines if it is probable that the tax authorities will accept the uncertain tax treatment; and
- b. If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.



Notes forming part of the consolidated financial statements for the year ended March 31, 2024

This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- (i) The same taxable group company, or
- (ii) Different group entities which intend either to settle current tax assets and liabilities 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 assets or liabilities are expected to be settled or recovered

#### 2.4 Changes in accounting policies and disclosures

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 for annual periods beginning on or after April 01, 2023. The Group has applied these amendments for the first-time in these consolidated financial statements.

##### (a) Amendments to Ind AS 8 - definition of accounting estimates

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. The amendments had no impact on these consolidated financial statements.

##### (b) Amendments to Ind AS 1 - disclosure of accounting policies

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.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements.

##### (c) Amendments to Ind AS 12 - deferred tax related to assets and liabilities arising from a single transaction

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 such as leases. The Group previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet.

##### (d) New standards and amendments issued but not effective

There are no such standards which are notified but not yet effective

#### 3 Critical accounting estimates and judgements Estimates and assumptions

##### (a) Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

##### (b) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

The provision rates are based on days past due for Groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

##### (c) Defined benefit plans (post-employment gratuity)

The cost of the defined benefit gratuity plan and other post-employment medical benefits 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; future salary increases and mortality rates. Due to the 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. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

##### (d) Legal proceedings – estimates of claims and legal processes

The Group is currently involved in a number of legal disputes. The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the Special purpose consolidated financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

##### (e) Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them.

##### (f) Going concern

The assessment of going concern assumption involves significant judgements over availability of sufficient resources, future business plan, availability of funding/ financial resources.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**Note 4 : Property, plant and equipment**

Particulars	Leasehold Land/ Freehold Land	Buildings	Plant & Equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total property, plant and equipment	Capital work-in- progress
<b>Gross carrying amount</b>									
As at April 1, 2022	991.42	9,461.98	20,693.27	3,864.21	452.90	842.00	711.20	37,016.98	398.26
Additions	-	389.16	571.84	271.51	48.57	69.73	55.64	1,406.45	342.28
Disposals	-	(981.95)	(1,036.20)	(800.50)	(46.14)	(18.42)	(24.03)	(2,907.24)	(642.28)
As at March 31, 2023	991.42	8,869.19	20,228.91	3,335.22	455.33	893.31	742.81	35,516.19	98.26
Additions	4,631.45	1,591.76	2,572.91	302.73	86.43	62.75	53.82	9,301.85	709.60
Disposals/ Adjustments*	-	-	(4,231.62)	(557.92)	(248.33)	(204.58)	(177.75)	(5,420.20)	(752.71)
As at March 31, 2024	5,622.87	10,460.95	18,570.20	3,080.03	293.43	751.48	618.88	39,397.84	55.15
<b>Accumulated depreciation</b>									
As at April 1, 2022	-	1,275.63	11,316.93	2,043.42	169.92	543.21	549.98	15,899.09	-
Depreciation expense for the year	-	282.87	1,284.83	248.78	46.54	82.37	66.89	2,012.28	-
Disposals	-	(230.60)	(479.70)	(538.70)	(16.72)	(16.68)	(18.52)	(1,300.92)	-
As at March 31, 2023	-	1,327.90	12,122.06	1,753.50	199.74	608.90	598.35	16,610.45	-
Depreciation expense for the year	-	315.95	543.22	115.57	25.75	13.48	24.66	1,038.63	-
Disposals/ Adjustments*	-	-	(2,469.59)	(400.34)	(111.44)	(177.20)	(165.75)	(3,324.33)	-
As at March 31, 2024	-	1,643.85	10,195.69	1,468.73	114.05	445.18	457.26	14,324.75	-
<b>Net carrying amount</b>									
As at March 31, 2023	991.42	7,541.29	8,106.85	1,581.72	255.59	284.41	144.46	18,905.74	98.26
As at March 31, 2024	5,622.87	8,817.10	8,374.51	1,611.30	179.38	306.30	161.62	25,073.09	55.15

\*Includes, deletion of assets on account of fire accident occurred at one of the Holding 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
<b>Total</b>	<b>2,082.39</b>	<b>773.95</b>	<b>1,308.44</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**Notes:**

a. Leasehold Land includes Rs. 1,143 lakh in respect of cost of land at Bhubaneshwar facility, wherein the title deeds are held in the name of Kanara Consumer Products Limited (KCPL), the erstwhile Holding Company. The process of transfer of title is on-going and is currently awaiting the approval at Odisha Industrial Infrastructure Development Corporation (IDCO)

b. Refer note 50 for disclosure of groups commitment for expenditure on account of acquisition of Property, plant and equipment.

**C. During the period ended March 31, 2024, the Group has revised the useful life of Property, plant and equipment with effect from April 1, 2023. Set out below is the impact of such change on future period depreciation:**

Particulars	For the year ended March 31, 2024
Decrease in depreciation	902.76

**D. Capital Work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:**

Particulars	March 31, 2024				Total	March 31, 2023				Total
	Amount in Capital Work-in-progress for a period of					Amount in Capital Work-in-progress for a period of				
	Less than 1yr	1-2yr	2-3yr	More than 3yr		Less than 1yr	1-2yr	2-3yr	More than 3yr	
Projects in progress	54.55	0.60	-	-	55.15	20.86	29.25	37.31	10.84	98.26

The Group does not have any projects under Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as at March 31, 2024 and March 31, 2023.

**Summary of material 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 Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657
For M S K A & Associates Chartered Accountants Firm Registration No. : 105047W	Tushaar Gautam Managing Director DIN : 01646487 Place : Noida, Date : May 15, 2024 Abhilash Padmanabh Kamti Chief Financial Officer Place :Nodia , Date : May 15, 2024
Harsh Jain Partner Membership No. : 305641 Place : Bengaluru, Date : May 15, 2024	Rahul Gautam Director DIN : 00192999 Place : Delhi, Date : May 15, 2024 Monu Kumar Company Secretary Membership No. : A38853 Place :Nodia , Date : May 15, 2024

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Leasehold land	Buildings	Total
<b>NOTE 5 : RIGHT OF USE ASSETS</b>			
Gross carrying amount			
As at April 1, 2022	1,145.27	3,720.85	4,866.12
Additions		4,316.94	4,316.94
Terminations		(827.28)	(827.28)
As at March 31, 2023	1,145.27	7,210.51	8,355.78
Additions		1,790.20	1,790.20
Terminations		(1,987.85)	(1,987.85)
As at March 31, 2024	1,145.27	7,012.86	8,158.13
Accumulated depreciation			
As at April 1, 2022	58.35	1,318.15	1,376.50
Depreciation expense for the year	19.45	1,425.60	1,445.05
Terminations		(529.59)	(529.59)
As at March 31, 2023	77.80	2,214.16	2,291.96
Depreciation expense for the year	18.70	1,431.19	1,449.89
Terminations/ Adjustments		(305.77)	(305.77)
As at March 31, 2024	96.50	3,339.58	3,436.08
Net book value as at March 31, 2023	1,067.47	4,996.35	6,063.82
Net book value as at March 31, 2024	1,048.77	3,673.28	4,722.05

(i) Refer note 44 for detailed disclosures as per Ind AS 116 "Leases".

The accompanying notes are an integral part of the financial statements.

As per our report of even date  
**For M S K A & Associates**  
Chartered Accountants  
Firm Registration No. : 105047W

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

**Tushaar Gautam**  
Managing Director  
DIN : 01646487  
Place : Noida, Date : May 15, 2024

**Abhilash Padmanabh Kamti**  
Chief Financial Officer  
Place :Nodia , Date : May 15, 2024

**Rahul Gautam**  
Director  
DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place :Nodia , Date : May 15, 2024

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Leasehold land	Buildings	Total
<b>NOTE 6 : INTANGIBLE ASSETS</b>			
Gross carrying amount			
As at April 1, 2022	2,103.16	1,097.87	3,201.03
Additions	-	0.99	0.99
Disposal/ Adjustments	-	(10.78)	(10.78)
As at March 31, 2023	2,103.16	1,088.08	3,191.24
Additions	-	35.35	35.35
Disposal/ Adjustments	(2,103.16)	(8.29)	(2,111.45)
As at March 31, 2024	-	1,115.14	1,115.14
Accumulated Amortisation			
As at April 1, 2022	-	823.61	823.61
Amortisation expense for the year	-	133.98	133.98
Disposal/ Adjustments	-	(1.85)	(1.85)
As at March 31, 2023	-	955.74	955.74
Amortisation expense for the year	-	42.81	42.81
Disposal/ Adjustments	-	(7.45)	(7.45)
As at March 31, 2024	-	991.10	991.10
Net book value as at March 31, 2023	2,103.16	132.34	2,235.50
Net book value as at March 31, 2024	-	124.04	124.04

Goodwill of Rs. 2,103.16 lakhs was recognised upon amalgamation of Spring Air Bedding Company India Limited ('SABCIL') with the Holding 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, Holding Company including SABCIL has been considered as a single cash generating unit. The Holding Company tests whether goodwill has suffered any impairment on an annual basis. The Holding Company during year made assessment of goodwill and concluded that the asset does not have any recoverable value. Accordingly, the goodwill of Rs. 2103.16 lakhs is written-off as per IND AS 36.

