The power of plus

Greater than the sum of its parts!

SHEELA FOAM LIMITED
ANNUAL REPORT 2023-24

SheelaFoam
INDIA · AUSTRALIA · EUROPE
50 YEARS OF EXCELLENCE

The power of

plus+

is all about celebrating the amazing strength that comes from working together.

'Plus' is not just a symbol; it stands for bringing our ideas, dreams and actions together. It is our way of saying that everyone's contribution counts and when we unite, we achieve so much more. This 'Plus' is our guiding star as we venture into new markets, innovate our products and expand our horizons.

At Sheela Foam, we thrive on collaboration and the endless possibilities it brings. We encourage every idea and nurture every dream, ensuring our growth is not just upward but all around, building strong connections with our partners, customers and team members.

'The Power of Plus' also highlights the essential role each of us plays in this journey. Whether it is our beloved brands or our resolute team, every 'Plus' adds unique value to our mission. As one, yet more than one, we turn challenges into opportunities and dreams into realities, showing that together we are greater than the sum of our parts.

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Website:
www.sheelafoam.com

CORPORATE OVERVIEW

Our legacy at a glance

Established in 1971, Sheela Foam is one of the leading manufacturers of Polyurethane (PU) foam and mattresses in India. We offer a wide range of products for home comfort, technical applications and institutional use.

With over 50-year-old legacy, we have consistently earned the trust of our customers through our commitment to high-quality, technologically advanced products that provide innovation and comfort.

Our success is built on strong foundations: an inspiring leadership team, a diverse product portfolio, innovative technology and state-of-the-art manufacturing facilities worldwide. With 21 manufacturing facilities in India, 5 in Australia and 1 in Spain, we boast a widespread global presence. Our wholly-owned subsidiaries in Australia and Spain further strengthen our international footprint. Our flagship brands including 'Sleepwell' mattresses, Kurl-on, Feather Foam, PU foam and Lamiflex polyester foam are recognised in households around the globe for its thoughtful customisation to meet individual sleep needs.

The growing emphasis on the importance of quality sleep for overall health has fuelled our growth. We have strategically expanded our product portfolio and developed our capabilities, leveraging digital channels to further connect with our customers.

Mission and Vision

We will continue the legacy of being recognised as a leader in premium comfort products.

Every customer will be served with a smile.

We will always reinforce our core values of integrity, reliability, pro-activity, and transparency.

We will remain committed to society

21
Manufacturing facilities in India

5
Manufacturing facilities in Australia

1
Manufacturing facilities in Spain

146,000 MTPA
Total capacity

Revenue breakup
(In %)

India 75.36
Australia 13.65
Spain 10.99

Milestones achieved

1971

Sheela Foam was founded in Sahibabad, Uttar Pradesh, by Chairperson Emeritus **Mrs. Sheela Gautam,** marking the beginning of our journey.

1994

Sleepwell

We launched our flagship brand, **'Sleepwell'**, which has since become a favourite among urban Indian households.

1998 - 1999

STARLITE

The Company introduced rubberised coir products under the brand name **'Starlite'** and established successful partnerships with Serta, USA and Dunlopillo, UK, to manufacture mattresses.

2001-2003

We began operations at **India's largest PU (polyurethane) foam-producing plant** in Greater Noida. Additionally, we expanded our operations to Rajpura, Punjab and Sikkim to better serve our target markets.

2005

Joyce Foam Products

In a major move to expand globally, Sheela Foam acquired the **polyurethane and polystyrene business of Joyce Australia.**

2008-2010

Sheela Foam received prestigious awards, including the **Nasscom CNBC-TV18 IT user award, Silver Edge Award; CIO Green Edge Special Award; CIO Asia Award;** and the **CIO 100 Award** for the 2nd time. During this period, we also launched innovative products such as **Impressions, Latex Plus, Resitec Air, Duet Luxury, Durafirm, Serenity and Amity.**

2016

BSE The Power of Relevance

The Company received the **Computer World Premier Award** and was listed on the **NSE and BSE.**

2017

We were recognised by **PU Tech** for Innovative Technology in Vertical Variable Pressure Foaming.

2018

Sheela Foam won multiple awards, including the **Star SME of the Year** by Business Standard; a **silver medal** in the **India Green Manufacturing Challenge 2017** by International Research Institute for Manufacturing, India; **5 Awards for Excellence in IT.**

2019

Expanding our footprint in Europe, the Company acquired **Interplasp S.L. in Spain.**

2021

We established a new Subsidiary, International Comfort Technologies, to focus on key growing sectors like Exports, E-commerce and Low-value Economy mattresses catering to **65%** of the rural population.

2022

Sheela Foam issued bonus shares in a ratio of **1:1 ratio.**

2023

kurlon FURLENCO

We acquired **Kurl-on,** the market leader in Rubberised Coir Mattresses, and bought a controlling stake in **Furlenco,** India's fastest-growing online furniture company.

OUR GROUP OF COMPANIES

We acquired ‘Kurl-on’, the third-largest mattress firm in the Indian market with widespread manufacturing capital and ‘Furlenco’, the frontrunner in the Indian furniture and home lifestyle space with a unique tech-driven business model. The combined potential of our existing companies is bound to create synergies and help us expand our business further.

Our brands

Sleepwell kurlon FURLENCO featherfoam
STARLITE Lamiflex Staqo Let's Simplify HOME KOMFORTS

Joyce FOAM PRODUCTS interplasp espumas de poliuretano SPRING AIR CHATTAM & WELLS
Englander

kurlon

Kurl-on stands tall as one of India's oldest and most trusted mattress brands, boasting market leadership in Rubberised Coir Mattress. With a legacy built on trust and quality, we are poised to capitalise on ourw extensive distribution and logistics network coupled with strategically located manufacturing facilities across six states.

~11%
Market share in the Indian organised modern mattress market

4,500+
Multi Brand Outlets

4
Centralised Hubs

10,000+
Dealer Touchpoints

10
Manufacturing plants

500+
Exclusive Brand Outlets

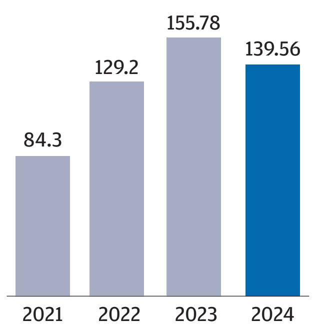
550+
Shop-in-shop model outlets

FURLENCO

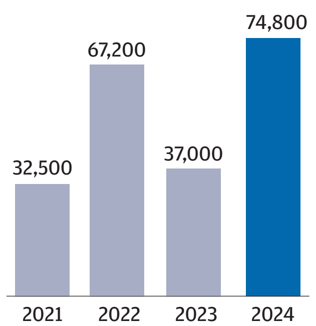
House of Kieraya (Furlenco) adds a distinctive dimension to our group portfolio. As a pioneer in furniture rental services, Furlenco offers an array of furniture products and home solutions for living rooms, dining rooms and bedrooms with value-added services like free relocation, free swap, free deep cleaning and damage waivers.