Summary of material 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

**Harsh Jain**  
Partner  
Membership No. : 305641  
Place : Bengaluru, Date : May 15, 2024

For and on behalf of Board of Directors of Kurlon Enterprise Limited CIN: U36101MH2011PLC222657

**Tushaar Gautam**  
Managing Director  
DIN : 01646487  
Place : Noida, Date : May 15, 2024

**Abhilash Padmanabh Kamti**  
Chief Financial Officer  
Place :Nodia , Date : May 15, 2024

**Rahul Gautam**  
Director  
DIN : 00192999  
Place : Delhi, Date : May 15, 2024

**Monu Kumar**  
Company Secretary  
Membership No. : A38853  
Place :Nodia , Date : May 15, 2024



Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 7 : LOANS (NON CURRENT)**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
<b>At amortised cost</b>		
Loan to Related Parties	-	276.68
Less : Loss allowance	-	(276.68)
Other Loans	-	2.28
<b>Total</b>	<b>-</b>	<b>2.28</b>

Note:

As at March 31, 2023, the Group had provided loans to one of its erstwhile director of subsidiaries and to the entity in which such director holds substantial interest amounting to Rs. 276.68 lakhs as at March 31, 2023. The Group had taken legal action against aforesaid director and entity for recovering the aforesaid loan amount. Considering the uncertainty in recoverability of above loans, management had provided for the loan receivable during financial year ended March 31, 2023. However, the subsidiary that had provided the loan has been sold during the current year and not a part of the Group as at March 31, 2024.

**NOTE 8 : OTHER FINANCIAL ASSETS (NON CURRENT)**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
Security deposits	1,266.03	932.05
Insurance Receivable*	-	2,022.29
<b>Total</b>	<b>1,266.03</b>	<b>2,954.34</b>

Note:

During the previous year, a fire accident occurred at one of the Holding Company's factories located in Jhagadia. This incident resulted in damage to various assets, including inventories, property, plant, and equipment. The Holding Company subsequently filed a claim with the insurer for these damages. As of March 31, 2023, the recoverable value for the damaged and burnt assets, including inventories, was Rs. 2,022.29 lakhs, which the Holding Company expected to recover from the insurer. However, only Rs. 152.15 lakhs was realized during this period. Due to the lack of any acknowledgment from the insurer regarding the possibility of further recovery, the remaining amount of Rs. 1,870.14 lakhs has been written off during the year. This balance will be recognized as revenue if and when the claim is settled by the insurer.

**NOTE 9 : NON CURRENT TAX ASSETS (NET)**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Advance income tax net of provision for current tax &amp; including tax deducted at source</b>		
	1,368.56	2,381.88
MAT credit entitlement	-	0.51
<b>Total</b>	<b>1,368.56</b>	<b>2,382.39</b>

**NOTE 9 : NON CURRENT TAX ASSETS (NET)**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
Capital advances (refer note below)	27.36	1,510.85
<b>Total</b>	<b>27.36</b>	<b>1,510.85</b>

Note:

During the year the Group has received back the advance paid to Maha Rashtra Apex Corporation Limited (MRACL) (a related party) of Rs.1222.76 lakhs for joint bidding with Kanara Consumer Products Limited (KCPL) concerning auction of property in Jai Bharath Industrial Area, Yeshwanthpur, Bengaluru.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 11 : INVENTORIES**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Valued at lower of cost and net realisable value unless otherwise stated)</b>		
Raw materials	3,683.63	2,962.94
Work-in-progress	1,256.29	987.57
Finished goods	2,649.44	3,068.02
Stock-in-trade	825.14	542.62
Stores and spares	583.68	488.28
Stores & spares (in transit)	2.93	-
<b>Total</b>	<b>9,001.11</b>	<b>8,049.43</b>

Note:

(i) Value of inventories above is net of provision for slow moving/ obsolete inventories amounting to Rs. 592.46 Lakhs (March 31, 2023: Rs.581.6 Lakhs) for write-down to net realisable value and provision for slow-moving and obsolete items.

(ii) During the period ended March 31, 2023, the Holding Company has revised the percentage of provision for aged/ slow moving stock effect from April 1, 2023. There is a decrease in provision of Rs.81.52 lakhs for the year..

**NOTE 12 : INVESTMENTS (CURRENT)**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Investments In Mutual Funds - fully paid up</b>		
Carried at fair value through profit and loss - Quoted	1,027.82	1,602.30
<b>Total</b>	<b>1,027.82</b>	<b>1,602.30</b>

**NOTE 13 : TRADE RECEIVABLES**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(At amortised cost)</b>		
<b>Unsecured</b>		
Trade receivables - considered good (refer note below)	6,889.17	5,529.89
Trade receivables - considered doubtful	1,135.89	1,666.42
<b>Trade receivables (gross)</b>	<b>8,025.06</b>	<b>7,196.31</b>
Less: Provision for expected credit loss	(1,135.89)	(1,666.42)
<b>Total</b>	<b>6,889.17</b>	<b>5,529.89</b>

Note :

a. Trade receivables are usually non-interest bearing and are on trade terms of 7-90 days.

b. Below is the ageing analysis of trade receivables.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**B. Below is the ageing analysis of trade receivables.**

As on March 31, 2024	Outstanding for following periods from due date of payment						
Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>(i) Undisputed trade receivables</b>							
– considered good	2,913.00	3,079.93	445.02	416.43	-	-	6,854.38
– which have significant increase in credit risk	-	-	-	127.07	72.14	748.67	947.88
<b>(iii) Disputed trade receivables</b>							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	3.22	7.52	17.04	28.21	166.81	222.80
<b>Total</b>	<b>2,913.00</b>	<b>3,083.15</b>	<b>452.54</b>	<b>560.54</b>	<b>100.35</b>	<b>915.48</b>	<b>8,025.06</b>

As on March 31, 2023	Outstanding for following periods from due date of payment						
Particulars	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
<b>(i) Undisputed trade receivables</b>							
– considered good	2,457.78	2,370.63	438.98	47.49	215.01	-	5,529.89
– which have significant increase in credit risk	-	-	181.29	208.73	514.78	475.90	1,380.70
<b>(iii) Disputed trade receivables</b>							
– considered good	-	0.87	7.04	17.70	16.60	243.51	285.72
– which have significant increase in credit risk	-	-	-	-	-	-	-
<b>Total</b>	<b>2,457.78</b>	<b>2,371.50</b>	<b>627.31</b>	<b>273.92</b>	<b>746.39</b>	<b>719.41</b>	<b>7,196.31</b>

**NOTE 14 : 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, 2024	As At March 31, 2023
Balance with banks :		
Current accounts	277.55	339.74
Cash on hand	2.54	6.23
<b>Total</b>	<b>280.09</b>	<b>345.97</b>

**NOTE 15 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As At March 31, 2024	As At March 31, 2023
Deposits having original maturity more than 3 months but less than 12 months	167.46	0.05
Deposits with Banks:		
- held as margin money	-	11.57
Earmarked balances with banks *	-	137.63
Unclaimed dividend account	58.40	15.01
<b>Total</b>	<b>225.86</b>	<b>164.26</b>

Note:  
\* Deposits receipts pledged with banks for obtaining letter of credit & bank guarantee facilities.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 16 : LOANS (CURRENT)**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
(At amortised cost)		
Others	-	10.00
<b>Total</b>	<b>-</b>	<b>10.00</b>

Note:  
In the above no loans or advances are granted to promoters, directors, KMPs and related parties.

**NOTE 17 : OTHER FINANCIAL ASSETS (CURRENT)**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
Interest accrued on fixed deposits	13.65	6.38
Security deposits (Refer Note 66)	54.04	15,583.71
<b>Total</b>	<b>67.69</b>	<b>15,590.09</b>

**NOTE 18 : OTHER CURRENT ASSETS**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured, considered good)</b>		
Advances recoverable in cash or kind		
- Related parties	-	7,430.62
- Advance to Suppliers	917.59	1,703.38
Balances with Statutory/Government authorities	897.03	1,022.22
Prepaid expenses (refer note below)	552.60	-
Unbilled Revenue	-	39.42
Advance to employees	44.55	75.16
Other Receivables	565.61	-
<b>Total</b>	<b>2,977.38</b>	<b>10,270.80</b>

(a) Prepaid expenses includes amount of Rs. 24.65 Lakhs pertaining to the Holding Company 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 53).

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 19 : EQUITY SHARE CAPITAL**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Authorised share capital:</b>		
15,06,00,000 fully paid equity shares of Rs. 5/- each (March 31, 2023 : 15,06,00,000 fully paid equity shares of Rs. 5/- each)	7,530.00	7,530.00
<b>Total</b>	<b>7,530.00</b>	<b>7,530.00</b>
<b>Issued, subscribed &amp; paid up share capital:</b>		
3,65,52,261 fully paid equity shares of Rs. 5/- each (March 31, 2023 : 3,65,52,261 equity shares of Rs. 5/- each)	1,827.62	1,827.62
<b>Total</b>	<b>1,827.62</b>	<b>1,827.62</b>

**(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year**

Particulars	As At March 31, 2024		As At March 31, 2023	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
At the beginning of the year	36,552,261	1,827.62	36,552,261	1,827.62
Bonus shares issued during the year				
<b>Outstanding at the end of the year</b>	<b>36,552,261</b>	<b>1,827.62</b>	<b>36,552,261</b>	<b>1,827.62</b>

**(b) Terms and rights attached to equity shares**

The Holding 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 Holding 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 Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Holding Company**

Particulars	As At March 31, 2024		As At March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Kanara Consumer Products Limited (formerly known as "Kurlon Limited")*	70,147	0.19%	32,338,830	88.47%
Kurlon Trading and Invest management Private Limited	-	0.00%	2,263,545	6.19%
<b>Sheela Foam Limited (the Holding Company)</b>	<b>35,545,951</b>	<b>97.25%</b>	<b>-</b>	<b>0.00%</b>

\*Includes the beneficial interest in 100 shares, which are registered in the name of the Managing Director.