Furlenco's tech-driven business model with end-to-end implementation of digital capabilities provides customers with a one-stop solution for all furniture service needs from renting to subscribing, buying and even selling back. With a strong presence in major cities and a widespread network of warehouses in tier 1 and tier 2 cities, Furlenco's strategic positioning promises mutual benefits for other group companies, enhancing our collective competitive edge and market reach.

Revenue
(₹ crore)



Customer Acquisitions



Staqo
Let's Simplify

Our wholly owned enterprise technology solutions provider, Staqo, is renowned for its transparency, cost-effectiveness and innovative approach in serving clients. With a focus on delivering futuristic solutions, Staqo caters to diverse range of industries including education, government, manufacturing, banking, pharma and so on. By harnessing expertise in new-age technologies such as AI and ML, Blockchain, Cloud Computing, Data Science and Analytics and IoT, Stago consistently exceeds client expectations.

200+
Subject Matter Experts

50+
Awards and Accolades

200+
Articles

25+
Years of experience

CERTIFICATIONS

Our core assets are our intelligence and infrastructure. And, we have well-structured processes to make the most of the two. World's leading institutes have evaluated and certified us for the same.

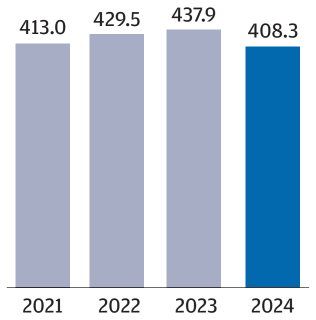
ISO 9001:2015 | ISO 20000 | ISO 27001

CMMI 3 | U.S. Green Building Council LEED Platinum USGBC

Joyce FOAM PRODUCTS

We have a strong market presence in Australia through our subsidiary, Joyce Foam Pty Ltd. Specializing in manufacturing PU foam and polystyrene products, Joyce Foam caters to a diverse range of industries including furniture, medical, moulded, industrial and polystyrene sectors by providing them with high-quality products.

Revenue
(₹ in crore)



11,000 MTPA
Capacity

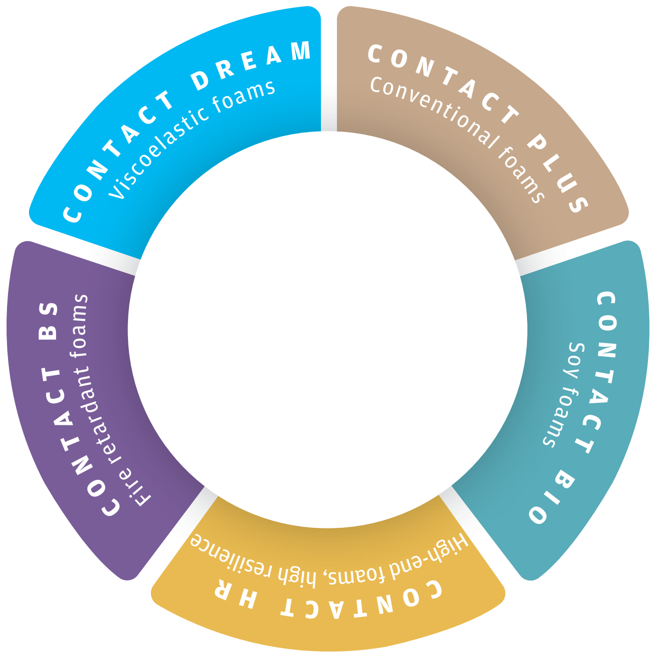
5
Manufacturing facilities

CERTIFICATIONS

OEKO-TEX®
CONFIDENCE IN TEXTILES
STANDARD 100
21CX00022 CENTROCOT
Tested for harmful substances.
www.oeko-tex.com/standard100

CompriShield™
ANTI-MICROBIAL PROTECTION

Interplasp, our subsidiary in Spain is one of the best European flexible polyurethane foam manufacturers. Located in Yecla, one of the most cost-efficient manufacturing hubs in Europe, Interplasp boasts a state-of-the-art facility. With a good market share in Europe, the Company leverages its strong technological base and focus on innovation to export 'bed in a box' mattresses to the US. Interplasp's extensive range of flexible polyurethane foams has contributed to its steady growth and success.



BUSINESS SEGMENTS

Our dedicated efforts towards constant improvements with the help of innovative technologies and strategic planning have helped us maintain our leadership position in the foam market. Through relentless dedication, we continuously deliver comfort to our consumers across various categories and industrial segments.

Mattress

We have well-established brands under our mattress product portfolio which has been strengthened even further with the strategic acquisition of Kurl-on. Our flagship product 'Sleepwell' is one of India's most popular mattress brands, contributing to a large market share. We offer products in different price ranges from ₹ 8,000 to ₹ 1,00,000 to cater to all customer segments.

LUXURY

Sleepwell, Spring Air

Englander

Standard and customised products to cater to value-oriented customers.

PREMIUM

Sleepwell, kurlon

Feather Foam

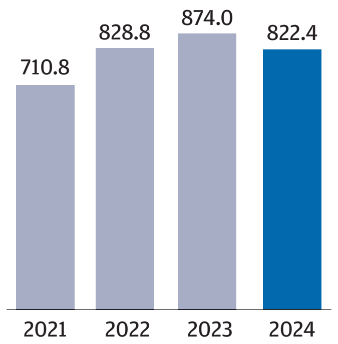
High-quality and durable product range to provide premium comfort to customers.

MASS

kurlon, STARLITE

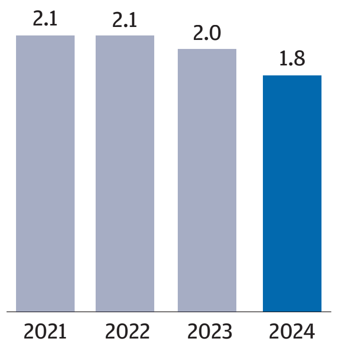
Affordable products to cater to a large customer base.

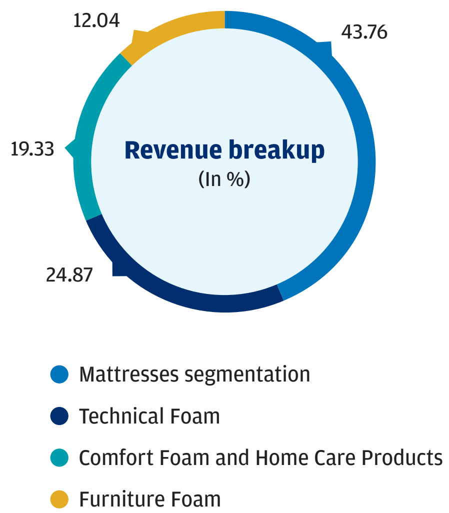
Revenue*
(₹ in crore)



* Standalone

Volume
(Mn)

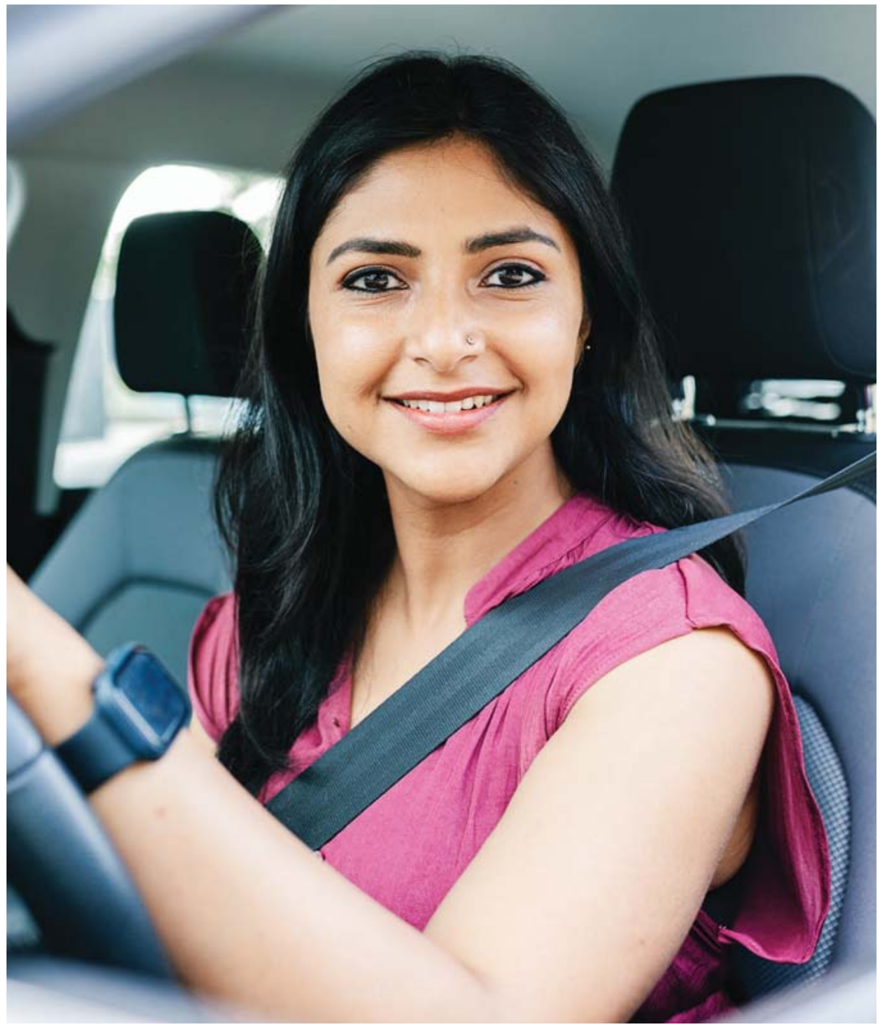




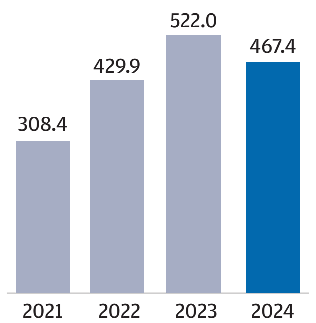
Technical foam

Our products in the technical foam category find diverse applications in multiple industries. These technically advanced foams are designed to cater to specific needs of industries like home furnishings, car seats, clothes and accessories, auditoriums, hospital beds and various other industries to enhance customer comfort and convenience.

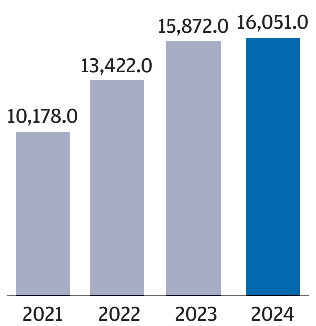
PRODUCTS	PRODUCT	PRODUCT	PRODUCT
Automotive foam	Reticulated foam	Ultraviolet-stable foam	Slientech foam
PRODUCT LINES	**PRODUCT LINES**	**PRODUCT LINES**	**PRODUCT LINES**
Polyester foam, Poly-ether foam	Ester-based foam, Ether-based foam	Polyurethane Lamiflex Foam	Ester-based PU Foam
END USER INDUSTRIES	**END USER INDUSTRIES**	**END USER INDUSTRIES**	**END USER INDUSTRIES**
Seat cover, Sound absorption systems, Lamination systems, Sun visors, Headliners and Door trims	Filtration systems, Ceramic foam filters, Outdoor furniture, Microphones and headphones, Safety fuel tanks and Ink cartridges	Sportswear, Innerwear and lingerie, Clothing, Swimwear, Comfort accessories for shoes	Automotive, Diesel generator canopies, Theatres, Auditoriums, indoor stadiums, Broadcasting rooms and recording studios, Industrial silencers and Aco



Revenue*
(₹ in crore)



Volume
(Tons)

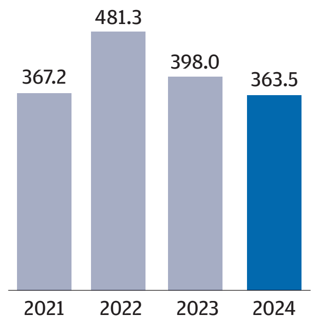


* Standalone

Comfort foam and homecare products

We have expanded our strategic offerings by entering the home accessories segment and have further expanded our product portfolio with the acquisition of Kurl-on. Within our comfort foam product portfolio, we offer a diverse array of items including pillows, mattresses, protectors, bolsters, back cushions and more with industrial-grade quality used in the manufacturing of mattresses, sofas and other homecare products.

Revenue*
(₹ in crore)



* Standalone

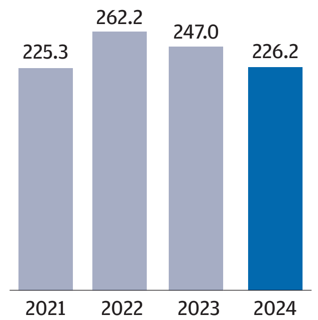
Furniture Foam

Our expansion into the furniture foam product category has helped us create more value-added products for our customers by leveraging our technical expertise in foam manufacturing. These products find applications in the manufacturing of sofa sets, chairs, custom sofas, sofa cum beds and so on.

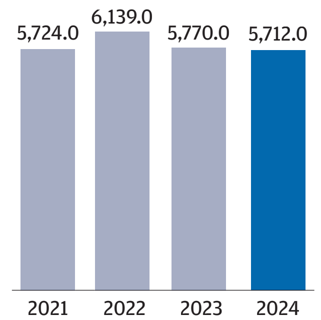
Furniture Cushioning Range

Sleepwell Furniture Cushioning Primo	Primo is made with a unique composition and extra thickness for increased comfort and support.
Resitec	Resitec leverages High Resilience (HR) Cushioning Technology to provide personalised cushioning solutions.
Sleepwell Furniture Cushioning Cool Gel S	Cool Gel-S particles dissipate heat easily, giving a cool feeling to the customers.