During the year Kanara Consumer Products Limited and Kurlon Trading and Invest Management Private Limited sold their shares to Sheela Foam Limited (SFL) vied Share Purchase Agreement (SPA) dated July 17, 2023 and the shares were transferred on October 20, 2023. Accordingly, SFL became the holding company with effect from October 20, 2023.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**(d) Shareholding of promoters and promoter group**

Particulars	As At March 31, 2024			As At March 31, 2023		
	Number of shares during the year"	% of holding	"% Change	Number of shares during the year"	% of holding	"% Change
Kanara Consumer Products Limited (formerly known as "Kurlon Limited", the Holding Company)	70,147	0.19%	(99.78%)	32,338,830	88.47%	4.57%
Tonse Sudhakar Pai	-	-	(100%)	347	0.00%	-
Jaya Sudhakar Pai	-	-	(100%)	2,647	0.01%	662.82%
Sheela Foam Limited (the Holding Company)	35,545,951	97.25%	100.00%	-	-	-
<b>Total</b>		<b>97.44%</b>			<b>88.48%</b>	

Note:

- The above shareholding information is based on the records of the Holding Company
- The Holding Company has neither allotted any equity shares as fully paid up without payment being received in cash nor has brought back any class of equity shares during the period of Five years immediately preceding the balance sheet date
- During the year Kanara Consumer Products Limited and Kurlon Trading and Invest Management Private Limited sold their shares to Sheela Foam Limited (SFL) vide Share Purchase Agreement (SPA) dated July 17, 2023 and the shares were transferred on October 20, 2023. Accordingly, SFL has become the holding company with effective from October 20,2023.

**NOTE 20 : OTHER EQUITY**

Particulars	As At March 31, 2024	As At March 31, 2023
Capital reserve	1,505.93	315.95
General reserve	1,286.11	1,286.11
Retained earnings	8,893.23	28,713.69
Securities premium account	14,860.49	14,860.49
<b>Total</b>	<b>26,545.76</b>	<b>45,176.24</b>



Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**Note 20.1 : Movement in Reserves and surplus**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Capital reserve</b>		
Opening balance	315.95	312.24
Reclassification to retained earnings	(315.95)	-
Additions (refer note 66)	1,505.93	3.71
<b>Closing balance</b>	<b>1,505.93</b>	<b>315.95</b>
<b>General reserve</b>		
Opening balance	1,286.11	1,286.11
Additions	-	-
<b>Closing balance</b>	<b>1,286.11</b>	<b>1,286.11</b>
<b>Retained earnings</b>		
Opening balance	28,713.69	27,849.43
Reclassification from capital reserve	315.95	-
Net profit for the year	(5,121.57)	1,046.66
Dividend paid	(658.05)	(183.21)
Remeasurements of the net defined benefit plans (net of tax) "	(306.36)	(17.42)
Non-controlling interest	-	18.23
Other payments (refer note 66)	(14,301.13)	-
Reduction of reserves on sale of subsidiaries	250.70	-
<b>Closing balance</b>	<b>8,893.23</b>	<b>28,713.69</b>
<b>Securities premium account</b>		
Opening balance	14,860.49	14,860.49
Issue of share capital	-	-
<b>Closing balance</b>	<b>14,860.49</b>	<b>14,860.49</b>

**NOTE 21 : NON CURRENT BORROWINGS**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>(Unsecured)</b>		
Loans from related parties	-	59.32
<b>Total</b>	<b>-</b>	<b>59.32</b>

**NOTE 22 : LEASE LIABILITIES**

Particulars	As At March 31, 2024	As At March 31, 2023
Lease liabilities (refer note 44)	4,184.39	5,257.66
<b>Total</b>	<b>4,184.39</b>	<b>5,257.66</b>
Non-current	3,135.63	3,911.16
Current	1,048.76	1,346.50

**NOTE 22 : LEASE LIABILITIES**

Particulars	As At March 31, 2024	As At March 31, 2023
Deposits from dealers and others	5,484.94	5,835.60
<b>Total</b>	<b>5,484.94</b>	<b>5,835.60</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 24 : PROVISIONS**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Long term provisions:</b>		
Provision for employee benefits:		
-Compensated absences	97.90	-
-Gratuity	412.30	113.88
	-	
Other provisions:		
-Provision for warranty (Refer note below)	213.22	332.57
<b>Total</b>	<b>723.42</b>	<b>446.45</b>
<b>Short term provisions:</b>		
Provision for employee benefits:		
-Compensated absences	330.06	140.14
-Gratuity	124.82	79.95
Other provisions:		
-Provision for warranty (Refer note below)	408.41	486.26
<b>Total</b>	<b>863.29</b>	<b>706.35</b>

Notes:

(a) Provision for warranty:

The Holding 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.

During the period ended March 31, 2024, the Holding Company has revised the provision policy effective from April 1, 2023 and accordingly, there is a decrease in provision of Rs. 83.00 lakhs for the year.

**Movement of provision for warranty**

Particulars	As At March 31, 2024	As At March 31, 2023
At the beginning of the year	818.84	818.84
Add : Created during the year	237.12	361.79
Less : Utilised during the year	(434.33)	(361.79)
<b>At the end of the year</b>	<b>621.63</b>	<b>818.84</b>

**NOTE 25 : DEFERRED TAX LIABILITIES (NET)**

Particulars	As At March 31, 2024	As At March 31, 2023
Deferred tax liabilities (Net)	92.37	600.83
<b>Total</b>	<b>92.37</b>	<b>600.83</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**(a) Movement of deferred tax (assets)/liabilities**

Particulars	Opening balance	As At March 31, 2024		
		"Recognised in the statement of profit or loss"	Adjustments/ Transfers*	Closing balance
Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes.	(1,599.01)	(257.99)	0.12	(1,341.14)
Right-of-use assets	(688.61)	147.02	(93.97)	(741.66)
Lease liabilities (net)	457.37	(205.00)	104.38	557.99
Goodwill	(231.58)	(231.58)	-	-
35DD disallowance	4.45	4.45	-	-
Provision for leave encashment (u/s 43B)	29.86	(61.43)	(0.14)	91.43
Provision for gratuity [disallowed u/s 40A(7)]	39.20	(81.89)	(0.67)	121.76
Notional (Income)/ Loss on Mutual Fund Investment	128.68	124.81	-	3.87
Provision for accrued expenses [disallowed u/s 40(a)(i)]	0.38	(0.89)	-	1.27
Provision for expected credit loss	431.28	145.40	-	285.88
Provision for doubtful advances	6.27	7.00	(0.73)	-
Provision for loans to related parties	748.43	(23.35)	-	771.78
Provision for warranty expenses	-	(156.45)	-	156.45
Provision for other 43(B) items	72.45	72.45	-	-
<b>Total</b>	<b>(600.83)</b>	<b>(517.46)</b>	<b>8.99</b>	<b>(92.37)</b>

\*The balance of deferred tax relating to subsidiaries sold has been adjusted/ transferred (refer note 66)

Particulars	Opening balance	As At March 31, 2023	
		"Recognised in the statement of profit or loss"	Closing balance
Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes.	(1,718.31)	(119.30)	(1,599.01)
Right-of-use assets	(516.30)	172.31	(688.61)
Lease liabilities (net)	252.35	(205.02)	457.37
Goodwill	(231.58)	-	(231.58)
35DD disallowance	12.62	7.93	4.45
Provision for leave encashment (u/s 43B)	4.95	(24.91)	29.86
Provision for gratuity [disallowed u/s 40A(7)]	56.47	17.27	39.20
Notional (Income)/Loss on investments in mutual funds	(143.47)	(272.15)	128.68
Provision for accrued expenses [disallowed u/s 40(a)(i)]	54.97	54.59	0.38
Provision for doubtful debts	412.72	(18.56)	431.28
Provision for doubtful advances	6.27	-	6.27
Provision for loans to related parties	105.22	(643.21)	748.43
Provision for Other 43(B) items	69.65	(2.80)	72.45
	<b>(1,634.44)</b>	<b>(1,033.85)</b>	<b>(600.83)</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 26 : BORROWINGS (CURRENT)**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Secured</b>		
<b>Term loan from banks</b>		
Bank Overdraft	11.55	1,014.75
Working capital Loans from Banks	1.65	-
	<b>13.20</b>	<b>1,014.75</b>
<b>Unsecured</b>		
Loans from related parties	-	653.38
<b>Total</b>	<b>13.20</b>	<b>1,668.13</b>

**Note:**

A. Facilities availed from Bank of Rs. 13.20 lakhs (March 31, 2023 : Rs. 1,014.75 lakhs)

i)The Group has obtained various facilities from Axis Bank, Kotak Mahindra Bank and IDBI bank. The loan is secured by first pari passu charge on entire current assets of the Group. The loan is repayable on demand and carries interest rate of 3 months MCLR + 0.20% p.a. (for Axis Bank), 3 months MCLR + 0.20% p.a (for Kotak Bank), and 1 Year MCLR + 0.15% p.a. (for IDBI Bank) on the cash credit and working capital loan facilities respectively. The outstanding balance against the aforesaid facility as at March 31, 2024 is Rs.1.00 lakhs (March 31, 2023 : Rs. 1,001.71 lakhs).

ii)The Group has obtained corporate credit cards from banks and the outstanding balance as of March 31, 2024 is Rs. 12.20 lakhs (March 31, 2023 : Rs. 13.04 lakhs).