Revenue*
(₹ in crore)



Volume
(Tons)



* Standalone

EXPORTS

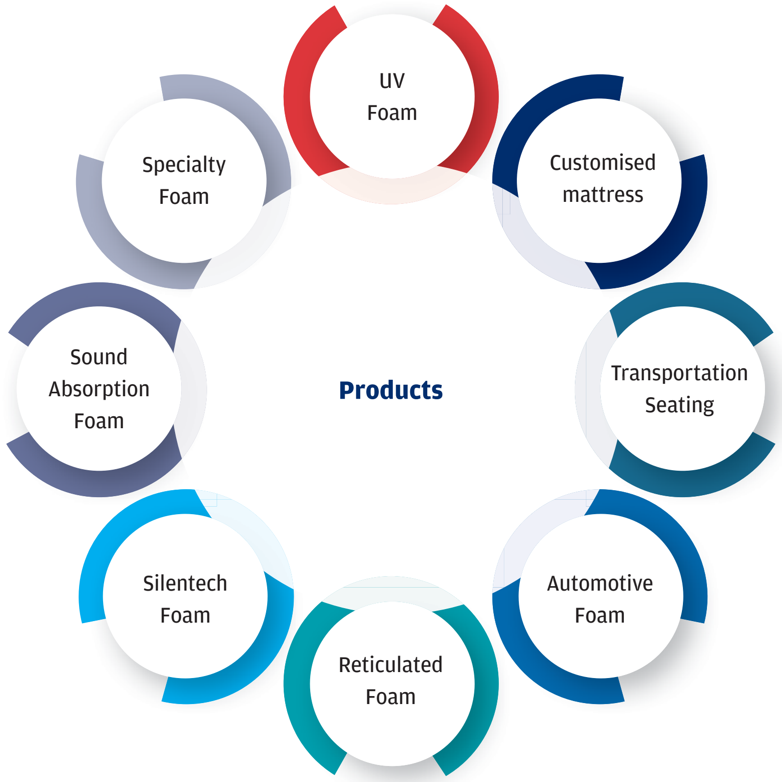
Our systematic manufacturing processes and globally aligned marketing operations facilitate direct exports to other countries. Our dedicated export division manages the international distributor network and OEM clients across all major continents including Europe, Russia, Australia, America, South Asia and the Middle East.

32 countries
Geographical presence

12 Indian and 5 Australian
Manufacturing facilities for export

Products

Our in-house product development capabilities help us specialise in designing products that not only meet technical criteria but also adhere to our clients' budget constraints.



Strengths in export

Our in-house product development capabilities help us specialise in designing products that not only meet technical criteria but also adhere to our clients' budget constraints.

OUR EXPORT STRENGTHS

We use a single source for a wide range of PU Foam products to maintain consistent product quality.

We have in-house R&D supported by a robust infrastructure helping us deliver innovative solutions.

Our infrastructure has one of the best Hennecke Foaming Plants.

We use Foam rollers with joints at 60meter length for optimal manufacturing.

We have a PU Foam Roll /block/ sheet compression facility for efficient manufacturing processes.

We practice stringent quality assurance procedures to ensure that quality is not compromised.

Our extensive network of logistic channels has been one of our core competitive strengths.

We are a customer-centric organisation and we provide 24 x 7 customer service.

Geographical footprint

Map not to scale. Only for representation purpose

▲ PU Foam Manufacturing & Processing ● PU Foam Processing

Leading the science of comfort in three continents

Over 25+ benchmark manufacturing plants in Europe and the Asia Pacific. Among the most R&D driven foam manufacturers in the world.

CHAIRMAN'S MESSAGE

Chairman's message

Dear Shareholders,

It is an absolute privilege to share with you the Annual Report for the financial year 2023-24. As I reflect back, the year has been a momentous year for us with a significant highlight being the acquisition of Kurl-on and investment in Furlenco. With the aim to consolidate and improve our market position across the country in mattresses and foam-based products, this strategic acquisition enables us to diversify our clientele, expand our geographic footprint, improve capabilities and leverage the Power of Plus.

We are synergising ideas, dreams and actions to emerge as an entity committed to excellence and quality. At Sheela Foam, we have always prioritised meeting the diverse needs of customers. As we embark on a new journey, our resolution to innovate, deliver and excel has become stronger than ever.

Together with Kurl On, we take pride in being the top player in the Indian branded mattress market, holding a 29% market share. Over the years, we have grown from strength to strength. We remained efficient and strategically aligned our endeavours with our long-term goals. Through streamlining processes, optimising operations and utilising advanced technology, we deliver products that surpass industry standards. With Kurl On coming in, our operational footprint and dealership touchpoints have strengthened across the country, enabling us to service our customers faster and more efficiently

Our brands hold a significant portion of the market and live up to their commitment to pushing the boundaries of innovation and technology to deliver the best sleeping solutions. Our carefully designed products meet the global quality benchmarks and have been successfully delivering on our promise of **"comfort"**.

Demonstrating Resilience

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. Furthermore, the race to regulate Artificial Intelligence (AI) is creating volatility, causing uncertainty in the wider economy. AI is a disruptive concept with 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 market developments, meet varied customer requirements, face challenges, and emerge as a leader in the industry. Profitability is at the core of our philosophy and we aim to thrive in this environment while maintaining and growing our profitability.

To thrive in these circumstances requires agility and the zeal to overcome any hurdles.

> **"With the acquisition of Kurl-on and Furlenco, 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."**

Establishing our Expertise

We, at Sheela Foam, have established our brand legacy and carved a niche in the industry. Our recall value and reputation are a testament to our expertise in delivering personalised sleep solutions to our valued consumers. As the Indian mattress market is anticipated to grow in the upcoming financial years, buoyed by favourable industry trends, we are steadily expanding our capabilities to outperform our peers.

Our extensive supply chain network and vertical integration enhance our competitive edge. For instance, with the Jabalpur manufacturing plant, we aim to explore the traditional unorganised mattress market, which accounts for 64% of the total Indian mattress market. This will be a great step in expediting the transition from the traditional to unorganised to organised market, which is a prime driver of our growth. Further, we have developed a diverse range of products that enables us to serve a wide range of customers, ensuring a loyal customer base across various industries.

Additionally, we have built a robust network of distributors, retailers and multi-brand outlets to guarantee delivery of our products to every corner of India. Moreover, with the aim of expanding our geographic footprint, we are leveraging our local sales network to extend our presence in both semi-urban and rural areas.

At Sheela Foam, we recognise the crucial role played by technology in driving a company's growth to new heights of success. We incorporate advanced technologies in our operations to streamline processes and improve our efficiency even when dealing with large volumes. The setting up of Jabalpur plant with Variable Pressure Foaming (VPF) technology is a live example, enabling us to produce more cost-effectively and environmentally friendly. This technology also allows us to compress foam to a larger range, enabling economic transportation across the country. With the growing popularity of e-commerce platforms and the rise in digital marketing, we are focussing on online segment with dedicated sales team. Our intent is to grow our presence in this segment and increase the wallet share of online sales in our overall sales figure.