**NOTE 27 : TRADE PAYABLES**

Particulars	As At March 31, 2024	As At March 31, 2023
Trade payables other than acceptances:		
(i) Total outstanding dues of micro enterprises and small enterprises	100.03	313.09
(ii)Total outstanding dues of creditors other than micro enterprises & small enterprises	11,780.33	11,025.04
<b>Total</b>	<b>11,880.36</b>	<b>11,338.13</b>

**Notes:**

- Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.
- Trade payables are measured at amortised cost
- Ageing Analysis for Trade payables:

As on March 31, 2024	Outstanding for following periods from due date of payment					
	Unbilled Dues	Payables not due	"Less than 1 year"	1-2 years	2-3 years	more than 3 years
(i) MSME	-	34.14	65.89	-	-	-
(ii) Others	1.20	3,694.67	7,163.20	833.68	44.52	43.06
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>1.20</b>	<b>3,728.81</b>	<b>7,229.09</b>	<b>833.68</b>	<b>44.52</b>	<b>43.06</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

As on March 31, 2024	Outstanding for following periods from due date of payment						
	Particulars	Unbilled Dues	Payables not due	"Less than 1 year"	1-2 years	2-3 years	more than 3 years
(i) MSME		264.06	-	17.48	22.59	8.96	-
(ii) Others		9,695.04	-	1,147.45	160.85	7.72	13.98
(iii) Disputed dues – MSME		-	-	-	-	-	-
(iv) Disputed dues - Others		-	-	-	-	-	-
<b>Total</b>		<b>9,959.10</b>	<b>-</b>	<b>1,164.93</b>	<b>183.44</b>	<b>16.68</b>	<b>13.98</b>

**NOTE: 27.1 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES**

Particulars	As At March 31, 2024	As At March 31, 2023
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	88.14	279.97
- Interest	11.89	33.12
	<b>100.03</b>	<b>313.09</b>
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
The amount of interest accrued and remaining unpaid at the end of each accounting year	11.89	33.12
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	33.12	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.

**NOTE 28 : OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	As At March 31, 2024	As At March 31, 2023
Deposits from dealers and others	52.55	85.65
Creditors for capital goods	-	4.84
Employee related liabilities	595.08	982.78
<b>Total</b>	<b>647.63</b>	<b>1,073.27</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 29 : CURRENT TAX LIABILITIES (NET)**

Particulars	As At March 31, 2024	As At March 31, 2023
Provision for income tax (Net of advance tax of Rs. 67 Lakhs)	84.99	684.10
<b>Total</b>	<b>84.99</b>	<b>684.10</b>

**NOTE 30 : OTHER CURRENT LIABILITIES**

Particulars	As At March 31, 2024	As At March 31, 2023
Advance from customers	418.35	447.70
Statutory dues payable	249.19	491.16
Unclaimed dividend	58.40	15.14
Payable to related parties	-	36.13
Other liabilities	31.49	67.78
<b>Total</b>	<b>757.43</b>	<b>1,057.91</b>

**NOTE 31 : REVENUE FROM OPERATIONS**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Sale of products</b>		
Finished goods	90,468.55	91,784.91
Traded goods	6,515.87	3,899.12
Less : Schemes & rebates	(15,456.58)	(10,297.42)
	<b>81,527.84</b>	<b>85,386.61</b>
<b>Sale of Services</b>	-	92.35
<b>Other operating revenue</b>		
-Income from sale of scrap	458.21	251.76
-Others	-	158.79
<b>Total</b>	<b>81,986.05</b>	<b>85,889.51</b>

**(a) Timing of revenue from operations**

Particulars	As At March 31, 2024	As At March 31, 2023
Goods transferred at a point in time	81,986.05	85,797.16
Services transferred over time	-	92.35
<b>Total</b>	<b>81,986.05</b>	<b>85,889.51</b>

**(b) Reconciliation of amount of revenue recognised with contract price**

Particulars	As At March 31, 2024	As At March 31, 2023
Revenue as per contract price	97,442.63	96,186.93
Less : Discounts	(15,456.58)	(10,297.42)
<b>Total</b>	<b>81,986.05</b>	<b>85,889.51</b>



Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**(c) Movement in contract liabilities during the year \***

Particulars	As At March 31, 2024	As At March 31, 2023
Opening balance	447.70	616.83
Less : Revenue recognised during the year	(447.70)	(616.83)
Add : Amount of consideration received during the year	418.35	447.70
<b>Total</b>	<b>418.35</b>	<b>447.70</b>

\* Contract liabilities consists of advances received from customers towards supply of products.

**NOTE 32 : OTHER INCOME**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Interest income from:</b>		
Bank deposits	9.94	110.49
Security deposits	-	37.56
Others	29.96	1.54
Financial assets at fair value		
Unwinding of interest on security deposits	39.13	-
Interest on Income tax refund	22.26	-
Rental income	7.80	-
Liabilities/provisions no longer required written back	526.69	59.50
Income from sale of Investments	26.10	-
Gain on sale of investments in mutual funds	-	491.04
Fair valuation adjustments of Investments through profit and loss (refer note)	15.39	-
Gain on early termination of lease	166.94	72.93
Other miscellaneous income	27.33	69.49
<b>Total</b>	<b>871.54</b>	<b>842.55</b>

**Note:**

Fair Value Through Profit & Loss (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	As At March 31, 2024	As At March 31, 2023
<b>Raw material</b>		
Opening inventory	2,962.94	5,242.40
Add: Purchases	40,056.88	35,651.46
Less: Closing inventory	(3,683.63)	(2,962.94)
<b>Total</b>	<b>39,336.19</b>	<b>37,930.92</b>

**NOTE 34 : PURCHASES OF STOCK-IN-TRADE**

Particulars	As At March 31, 2024	As At March 31, 2023
Purchases of traded goods	7,644.26	9,181.32
<b>Total</b>	<b>7,644.26</b>	<b>9,181.32</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 35 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Closing stock:</b>		
Finished Goods	2,649.44	3,068.02
Stock in trade	825.14	542.62
Work-in-progress	1,256.29	987.57
	<b>4,730.87</b>	<b>4,598.21</b>
<b>Opening stock:</b>		
Finished Goods	3,068.02	3,536.69
Stock in trade	542.62	812.68
Work-in-progress	987.57	1,875.96
<b>Total</b>	<b>4,598.21</b>	<b>6,225.33</b>
	<b>(132.66)</b>	<b>1,627.12</b>

**NOTE 36 : OTHER MANUFACTURING EXPENSES**

Particulars	As At March 31, 2024	As At March 31, 2023
Power and fuel	899.63	1,133.14
Repair and maintenance:		
- Buildings	182.09	162.24
- Plant and equipment	195.14	113.95
Processing and other charges	4,151.98	3,622.26
<b>Total</b>	<b>5,428.84</b>	<b>5,031.59</b>

**NOTE 37 : EMPLOYEE BENEFITS EXPENSE**

Particulars	As At March 31, 2024	As At March 31, 2023
Salaries, wages, allowance, and other benefits	7,159.58	6,333.57
Gratuity Expenses (Refer Note 42)	114.09	95.13
Contribution to provident and other funds (Refer Note 42)	321.01	318.28
Workmen and staff welfare expenses	293.69	255.46
<b>Total</b>	<b>7,888.37</b>	<b>7,002.44</b>

**NOTE 38 : FINANCE COSTS**

Particulars	As At March 31, 2024	As At March 31, 2023
Interest expense: (on financial liabilities measured at amortised cost)		
-On borrowings from banks	76.67	105.76
-On lease liabilities	401.64	421.26
Others	94.65	202.01
<b>Total</b>	<b>572.96</b>	<b>729.03</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 39 : DEPRECIATION AND AMORTISATION EXPENSE**

Particulars	As At March 31, 2024	As At March 31, 2023
Depreciation of property, plant and equipment (refer note 4)	1,038.63	2,011.95
Depreciation on right-of-use assets (refer note 5)	1,449.89	1,445.05
Amortisation of intangible assets (refer note 6)	42.81	133.98
<b>Total</b>	<b>2,531.33</b>	<b>3,590.98</b>

**NOTE 40 : OTHER EXPENSES**

Particulars	As At March 31, 2024	As At March 31, 2023
Freight and forwarding	6,339.22	7,588.65
Rent and hire	1,840.76	2,290.36
Insurance	676.49	464.25
Rates and taxes	300.00	293.76
Legal and professional	1,869.75	2,038.27
Other Maintenance	458.53	459.64
Manpower Charges	290.30	634.63
Security expenses	810.80	595.53
Advertisement, promotion and selling expenses	4,562.49	3,302.59
Travelling and conveyance	1,184.59	1,051.11
Provision for warranty	237.12	363.07
CSR expenditure (refer note 53)	81.66	135.46
Provision for expected credit loss	18.17	73.78
Provision for doubtful advances	-	276.68
Fair value loss on mutual funds designated through profit and loss	-	511.28
Loss on sale/disposal of fixed assets	1,528.46	304.19
Goodwill written off	2,103.16	-
Miscellaneous	650.80	463.70
<b>Total</b>	<b>22,952.30</b>	<b>20,846.95</b>