The acquisition is accelerating the growth of our businesses. It has given us a strong market presence in the South and East of India, enabling us to lead the branded mattress segment across the country with both the Sleepwell and Kurl On brands. It has provided opportunities for expanding our sales channel and penetrating areas where we were either not so strong or not present. The acquisition has created a scale that will help us to be more efficient in terms of cost and thereby more competitive in the market.

Kurl On acquisition has also given us a strong position in the environment-friendly coir-based mattresses market. This is step forward in our initiative to promote environment friendly products and contribute to conserving the environment.

We have also invested in the furniture rental company Furlenco, acquiring 35% stake. This enables us to venture into the huge furniture market, which is approximately four to five times the size of our existing market. Furniture is a product complimentary to our cushioning business and we believe it will be another growth engine for Sheela Foam Limited going forward.

Our Robust Performance

In the year under review, we demonstrated robust financial performance. Our combined revenue amounted to ₹ 2,982 crores, compared to ₹ 2,873 crores the year before, our EBITDA Margin for FY24 is 10%. The profit before tax (PBT) for FY24 is ₹ 255.93 crore whereas it was ₹ 273.09 crore for FY23.

Our Sleepwell brand volume grew by 31% in Q4. Additionally, following the acquisition of Kurl-on, the brand volume grew by 17%. Despite an increase in marketing expenses, our standalone EBITDA margin was higher by 1%. As of February 2024, Furlenco achieved profitability and remained PBT positive.

Volume growth was seen in the foam business across geographies. The total revenue from operating in Australia for FY24 was ₹ 408 crore which is a decrease from ₹ 438 crore in FY23. The EBITDA margin for FY24 was 6% down from 9.3% in FY23. The total revenue in Spain for the year under review was ₹ 328 crore which is a decrease from ₹ 395 crore in FY23. The major reason of reduction in revenue was falling raw material prices. Expansions in capacity at both Spain and Australia have been completed and we expect to see volume growths in both these geographies.

Committed to Sustainability

Sheela Foam Limited is committed to environmental stewardship. We are undertaking relentless initiatives to conserve and rejuvenate the environment by efficiently managing energy, water usage and waste. We are addressing climate concerns by decreasing our carbon footprint throughout our entire value chain. We have implemented measures such as the compressed foam packaging method to reduce emission on transportation. Use of foam waste in producing rebonded foam and mattresses significantly reduce the waste. As a responsible organisation, we use green technology to produce top-quality foam using a Variable Pressure Foaming(VPF) machine.

We have consistently executed well-planned measures to reduce energy consumption and utilise recycled water from the Sewage Treatment Plant (STP) for gardening and flushing. Sheela Foam's corporate office premise is a LEED-certified building.

At Sheela Foam, our strong sense of purpose to contribute to a healthier future has always been ingrained in our corporate DNA. ESG practices are not just mere letters on paper for us; they play a fundamental role in our operations.

Way Forward

As we look forward, we aim to focus on our brands. Favourable demographics, increasing disposable income, and expansion in key industries are expected to drive the growth of the Indian mattress sector. At Sheela Foam, we aim to further propel the Power of Plus. We understand that true success comes from growing together. Thereby, with the acquisition of Kurl-on and investment in Furlenco, 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.

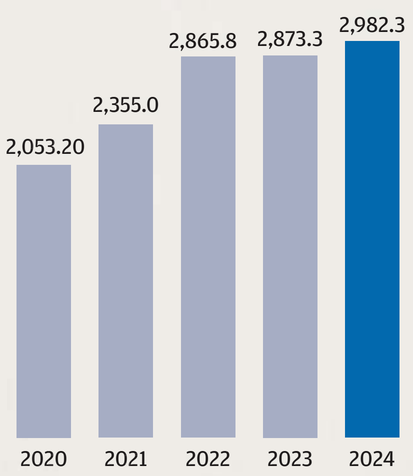
With best regards,

Rahul Gautam
Executive Chairman,
Sheela Foam Limited

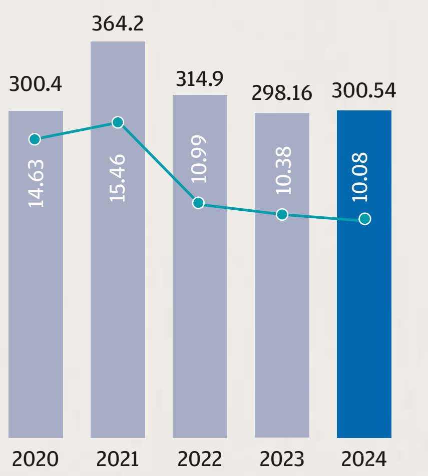
FINANCIAL HIGHLIGHTS

Financial highlights

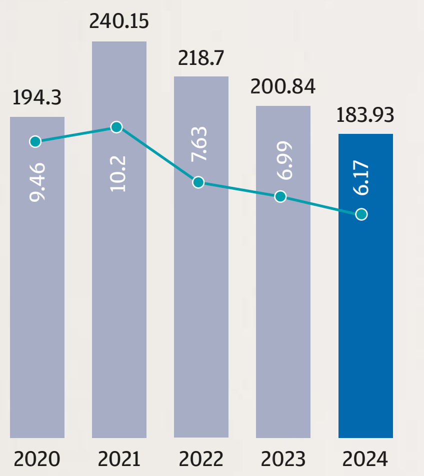
Operational revenue
(₹ in Crore)



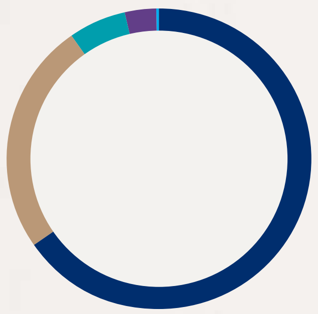
EBITDA
(₹ in Crore)



PAT
(₹ in Crore)

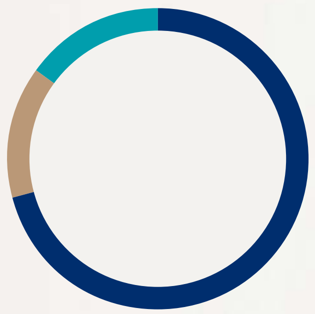


Shareholding pattern
(in %)



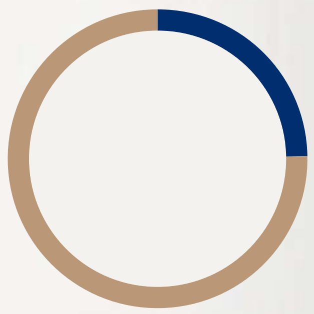
Promoters	65.48
Mutual funds	24.42
Foreign portfolio investors	6.32
Public	3.68
AIF	0.10

Segment-wise break-up
(in %)



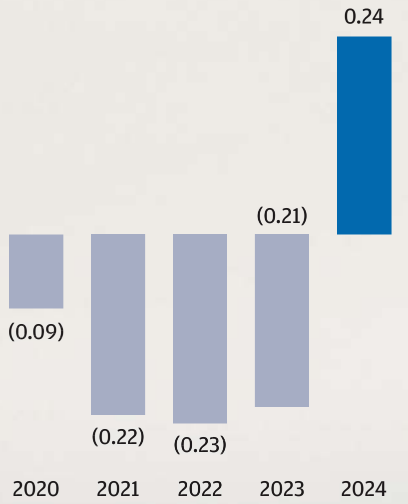
Indian operations	75.36
European operations	10.99
Australian operations	13.65

Break-up of Indian operations
(in %)

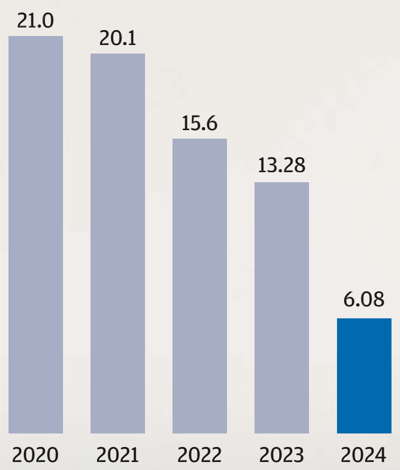


Technical foam	24.87
Home comfort line	75.13

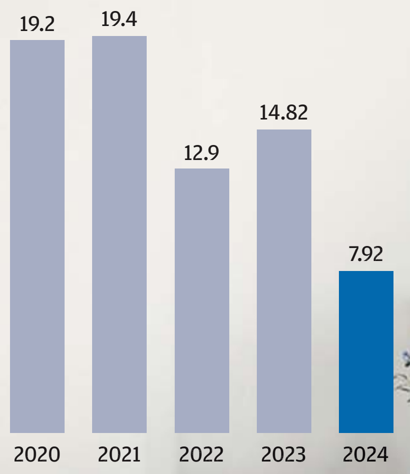
Net Debt to Equity ratio*
(X)



ROE
(in %)



ROCE
(in %)



*Net debt excludes Lease liabilities and financial investments

Value creation ecosystem

Our business model is strategically designed to deliver comfort and value to our customers through innovative products. We are well-positioned to leverage synergies from recent acquisitions, creating holistic development within our organisation resulting in higher value creation for all our stakeholders.

BUSINESS PLUS

We provide innovative solutions tailored to meet specific market needs and bridge gaps in industrial applications. Business plus seamlessly integrates technological innovation into all business processes.

World-leading technologies + innovative products for every application + Sustainable and environment-friendly manufacturing + Strong global presence + Integrated distribution network + Consistent product quality + A broad spectrum of renowned brands + Reduced complexities

MANUFACTURING PLUS

We owe our success to our manufacturing capabilities and the loyalty of our customers. Manufacturing plus ensures expansion of our production capacity while maintaining with consistent product quality.

Advanced technology + Efficient manufacturing + Skill development on new manufacturing processes + New opportunities for career growth with a futuristic organisation + Nurturing individual development.

LOGISTICS PLUS

At Sheela Foam, our efficient and widespread logistics has been a core strength. Logistics plus signifies the expansion of our logistic operations into new geographies, increased capacity and enhanced efficiency.

Better geographical spread and milk run + Vehicle and load optimisation + Efficient supply chain processes + Collaboration and networking + Business growth with a futuristic organisation.

DISTRIBUTION PLUS

Over five decades, we have built a strong distribution network founded on trusted partnerships. Distribution plus synergises these partnerships, unlocking new opportunities and expanding reach.

Larger networks + Larger markets + Larger volumes + New business opportunities + Access to new consumer segments + World-class product innovations + Differentiated marketing strategies + A broad spectrum of trusted brands + Wider product range.

RETAIL PLUS

We have nearly 18,000 retail stores, including exclusive retail dealers and multi-brand outlets. Retail plus means increased access to new customer segments through combined brand trust.

World-class product innovations + Wider product range + New business opportunities + Access to new consumer segments + Differentiated marketing strategies + A broad spectrum of trusted brands + More footfalls.

SALES PLUS

We have emerged as a dominant market leader in the Indian branded modern mattress market with approximately 29% of the market share. Sales plus means enriched sales strategies aimed at larger networks, higher market share and driving larger sales volumes.

Strong brand equity + Diverse product categories + New consumer segments + Enhanced collaboration and networking + Amplified sales + Bigger networks + Bigger markets + New opportunities for career growth with a futuristic organisation + Nurturing individual development.

TEAM PLUS

We have built strong teams that drive our growth. Team plus means new growth opportunities that benefit everyone.

A positive change + New opportunities + Bigger responsibilities + Pride of association with trusted brands + Greater job satisfaction + Enhanced collaboration and networking + Career growth with a futuristic organisation + Nurturing individual development

plus

STRATEGIC OVERVIEW

Strategic overview

Our Strengths

Favourable industry trends with potential for growth

The Indian mattress market is expected to grow with great momentum, fuelled by factors such as population growth, rapid urbanisation and increasing disposable incomes. As customer preferences shift towards the organised sector, companies like ours have ample opportunities to expand and thrive in this dynamic landscape.

~3x
Increase in household spending on living expenses

Maintained leadership position
In a highly competitive market

Consistent track record with a focus on breakthrough innovation

We have an impressive track record of innovation using our technological expertise. We have successfully diversified our product offerings through innovation, providing us a sustained competitive advantage over our peers.

TECHNOLOGIES USED

- Radiofrequency Identification (RFID) chips
- Zero Turn technology
- Breathable visco-elastic or Memory foam
- Neem fresche technology
- SANtech technology
- Cellergise technology
- Variable Pressure Foaming (VPF)
- Pro Nexa
- Pro Latex Plus
- Pro Impressions

Vertically integrated Manufacturing Facilities across the globe

Our extensive supply chain network and strategically located manufacturing facilities across the globe give us an operational advantage over our peers. We benefit immensely through our synergised logistics for home comfort product manufacturing and raw material supplies.

Wide Product basket catering to a diverse clientele

Our technological expertise has empowered us to introduce personalised and niche home comfort products to our diverse product portfolio. Renowned for their high quality and durability, our well-established brands have played an important role in cultivating a loyal customer base spread across multiple industries.

Extensive distribution network

Our intricate network of distributors, retailers and multi-brand outlets is backed by digital technologies ensuring efficiency even at large volumes. Our long-term relationships with all our partners throughout the supply chain are highly valued in our organisation.

150+
Sales personnel

20+ years
Relationships with distributors

Expert management team backed by a diversified board

Our versatile leadership has been instrumental in maintaining our market leadership over the years. We value our experienced and diversified board of directors whose strategic guidance has aligned our company with a trajectory of continuous growth.