**NOTE 40.1 : AUDITOR'S REMUNERATION INCLUDED IN LEGAL AND PROFESSIONAL (EXCLUDING GST)**

Particulars	As At March 31, 2024	As At March 31, 2023
Statutory audit	44.29	65.00
Others	9.50	-
Tax Audit	6.00	-
Certification	8.55	-
Out of pocket expenses	0.07	1.50
<b>Total</b>	<b>68.41</b>	<b>66.50</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 40.2 : EXCEPTIONAL ITEMS**

Particulars	As At March 31, 2024	As At March 31, 2023
Adjustment to property, plant and equipment	131.75	-
Insurance receivable written off	1,870.14	-
Adjustment to right to use asset	34.34	-
Other Asset written off	227.00	-
Liabilities no longer required written back	(151.76)	-
<b>Total</b>	<b>2,111.47</b>	<b>-</b>

**NOTE 41. EARNINGS PER SHARE**

Particulars	As At March 31, 2024	As At March 31, 2023
Profit/(Loss) for the year	(5,121.57)	1,046.65
Earnings used in the calculation of basic earnings per share	(5,121.57)	1,046.65
Earnings used in the calculation of diluted earnings per share	(5,121.57)	1,046.65

Particulars	As At March 31, 2024	As At March 31, 2023
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	365.52	365.52

Particulars	As At March 31, 2024	As At March 31, 2023
Basic and diluted earnings per share	(14.01)	2.86

**NOTE 42 : EMPLOYEE BENEFITS**

**A. Defined contribution plans**

Particulars	As At March 31, 2024	As At March 31, 2023
Employer's Contribution towards Provident Fund (PF)	304.94	309.08
Employer's Contribution towards Employee State Insurance (ESI)	15.93	9.14
Employer's Contribution towards Labour Welfare fund (LWF)	0.14	0.06
<b>Total</b>	<b>321.01</b>	<b>318.28</b>

**B. The Code on Social Security, 2020**

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/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 in the period the Code becomes effective.

**C. Liabilities for compensated absences**

The liabilities for compensated absences relate to the company's liabilities for Annual Leave and Sick Leave. The entire amount of the above liabilities are presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12

The liabilities for compensated absences not expected to be settled within the next 12 months amounts to INR 97.90 lakh (March 31, 2023: INR 0).

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**D. Post employment benefits**

**Defined benefit plans Gratuity**

The Group has a defined benefit gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. The Gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under this Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

**The plans are exposed to a number of risks, including:**

- Investment risk: movement of discount rate used against the return from plan assets
- Interest rate risk: decreases/increases in the discount rate used will increase/decrease the defined benefit obligation
- Longevity risk: changes in the estimation of mortality rates of current and former employees.
- Salary risk: increases in future salaries increase the gross defined benefit obligation.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

<b>(i) Changes in the present value of defined benefit obligation</b>	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Present value of obligation at the beginning of the year	809.39	735.43
Interest cost	55.78	49.54
Current service cost	102.15	82.77
Benefits payout from plan & employer	(129.50)	(87.85)
Remeasurements - actuarial loss/(gain)	297.21	29.50
<b>Present value of obligation at the end of the year*</b>	<b>1,135.03</b>	<b>809.39</b>
*Included in provision for employee benefits (Refer note 24)		
<b>(ii) Changes in the fair value of plan assets</b>	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Opening balance of fair value of plan assets	615.57	464.29
Contributions made	60.70	201.86
Expected return on plan assets	0.85	0.34
Actuarial Gain/(Loss)	-	(0.25)
Interest Income	43.84	37.18
Benefits paid out from plan	(123.05)	(87.85)
<b>Closing balance of fair value of plan assets</b>	<b>597.91</b>	<b>615.57</b>
<b>(iii) Assets and liabilities recognized in the Balance Sheet</b>	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Present value of obligation as at the end of the year	1,135.03	809.39
Fair value of plan assets	597.91	615.57
<b>Net asset / (liability) recognized in Balance Sheet</b>	<b>537.12</b>	<b>193.82</b>
<b>Non- Current Portion</b>	<b>124.82</b>	<b>113.88</b>
<b>Current Portion</b>	<b>412.30</b>	<b>79.95</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

<b>(iv) Expense recognized in the Statement of Profit and Loss</b>	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Current service cost	102.15	82.77
Interest cost net of income	11.94	12.36
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>114.09</b>	<b>95.13</b>

\*Included in employee benefits expense (Refer Note 37). Actuarial loss of 296.37 lakhs for the year ended March 31, 2024 (March 31, 2023: 27.77 lakhs) is included in other comprehensive income.

<b>(v) Remeasurement (gain)/ loss recognized in other comprehensive income</b>	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Remeasurements - actuarial loss/(gain)	297.21	27.86
Return on Plan Asset (more)/less than expected based on Discount rate	(0.84)	(0.09)
<b>Recognized in other comprehensive income</b>	<b>296.37</b>	<b>27.77</b>

<b>(vi) The major categories of plans assets are as follows:</b>	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Unquoted Investments:		
Gratuity Fund maintained at Insurance Companies (Life Insurance Corporaton of India)	597.91	615.57
<b>Total</b>	<b>597.91</b>	<b>615.57</b>

The Group is expected to contribute Rs. 412.30 lakhs (FY 2022-23: Rs. 79.95 lakhs) to the plan during the FY 2024-25.

<b>(vii) Actuarial assumptions</b>	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Discount rate (per annum)	7.21% to 7.23%	7.50% to 7.53%
Salary escalation rate	5% to 8%	5% to 10%
Expected return on plan assets	0% to 7.52%	7.13% to 7.51%
Attrition rate	10.00%	10.00%
Retirement age	60 years	60 years

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is extracted from the report obtained from Actuary.

The expected maturity analysis of undiscounted gratuity benefits obligations are as follows:

<b>(viii) Expected future benefit payments</b>	<b>As At March 31, 2024</b>	<b>As At March 31, 2023</b>
Within the next 12 months (next annual reporting year)	106.19	134.62
Between 1-2 years	121.28	127.48
Between 2-5 years	286.31	550.61
More than 5 years	1,801.33	3,010.17

The average duration of the defined benefit obligation at the end of the reporting year is 9.22 years to 18.71 years (March 31, 2023: 9.12 years to 15.28 years).



Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**(ix) Asset liability matching strategies**

The Group has funded the gratuity liability with the Insurance Group. The entire investible assets are managed by the fund managers of the Insurance Group and the Asset Values as informed by the Insurance Group has been taken for the actuarial valuation purpose. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

**(a) Increase/ (Decrease) on present value of defined benefit obligation at the end of the year**

"The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below."

Actuarial assumptions	" Reasonably possible change "	As At March 31, 2024		As At March 31, 2023	
		Increase	Decrease	Increase	Decrease
Discount rate	(+/- 01%)	(81.02)	93.51	(48.64)	55.27
Salary escalation rate	(+/- 01%)	81.78	(73.12)	51.28	(46.75)
Attrition rate	(+/- 01%)	(9.60)	10.89	4.68	(5.13)

**(b) The sensitivity analysis presented above may not be representative of the actual change in the defined obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some assumption 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 same as that applied in calculation of defined benefit obligation liability recognized in the balance sheet.**

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 43 : RELATED PARTY TRANSACTIONS**

**(A) Names of related parties and nature of relationship are given below :**

Relationship	Name of the party	"Country of incorporation "	Principal activities	"Proportion of ownership interest"	
				March 31, 2024	March 31, 2023
A.Holding Company	Kanara Consumer Products Limited (Formerly known as Kurlon Limited) (up to October 20, 2023)	India	Manufacturing of polyurethane foams and mattresses	0.19%	88.47%
	Sheela Foam Limited (w.e.f October 20, 2023)	India	Manufacturing of polyurethane foams	97.25%	0%
B.Subsidiary companies (wholly owned)	Kurlon Retail Limited	India	Retail Trading of mattresses	100.00%	100.00%
	Komfort Universe Products & Services Limited	India	Trading of Semi-finished Goods (SFG), foam products, RC Pads, EPE Products etc	100.00%	100.00%
	Belvedere International Limited	India	Trading of mattress and other related product	100.00%	100.00%
	Kanvas Concepts Private Limited	India	Business of interiors & exteriors of Homes, stage designer, furnishing, designing, decorating etc.	100.00%	100.00%
	Starship Value Chain and Manufacturing Private Limited	India	Business of logistics	100.00%	100.00%
C.Subsidiary Entities	Sevalal Solar Private Limited (up to October 13, 2023)	India	Electric power generation, transmission and distribution	0.00%	94%
	Sirar Solar Energies Private Limited (up to October 13, 2023)	India	Electric power generation, transmission and distribution	0.00%	94%
	Sirar Dhotre Solar Private Limited (up to October 13, 2023)	India	Electric power generation, transmission and distribution	0.00%	94%
D.Fellow subsidiaries	Manipal Software & E-Com Private Limited (up to October 20, 2023)				
	Manipal Natural Private Limited (up to October 20, 2023)				
	Staquo World Private Limited (w.e.f October 20, 2023)				
	Staquo Software Private Limited (Formerly know as Divya Software Solutions Private Limited) (w.e.f October 20, 2023)				
	Sleepwell Enterprises Private Limited (w.e.f October 20, 2023)				
	Joyce Foam Pty. Ltd. (w.e.f October 20, 2023)				
	International Foam Technologies Spain S.L. (w.e.f October 20, 2023)				
	Sheela Foam Trading LLC (Dubai) (w.e.f October 20, 2023)				
	Sevalal Solar Private Limited (w.e.f October 13, 2023 up to October 20, 2023)				
	Sirar Solar Energies Private Limited (w.e.f October 13, 2023 up to October 20, 2023)				
	Sirar Dhotre Solar Private Limited (w.e.f October 13, 2023 up to October 20, 2023)				