Strategic developments

Our strategic acquisitions were the major developments of FY24. These acquisitions have helped us to gain synergies across multiple domains within our business, paving the way for strategic priorities set to capitalise on new opportunities.

TECHNOLOGIES USED

Procurement synergy

Economies of scale will help reduce raw material expenses with optimised procurement.

Manufacturing synergy

Both brands can be manufactured at any location helping the organisation expand its reach.

Logistics synergy

The complementary logistics network of SFL and KEL will benefit the organisation by achieving attractive commercials.

Distribution synergy

Synergizing the exclusive brand outlet network of SFL and multi brand outlet network of KEL.

R&D synergy

Collaborations with Furlenco's experienced R&D team to create innovative products.

Product portfolio synergy

Expanding presence across product categories and at multiple price points to cater to different customer segments.

Entry into new markets

Leveraging Furlenco's platform to venture into the branded furniture market and bundling products for higher sales.

Strategic Priorities

We constantly review our strategic priorities and align them with the strategic developments and our core strengths.

STRATEGIC PRIORITIES

Being closer to customers

Expanding exclusive brand outlet and multi-brand outlet network to be accessible to customers. Launching innovative campaigns for better brand recall among customers.

Capturing the entire market

Capturing the addressable market by expanding in product categories, price ranges and distribution channels.

Driving penetration through democratisation

Increasing penetration through technology initiatives and distribution expansion using organic and inorganic opportunities.

Expansion in complementary categories

Venturing into complementary product categories for diversification based on the existing core strengths.

Strategic Initiatives

At Sheela Foam, we believe in the efficient implementation of strategic decisions through carefully planned initiatives. In FY 2024, we undertook several initiatives to position ourselves for maximum capitalisation of upcoming opportunities.

A Mattress for Every Indian

We have initiated the construction of the Jabalpur manufacturing plant to cater to the traditional unorganised mattress market which forms 64% of the total Indian mattress market. We strategically plan to penetrate the traditional mattress market and slowly reform it into a modern market by using VPF technology, which is cost-efficient and environmentally friendly.

~11.7 hectare
Size of Jabalpur plant

₹ 0.80 billion
Capex

Route to Market

We have implemented a route-to-market (RTM) strategy to leverage the full potential of the two brands Sleepwell and Kurl-on. Our structures RTM strategy has the following initiatives.

Mattresses Offline

We plan to optimise our market presence by evaluating store and market types to increase sales.

Small town India

We are targeting over 5000+ towns with affordable mattress offerings, expanding our reach.

E-commerce

Our focus on developing an e-commerce business via Kurl-on will be beneficial for both brands.

Foam

We plan to improve our margins regionally by leveraging complementary capabilities.

Technical Foam

We plan to expand to new geographies and reinforce our strengths to grow and improve our margins.

Marketing efforts

We make consistent marketing efforts based on our marketing strategies to maintain and improve our brand presence and brand recall. We use BTL marketing for our legacy brands like Sleepwell and FeatherFoam, among others. while focusing on e-commerce through content marketing to capture urban customers.

Content Marketing initiatives:

Raising awareness about sleep disorders and the importance of good sleep.

Sleep talk: Promoting a healthy sleep routine

Your Sleep Story: Driving customer engagement by sharing experiences.

Sleep expert: Sleep advice on FAQs by experts.

Future Expansion Strategy

Our future expansion strategy is focused on strengthening our leadership position in the global market by offering high-quality innovative products aimed at enhancing customer comfort.

To achieve this goal:

- We plan to expand our total addressable market (TAM) by targeting customers in the unorganised sector. This will involve launching high grade PU foam products tailored to the needs of for traditional and value-conscious consumers, further solidifying our brand leadership.
- We plan to develop niche products for specific customer needs using our expertise in manufacturing and innovation. This approach will not only increase our high-margin product volumes but also ensure we stay ahead of our competition through targeted R&D investments.
- We plan to leverage the domestic sales network while simultaneously expanding our reach into Tier 1 and Tie 2 cities. Additionally, we seek to enhance our export operations by using Spain's manufacturing facility to access European and North American markets.

COMMUNITY CARE

Advancing Proactive Emotional Wellness and Empowerment

At the Sleepwell Foundation, our core values and mission have remained consistent over the past two decades. We are committed to ENHANCING PROACTIVE EMOTIONAL WELLNESS AND SKILL DEVELOPMENT IN SOCIETY, empowering people with an understanding of the multiple facets of emotional health, while also skilling youngsters, especially from marginalized communities, to find employment and rise above adversity.

While our commitment remains unwavering, our approach to pursuing our mission is constantly evolving and adapting based on insights, changing environment and experiences.

Our Emotional Wellness Initiatives

Our Emotional Wellness Initiative enhances the emotional wellness of people especially youth and empowers them to achieve their full potential through awareness, motivation and preventive actions.

In 2022-23, we conducted workshops at prestigious institutions like Vardhaman Mahavir Medical College (Safdarjung Hospital) and Dr. Shroff's Eye Hospital, New Delhi. Our workshops empowered health workers who, in turn, will create a significant positive impact on many lives including theirs.

At Indraprastha College for Women - Delhi University, our sessions sensitized young women, creating a ripple effect of emotional wellness in their communities. We also reached youth in ITIs and other vocational establishments, schools & colleges impacting thousands of lives. The enthusiastic participation and engagement reflect our mission to foster emotional resilience and personal growth.

Season 3 of “Baatein Dil Ki”

In building emotional health, OUR FLAGSHIP FILM SERIES "Baatein Dil Ki" has generated tremendous impact among the masses, enhancing their emotional wellness and encouraging us to bring more films to our viewers.

We have launched Season 3 in this fiscal year, providing essential life skills such as Basic Counselling, improving Relationships, responding to Modernity related issues. This new season aims to empower millions of viewers with the knowledge needed to identify, confront, and proactively prevent emotional challenges.

Digital content that garners millions of views and changes millions of lives

Our digital content on emotional wellness reaches millions through social media platforms and online channels, generating significant engagement that testifies strong resonance on the ground.

Our Skill Development Initiatives

We are ADDRESSING THE BARRIERS that prevent rural youth from participating in the workforce and simultaneously mitigating migration to cities in search of jobs.

In this fiscal year, we introduced new courses at the Sleepwell Foundation Skill Development Centre in Khurja (UP) to get more employment opportunities to our trainees.

With the upcoming Noida International Airport in Jewar in the vicinity of our centre, significant job opportunities are expected for the local youth. At the SDC, we are equipping them with skills for easy employment and economic activity. We recently launched a Beautician training course. Additionally, we are planning to start courses in Hotel and Logistics Management soon.

To meet the increasing demand for space, we have AUGMENTED SDC'S INFRASTRUCTURE providing additional space to accommodate new courses. We are also collaborating with premium institutions and establishing partnerships for knowledge exchange for our trainees.

SDC is fronting Khurja in implementation of vocational education under the New Education Policy 2020 in colleges. We provide essential infrastructure and trainers along with meticulously designed courses and a curriculum prescribed by Government.