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 43 : RELATED PARTY TRANSACTIONS**

**(A) Names of related parties and nature of relationship are given below :**

Relationship	Name of the party	"Country of incorporation "	Principal activities	"Proportion of ownership interest"	March 31, 2024	March 31, 2023
E.Enterprises owned or significantly influenced by key management personnel /Directors and their relatives	Maha Rashtra Apex Corporation Limited (up to October 20, 2023) Jayamahal Trade and Investments Private Limited (up to October 20, 2023) Manipal Advertising Services Private Limited (up to October 20, 2023) Manipal Metropolis Builders Private Limited Jai Bharath Mills Private Limited (up to October 20, 2023) Rangoli Resorts Private Limited (w.e.f October 20, 2023) Manipal Travels (India ) Private Limited (up to October 20, 2023) Sleepwell Foundation (Trust) (w.e.f October 20, 2023) Manipal Software & E-Com Private Limited(w.e.f October 20, 2023) Starship Global VCT LLP (up to October 20, 2023) Home Komfort Retail LLP (up to October 20, 2023) Kanara Consumer Products Limited (Formerly known as Kurlon Limited) (w.e.f October 20, 2023)					
F.Directors & Key management personnel (KMP)	Mr. T. Sudhakar Pai, Managing Director (up to October 20, 2023) Ms. Jaya S Pai, Director (up to October 20, 2023) Mrs. Jyothi Ashish Pradhan, Chief Executive Officer (up to October 20, 2023) Mr. H N Shrinivas, Non-Executive Director (up to October 20, 2023) Mr. Nagarajan S, Non-Executive Director (up to October 20, 2023) Mr. Jamsheed Minoo Panday, Non- Executive Director (up to October 20, 2023) Mrs. Jyothi Ashish Pradhan, Non - Executive Director (w.e.f. October 20, 2023) Mr. Rahul Gautam, Non - Executive Director (w.e.f. October 20, 2023) Mr. Tushaar Gautam, Managing Director(w.e.f. October 20, 2023) Mr. Ravindra Dhariwal, Non-Executive Independent Director (w.e.f. October 21, 2023) Ms. Meena Jagtiani, Non-Executive Independent Director (w.e.f. October 21, 2023) Mr. Abhilash Padmanabh Kamti, Chief Financial Officer Mr. Monu Kumar, Company Secretary					

**(B) Disclosure of transactions between the Company and related parties during the year**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Sale of products</b>		
Manipal Advertising Services Private Limited	-	
Sheela Foam Limited	700.16	0.05
Kanara Consumer Products Limited	1,037.07	-
	<b>1,737.23</b>	<b>0.05</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Scheme expenses</b>		
Sheela Foam Limited	0.19	-
	<b>0.19</b>	-

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Purchases</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	4,381.46	9,189.29
Sheela Foam Limited	2,935.65	-
	<b>7,317.11</b>	<b>9,189.29</b>

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Managerial remuneration</b>		
T Sudhakar Pai	40.22	75.92
Jyothi Pradhan	46.36	73.89
Abhilash Kamti	46.46	18.00
Monu Kumar	19.12	13.63
	<b>152.16</b>	<b>181.44</b>

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Repair &amp; Maintenance - Others</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	73.86	71.50
	<b>73.86</b>	<b>71.50</b>

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Interest paid on unsecured loan</b>		
Jaya S Pai	38.11	62.63
	<b>38.11</b>	<b>62.63</b>

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Freight Outward</b>		
Sheela Foam Limited	0.97	-
	<b>0.97</b>	-

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Legal and consultancy charges</b>		
Manipal Software & E-Com Private Limited	391.71	424.18
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	-	50.66
	<b>391.71</b>	<b>474.84</b>

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Advertisement and sales promotion expenses</b>		
Manipal Advertising Services Private Limited	306.61	709.13
Manipal Software & E-Com Private Limited	2.50	-
Sheela Foam Limited	60.49	-
	<b>369.60</b>	<b>709.13</b>

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Travelling and conveyance expenses</b>		
Manipal Travels (India) Private Limited	126.79	276.76
Abhilash Padmanabh Kamti	1.03	-
Jamsheed M Panday	0.14	-
Monu Kumar	0.09	-
	<b>128.05</b>	<b>276.76</b>

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Sitting fees</b>		
H N Shrinivas	0.78	1.17
S Nagarajan	0.78	1.17
Jaya S Pai	0.51	1.02
Jamsheed Minoo Panday	0.78	0.39
Jyothi Pradhan	2.35	-
Meena Jagtiani	2.33	-
Rahul Gautam	2.71	-
Ravindra Dhariwal	2.33	-
Tushaar Gautam	0.13	-
	<b>12.70</b>	<b>3.75</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Dividend paid</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	646.84	162.09
	<b>646.84</b>	<b>162.09</b>
<b>Reimbursement of expenses to related parties</b>		
Abhilash Padmanabh Kamti	0.70	-
Jamsheed M Panday	0.06	-
Monu Kumar	0.02	-
T. Sudhakar Pai	0.23	-
	<b>1.01</b>	-
<b>Lease Rentals to related parties</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	1,368.26	2,234.08
Manipal Metropolis Builders Private Limited	16.50	29.78
Jai Bharath Mills Private Limited	5.50	6.00
Jayamahal Trade and Investments Private Limited	9.73	22.94
	<b>1,399.99</b>	<b>2,292.80</b>
<b>Sale of Assets</b>		
Jyothi Pradhan	34.47	-
Sheela Foam Limited	71.32	-
T. Sudhakar Pai	1.85	-
	<b>107.64</b>	-
<b>Printing &amp; Stationery</b>		
Manipal Advertising Services Private Limited	0.59	-
	<b>0.59</b>	-
<b>Contribution to CSR expenditure</b>		
Sleepwell Foundation	66.60	-
	<b>66.60</b>	-
<b>Sale of Investment in Subsidiaries</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	14.07	-
	<b>14.07</b>	-



Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**(C) Disclosure of balances outstanding at the end of the reporting year**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Trade payable</b>		
Jai Bharath Mills Private Limited	-	5.40
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	100.23	132.93
Manipal Advertising Services Private Limited	-	21.72
Manipal Software & E-Commerce Private Limited	33.97	32.86
Manipal Metropolis Builders Private Limited	4.86	-
Sheela Foam Limited	716.57	-
	<b>855.63</b>	<b>192.91</b>
<b>Trade receivable</b>		
Sheela Foam Limited	408.80	-
Home Komfort Retail LLP	-	41.09
Manipal Advertising Services Private Limited	-	0.06
	<b>408.80</b>	<b>41.15</b>
<b>Capital advances</b>		
Maha Rashtra Apex Corporation Limited	-	1,222.76
	-	<b>1,222.76</b>
<b>Security deposit</b>		
Jayamahar Trade and Investments Private Limited	-	9.00
Manipal Metropolis Builders Private Limited	10.00	30.00
Jai Bharath Mills Private Limited	-	30.00
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	-	15,300.00
	<b>10.00</b>	<b>15,369.00</b>
<b>Unsecured loans payable</b>		
T Sudhakar Pai	-	1.65
Jaya S Pai	-	650.00
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	-	62.87
	-	<b>714.52</b>
<b>Advance from customers</b>		
Sheela Foam Limited	6.63	-
	<b>6.63</b>	-
<b>Lease liabilities</b>		
Jayamahar Trade and Investments Private Limited	-	153.70
Manipal Metropolis Builders Private Limited	-	86.67
	-	<b>240.37</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Advance to Employee</b>		
Jyothi Pradhan	3.15	-
	<b>3.15</b>	-
<b>Employee Payable</b>		
Abhilash Padmanabh Kamti	0.19	-
	<b>0.19</b>	-
<b>Sitting Fees Payable</b>		
Ravindra Dhariwal	2.18	-
	<b>2.18</b>	-
<b>Advance to related parties</b>		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	473.33	-

**(D) Disclosure of Key management personnel (KMP) compensation**

Particulars	As At March 31, 2024	As At March 31, 2023
Salary, wages and bonus	152.16	181.44
Post-employment gratuity	6.30	-
	<b>158.46</b>	<b>181.44</b>

**Terms and conditions:**

Sales of goods to related parties were made at the usual list prices, that prevail in arm's length transactions. Purchases were made at market prices. Outstanding balances at the year-end with related parties are unsecured and interest free (other than loans at market rates) to be settled in cash in the next three months.

The Group has not made any allowance for bad or doubtful debts in respect of related party trade receivables nor has any guarantee been given or received during the year ended 31 March 2024 and 31 March 2023 relating to related party transactions.

**NOTE 44 : DISCLOSURES AS PER IND AS 116 'LEASES'**

**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.

(ii) The carrying amounts of lease liabilities and the movements during the year:

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**The changes in the carrying value of ROU assets**

Particulars	As At March 31, 2024	As At March 31, 2023
Opening balance	6,063.82	3,489.62
Additions during the year	1,790	4,316.61
Disposals/ deletions during the year	(2,077)	(827.28)
Depreciation expense for the year	(1,055)	(915.13)
<b>Closing balance</b>	<b>4,722.05</b>	<b>6,063.82</b>
Opening Liabilities	4,856.22	2,684.88
Additions	2,301.59	3,734.28
Accretion of interest	209.16	231.35
Repayment of Lease liabilities	(800.15)	(1,022.22)
Cancellation / adjustments	(2,382.43)	(370.63)
<b>Closing liabilities</b>	<b>4,184.39</b>	<b>5,257.66</b>
Non current	3,135.63	3,911.16
Current	1,048.76	1,346.50
	<b>4,184.39</b>	<b>5,257.66</b>

**(iii) Maturity analysis of the lease liabilities:**

Contractual undiscounted cash flows	As At March 31, 2024
3 months or less	320.08
3-12 months	1,016.39
1-2 years	1,743.25
2-5 years	1,706.78
More than 5 years	94.45
<b>Total undiscounted lease liability</b>	<b>4,880.95</b>
Less: Impact of discounting and other adjustments	(696.56)
<b>Lease liabilities</b>	<b>4,184.39</b>

**(iv) The following are the amounts recognised in the Statement of Profit and Loss:**

Particulars	As At March 31, 2024	As At March 31, 2023
Finance cost	209.16	231.35
Depreciation and amortisation expense	1,449.89	1,445.05
Expenses relating to short term leases	1,840.76	2,290.36

(v) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

(vi) Extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 45 : 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 46 : 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, 2024:**

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through profit and loss</b>					
Other investments	March 31, 2024	1,027.82	1,027.82		
<b>Financial assets measured at fair value through other comprehensive income</b>					
Other investments	March 31, 2024				

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at amortized cost</b>					
Other investments	March 31, 2024	-			-
Loans	March 31, 2024	-			-
Trade receivables	March 31, 2024	6,889.17			6,889.17
Cash and cash equivalents	March 31, 2024	280.09			280.09
Bank balances other than cash and cash equivalents	March 31, 2024	225.86			225.86
<b>Other financial assets</b>	March 31, 2024	1,333.72			1,333.72

**Fair value measurement hierarchy of Liabilities:**

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial liabilities measured at amortized cost</b>					
Borrowings	March 31, 2024	13.20			13.20
Lease liabilities	March 31, 2024	4,184.39			4,184.39
Trade payables	March 31, 2024	11,880.36			11,880.36
<b>Other financial liabilities</b>	March 31, 2024	6,132.57			6,132.57

**Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:**

**Fair value measurement hierarchy of Assets:**

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at fair value through profit and loss</b>					
Other investments	March 31, 2023	1,602.30	1,602.30		
<b>Financial assets measured at fair value through other comprehensive income</b>					
Other investments	March 31, 2023				
<b>Financial assets measured at amortized cost</b>					
Other investments	March 31, 2023				

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Loans	March 31, 2023	12.28			12.28
Trade receivables	March 31, 2023	5,529.89			5,529.89
Cash and cash equivalents	March 31, 2023	345.97			345.97
Bank balances other than cash and cash equivalents	March 31, 2023	164.26			164.26
Other financial assets	March 31, 2023	18,544.43			18,544.43

**Fair Value measurement hierarchy of Liabilities:**

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial liabilities measured at amortized cost</b>					
Borrowings	March 31, 2023	1,727.45			1,727.45
Lease liabilities	March 31, 2023	5,257.67			5,257.67
Trade payables	March 31, 2023	11,338.13			11,338.13
Other financial liabilities	March 31, 2023	6,908.87			6,908.87

**NOTE 47 : 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.

**(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" and "EURO".

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, 2024 and 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, 2024 and March 31, 2023.



Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

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, 2024	As at March 31, 2023
Trade receivables	USD	0.75	22.39
Advance to Suppliers:	USD	31.75	-
	EURO	138.41	-
Trade payables	USD	51.41	99.50
Trade payables	EURO	-	27.03

#### Foreign currency sensitivity analysis

"The Group is mainly exposed to USD and EURO. 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 analysis

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Basis point</b>	<b>Effect on profit before tax</b>	
+5%	0.95	(5.21)
-5%	(0.95)	5.21

#### (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.

#### Foreign currency sensitivity analysis

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Basis point</b>	<b>Effect on profit before tax</b>	
+1%	1.16	(10.15)
-1%	(1.16)	10.15

#### (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 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. 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.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

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 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, 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.

	Trade receivables		Loans & other financial assets		Other assets	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	1,666.42	1,592.89	276.68	-	24.92	24.92
Allowance created/(reversed) during the year	(530.53)	73.53	(276.68)	276.68	(24.92)	-
<b>At the end of the year</b>	<b>1,135.89</b>	<b>1,666.42</b>	<b>-</b>	<b>276.68</b>	<b>-</b>	<b>24.92</b>

#### (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	Less than 1 Year	More than 1 Year	Total
<b>As at March 31, 2024</b>			
Trade payables	11,002.16	878.20	11,880.36
Other financial liabilities	647.63	5,484.94	6,132.57
Borrowings	13.20	-	13.20
Lease Liability	1,048.76	3,135.63	4,184.39
	<b>12,711.75</b>	<b>9,498.77</b>	<b>22,210.52</b>
<b>As at March 31, 2023</b>			
Trade payables	11,138.02	200.11	11,338.13
Other financial liabilities	1,073.27	5,835.60	6,908.87
Borrowings	1,668.13	59.32	1,727.45
Lease Liability	1,346.50	3,911.16	5,257.66
	<b>15,225.92</b>	<b>10,006.19</b>	<b>25,232.11</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

#### NOTE 48 : 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  
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	As At March 31, 2024	As At March 31, 2023
Equity	1,827.62	1,827.62
Other Equity	26,545.76	45,160.55
<b>Total equity</b>	<b>28,373.38</b>	<b>46,988.17</b>
Borrowings (including lease liabilities)	4,197.59	6,985.12
Less: cash and cash equivalents	280.09	345.97
<b>Total debt</b>	<b>3,917.50</b>	<b>6,639.15</b>
<b>Overall financing</b>	<b>32,290.89</b>	<b>53,627.32</b>
<b>Gearing ratio ( In %)</b>	<b>12%</b>	<b>12%</b>

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, 2024 and March 31, 2023.

#### NOTE 49 : DISTRIBUTIONS MADE

##### Dividend on equity shares declared and paid

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Dividend on equity shares declared and paid</b>		
Final dividend for the year ended March 31, 2023: INR 2 per share (March 31, 2023: Final dividend for the year ended 31 March 2022: INR 0.50 per share)	658.05	183.21
<b>Proposed dividend</b>		
Proposed dividend for the year ended 31 March 2024: INR NIL per share (31 March 2023: Proposed dividend for the year ended 31 March 2023: INR 2 per share)		731.04

##### Note:

The Company has not proposed any dividend as in 31 March 2024

#### NOTE 50 : COMMITMENTS FOR EXPENDITURE

Particulars	As At March 31, 2024	As At March 31, 2023
Capital commitments (net of advances)	545.68	21.04
	<b>545.68</b>	<b>21.04</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

#### NOTE 51 : CONTINGENT LIABILITIES

Particulars	As At March 31, 2024	As At March 31, 2023
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	1,072.45	1,072.45
- Entry tax	257.90	4,293.80
- Income tax	-	2,212.13
- Excise Duty	1,418.42	636.97

##### Note:

The Group 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, 2024. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Groups financial position and results of operations.

#### NOTE 52 : SEGMENT INFORMATION

##### Operating segment information

The Group primarily is in the business of manufacture, purchase and sale of mattress, foam and related products. The Group 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 (Chief Operating Decision Maker) reviews the results when making decision about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group operates and manages its business as a single segment. As the Group's long-lived assets are all located in India and the Group's revenues are derived from India, no geographical information is presented.

#### NOTE 53 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Holding 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 Holding 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.

Particulars	As At March 31, 2024	As At March 31, 2023
<b>a) Gross amount required to be spent as per section 135 of the Act</b>	81.66	143.95
Add: Amount unspent from previous years	-	-
<b>Total gross amount required to be spent during the year</b>	<b>81.66</b>	<b>143.95</b>
<b>b) Amount spent during the year on</b>		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	106.31	135.98
<b>c) Details of CSR expenditure in respect of other than ongoing projects</b>		
Particulars	As At March 31, 2024	As At March 31, 2023
Gross amount required to be spent as per section 135 of the Act	81.66	143.95
Add: Amount Unspent from previous years	-	-
<b>Total Gross amount required to be spent during the year</b>	<b>81.66</b>	<b>143.95</b>

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**b) Amount approved by the Board of Directors to be spent during the year**

Particulars	As At March 31, 2024	As At March 31, 2023
Amount approved by the Board of Directors to be spent during the year	81.66	143.95

**c) Amount spent during the year on:**

Particulars	As At March 31, 2024	As At March 31, 2023
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	106.31	135.98

**d) Details of CSR expenditure in respect of other than ongoing projects**

Particulars	As At March 31, 2024	As At March 31, 2023
Promotion of health and education	-	94.86
Protection of environment	-	0.09
Employee Volunteering through Trust for promotion of health	-	3.43
Contribution to the corpus of trust	66.60	37.60
Prime Minister National Relief Fund	0.70	-
Protecting national heritage, art, and culture.	39.01	-
<b>Total</b>	<b>106.31</b>	<b>135.98</b>

**e)**

Nature of Activity	Balance excess as at April 1, 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess as at March 31, 2024
Healthcare/education/skill development/art and culture		81.66	106.31	(24.65)

**NOTE 54 : 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
<b>Parent</b>								
Kurlon Enterprise Limited								
Balance as at March 31, 2024	104%	29,468.14	89%	(4,564.97)	106%	(323.60)	90%	(4,888.57)
Balance as at March 31, 2023	102%	47,809.96	(126%)	(1,317.45)	181%	(31.47)	(131%)	(1,348.92)

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR 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
<b>Subsidiaries</b>								
<b>Indian</b>								
1 Kurlon Retail Limited								
Balance as at March 31, 2024	(6%)	(1,827.76)	(1%)	63.35	(1%)	3.45	(1%)	66.80
Balance as at March 31, 2023	(4%)	(1,894.56)	(6%)	(59.21)	17%	(2.98)	(6%)	(62.19)
2 Starship Value Chain & Manufacturing Pvt Ltd								
Balance as at March 31, 2024	3%	877.70	(2%)	94.02	1%	(4.51)	(2%)	89.51
Balance as at March 31, 2023	2%	788.19	23%	242.36	(3%)	0.59	24%	242.95
3 Belvedere International Limited								
Balance as at March 31, 2024	(1%)	(192.70)	1%	(61.39)	0%	1.45	1%	(59.94)
Balance as at March 31, 2023	0%	(132.76)	(9%)	(93.67)	0%	-	(9%)	(93.67)
4 Komfort Universe Products and Services Limited								
Balance as at March 31, 2024	(4%)	(1,088.46)	14%	(723.84)	(6%)	16.85	13%	(706.99)
Balance as at March 31, 2023	(1%)	(381.47)	(1%)	(9.07)	(94%)	16.44	1%	7.37
5 Kanvas Concepts Private Limited								
Balance as at March 31, 2024	0%	(134.34)	0%	(21.50)	0%	-	0%	(21.50)
Balance as at March 31, 2023	0%	(112.84)	0%	(0.64)	0%	-	0%	(0.64)
<b>Consolidation Adjustments</b>								
Balance as at March 31, 2024	4%	1,270.80	(2%)	92.76	0%	0.00	(2%)	92.76
Balance as at March 31, 2023	2%	911.65	218%	2,284.36	0%	0.00	222%	2,284.36
<b>Total</b>								
Balance as at March 31, 2024	100%	28,373.38	100%	(5,121.57)	100%	(306.36)	100%	(5,427.93)
Balance as at March 31, 2023	100%	46,988.17	100%	1,046.68	100%	(17.42)	100%	1029.26

**NOTE 55 : INCOME TAX EXPENSE RECOGNISED IN THE STATEMENT OF PROFIT OR LOSS**

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Current tax</b>		
In respect of current year	163.57	824.35
Tax expenses related to earlier years	-	(45.45)
	<b>163.57</b>	<b>778.90</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(517.46)	(1,033.85)
	<b>(517.46)</b>	<b>(1,033.85)</b>
	<b>(353.89)</b>	<b>(254.95)</b>
<b>Total income tax expense recognised in the current year</b>		
<b>Other Comprehensive Income:</b>		
Income Tax recognized in other comprehensive income/(loss)	(9.99)	10.35
<b>Tax arising on income and expense recognised in OCI income/(loss)</b>	<b>(9.99)</b>	<b>10.35</b>



Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	As At March 31, 2024	As At March 31, 2023
<b>Profit before tax</b>	<b>(5,475.46)</b>	<b>791.71</b>
Income tax expense calculated at 25.168%	(1,378.06)	199.26
Reversal of provision for current tax relating to earlier year	-	(45.45)
Tax charge on disallowance of corporate social responsibility expenditure	20.55	34.10
Others	1,003.62	(442.86)
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>(353.89)</b>	<b>(254.95)</b>

#### NOTE 56: 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 57 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

#### NOTE 58 : 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 59 : 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 60: 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 61: 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.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

#### NOTE 62: RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

As at March 31, 2024

Quarter	Name of bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
<b>Jun-23</b>	Axis Bank Ltd, Kotak Mahindra Bank Ltd, IDBI Bank Ltd.	Book Debts ( Net of advances from customers) & Inventories	<b>15,778.13</b>	<b>16,199.20</b>	<b>(421.07)</b>	The book debts submitted to the bank by Holding Company are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
<b>Sep-23</b>	Axis Bank Ltd, Kotak Mahindra Bank Ltd, IDBI Bank Ltd.	Book Debts ( Net of advances from customers) & Inventories	<b>15,155.60</b>	<b>15,190.13</b>	<b>(34.53)</b>	The book debts submitted to the bank by Holding Company are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
<b>Dec-23</b>	Axis Bank Ltd, Kotak Mahindra Bank Ltd, IDBI Bank Ltd.	Book Debts ( Net of advances from customers) & Inventories	<b>16,884.39</b>	<b>17,800.58</b>	<b>(916.19)</b>	The book debts submitted to the bank by Holding Company are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
<b>Mar-24</b>	Axis Bank Ltd, Kotak Mahindra Bank Ltd, IDBI Bank Ltd.	Book Debts ( Net of advances from customers) & Inventories	<b>17,420.84</b>	<b>18,568.57</b>	<b>(1,147.73)</b>	The book debts submitted to the bank by Holding Company are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances. Additionally, provisional entries passed in books at year end not considered in return submitted to bank.

As at March 31, 2023

Quarter	Name of bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
<b>Jun-22</b>	Axis Bank Ltd, Kotak Mahindra Bank Ltd, IDBI Bank Ltd.	Book Debts ( Net of advances from customers) & Inventories	<b>17,536.87</b>	<b>18,985.04</b>	<b>(1,448.17)</b>	The book debts submitted to the bank by Holding Company are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
<b>Sep-22</b>	Axis Bank Ltd, Kotak Mahindra Bank Ltd, IDBI Bank Ltd.	Book Debts ( Net of advances from customers) & Inventories	<b>17,941.50</b>	<b>18,351.30</b>	<b>(409.80)</b>	The book debts submitted to the bank by Holding Company are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
<b>Dec-22</b>	Axis Bank Ltd, Kotak Mahindra Bank Ltd, IDBI Bank Ltd.	Book Debts ( Net of advances from customers) & Inventories	<b>18,385.42</b>	<b>18,407.53</b>	<b>(22.11)</b>	The book debts submitted to the bank by Holding Company are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
<b>Mar-23</b>	Axis Bank Ltd, Kotak Mahindra Bank Ltd, IDBI Bank Ltd.	Book Debts ( Net of advances from customers) & Inventories	<b>15,425.59</b>	<b>16,668.74</b>	<b>(1,243.15)</b>	The book debts submitted to the bank by Holding Company are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances. Additionally, provisional entries passed in books at year end not considered in return submitted to bank.

Notes forming part of the consolidated financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

**NOTE 63: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES**

The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

**NOTE 65: WILFUL DEFAULTER**

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

1. KCPL transferred Dabaspet Foam Land, Dabaspet Sofa Land, Bhubaneswar Land and Haridwar Land for a consideration of Rs. 4,631.45 lakhs.

2. The Holding Company acquired the Gwalior business from KCPL for a consideration of Rs. 3,400 lakhs, and the excess of liability over assets of Rs. 1,505.93 lakhs of the said business acquisition has been recognised as capital reserve."

**NOTE 67: SCHEME OF AMALGAMATION OF WHOLLY OWNED SUBSIDIARIES**

The Board of Directors of the Holding Company ("Board") at its meeting held on March 28, 2024, has approved the Composite Scheme of Arrangement between the wholly owned subsidiary of the Company, i.e., Kurlon Enterprise Limited ("KEL" or "Transferee Company") with 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") 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 Mumbai ("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.

**NOTE 70: AUDIT TRAIL**

"The accounting softwares used by the Group for maintaining its books of account has a feature of recording audit trail (edit log) facility. However, during the year, the Holding Company had enabled the audit trail feature within the accounting software at the application level and at the database level, except for certain tables and transaction fields within the accounting software wherein the audit trail feature was not enabled."

**NOTE 64 : 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 66: SIGNIFICANT EVENTS DURING THE YEAR**

During the year, the Holding Company entered into a tripartite agreement (TA) with Sheela Foam Limited (SFL) and Kanara Consumer Products Limited (KCPL) on October 18, 2023, pursuant to the Share Purchase Agreement (SPA) dated July 15, 2023, involving SFL, KCPL, and Kurlon Trading and Invest Management Private Limited. Based on these agreements, the Holding company conducted the following transactions during the year:

3. As per one of the terms of the SPA, the company sold its investment in Sevalal Solar Private Limited, Sirar Dhotre Solar Private Limited and Sirar Solar Energies Private Limited to KCPL for a consideration of Rs.14.07 lakhs (investment at par value)"

4. The Holding Company has adjusted lease deposit amount of Rs 15,300 lakhs towards acquisition cost for the assets received from KCPL, after adjusting for the liabilities owed to KCPL. The remaining balance of Rs. 14,301.13 lakhs has been reduced from the Retained earnings under other payments as surplus cash paid to KCPL."

**NOTE 68: SCHEME OF AMALGAMATION WITH HOLDING COMPANY**

During the year the board of holding company, Sheela Foam Limited, approved the Scheme of Amalgamation of Kurlon Enterprises Limited ("KEL" or "Amalgamating Company") with Sheela Foam Limited ("SFL" or "Amalgamated 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 Mumbai ("NCLT").

**NOTE 69: REGROUPED/RECLASSIFICATION OF COMPARATIVE FIGURES**

The comparative figures have been regrouped/reclassified, where necessary, to confine to this period's classification in alignment with the Parent Company presentation.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Harsh Jain**

Partner

Place : Bengaluru

Date : May 15, 2024

Membership No: 305641

UDIN: 24305641BKFTXR7243

*Annual Report 2023-24*

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