For urban and educated youth, our focus lies in strategy, planning, and management of our existing areas of work through our flagship Online, Offline, and Hybrid Workshops: "How to Start a Business," "Enhance Your Professional Effectiveness," "Build Your Professional Effectiveness," and "Train the Teacher, Enhancing Functional & Soft Skills." These programs, aimed at enhancing employability, JOB PERFORMANCE, AND CAREER GROWTH, have directly benefited more than 2,500 individuals in 2022-23.

How Much Have We Reached

Our total reach has increased to 501.1 million, up from 474.5 million in FY22, with an addition of 25.6 million in FY23. Our on-ground activities directly benefited 63,519 people, an increase from 53,624. Additionally, our efforts indirectly impacted 2,82,646 individuals, up from 2,38,627

These metrics are regularly updated on our website. The qualitative impact is reflected in comments and audience engagement, which are regularly posted in the impact section of our website. For our on-ground initiatives, such as emotional wellness and skill development workshops, we measure success and impact through physical headcounts and qualitative feedback gathered from the beneficiaries.

Creating Awareness in Kota (Rajasthan) among students

Under our mass outreach program, Sleepwell Foundation focused on Kota, addressing the high stress and pressure faced by students. Targeting students on Instagram, we reached 0.8 million, providing essential knowledge on stress management and related issues through "Baatein Dil Ki" videos, empowering them to combat stress and lead healthier lives

Our Expanding Network

Throughout this fiscal year, we've expanded our network of collaborators across various sectors, including education, healthcare, and community development for our CSR initiatives. Our new partners in 2023-24 include esteemed institutions such as Vardhaman Mahavir Medical College-Safdarjung Hospital, Indraprastha College for Women - Delhi University, Dr. Shroff's Eye Hospital in New Delhi, along with entities like Delhi Transport Corporation, Tatrakshika (CGWWA) - Wives of Coast Guard Personnel, Maharana Pratap Institute of Education in Noida, Delhi Public World School in Greater Noida, Khurja Pottery Manufacturers Association, Greater Noida Institute of Business Management, Connect Hut, Maharaja Surajmal Institute of Technology, Navyug Schools in New Delhi, among others. These collaborations complement our longstanding partnerships with organizations like Sanjivini Society for Mental Health, Zindagi With Richa hosted by Richa Anirudh, FICCI FLO, and CII. Our knowledge-sharing initiatives extend to the Sleepwell Foundation Skill Development Centre in Khurja, where NIIT Foundation, MasterG & Daughters, Delhi Paramedical & Management Institute (DPMI), and STAQO are our valued partners.

CSR Near Our Plants

In the fiscal year 2023-24, we expanded our CSR efforts in the COMMUNITIES around our manufacturing units. These initiatives were designed to enhance amenities and infrastructure within local schools and villages, benefiting thousands of people. The initiatives include:

1) Near our Greater Noida plant - Gifting an Electric Vehicle to Jamghat Pathshala

2) Near our Medchal plant - Construction of Toilet Block at Zilla Parishad High School, Medchal.

3) Near our Erode plant - Being the Hospitality Partner at Panchayat Union Primary School, Ingur Village, Erode (TN) during their Annual Day Celebrations held on 12th April 2023.

4) Near our Kala Amb plant - Donation of school desks to the primary school.

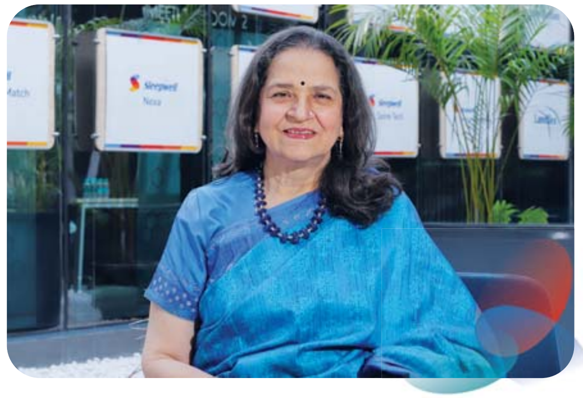
The year 2023 - 24 that was

This fiscal year, we've accomplished much, yet there's more to do. Our initiative for being Proactive about Emotional Wellness needs to be further strengthened. The socio-economic case for intervening and investing in preventing mental stress & illness to further support the social duty of government to improve the overall level of mental health of the populations is a very important step as the economic value associated with this burden is immense.

Board of Directors

Rahul Gautam
Executive Chairman

He has been associated with our Company since 1971 and has been has served as Managing Director for over three decades. During the last year, he has been appointed as Executive Chairman of the Comapny. He holds a Bachelor's degree in Technology - Chemical Engineering from the Indian Institute of Technology, Kanpur, and a Master's degree in Science - Chemical Engineering from the Polytechnic Institute of New York. He has over 48 years of experience in the home comfort products and PU foam industry and is the Chairman Emeritus of the Indian Polyurethane Association.



Namita Gautam
Whole-Time Director

She has been associated with our Group for the past 35 years and has been a Whole-Time Director of our Company since 14 November 2003. During her tenure, she has headed the Human Resources, Marketing, and Projects departments of the Company. She currently leads our CSR initiative through the Sleepwell Foundation and heads Special Projects. She holds a bachelor's degree in Law and a master's degree in Economics from Kanpur University.

Tushaar Gautam
Managing Director

He has been associated with our Company since 7 January 2002 and has been a managing director since November 2, 2023. He also served as CEO of Indian Operation. He holds a bachelor's degree from Purdue University, USA, where his courses of study included Financial, Marketing, and Operations Management. He oversees the operations of the Company and our subsidiary Joyce Foam Pty Ltd and Interplasp Spain and serves on their Board of Directors. He has over 21 years of experience in heading Production, Research and Development.

Rakesh Chahar
Whole-Time Director

He has been associated with our Company since 1 November 1990 and has been a Whole-Time Director since 14 November 2003. He has over 32 years of experience in the business of selling and marketing bedding products and polyurethane foam. He heads the Operation.

Som Mittal
Independent Director

He has been associated with the Company since 7 June 2016. He holds a bachelor's degree in Metallurgical Engineering from the Indian Institute of Technology, Kanpur, and a post-graduate diploma in Business Administration from the Indian Institute of Management, Ahmedabad. He has several years of experience in the manufacturing and information technology sectors

Ravindra Dhariwal
Independent Director

He has been associated with our Company since 7 June 2016. He holds a bachelor's degree in Chemical Engineering from the Indian Institute of Technology, Kanpur, and a postgraduate diploma in Management from the Indian Institute of Management, Calcutta. He was the Group CEO of Bennett & Coleman, India's largest media company. He has vast experience in the fields of Sales and Marketing Management.

Anil Tandon
Independent Director

He has been associated with our Company since 7 June 2016. He is holding a bachelor's degree of Technology in Electrical Engineering from the Indian Institute of Technology, Kanpur and a Post-graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. Since 1995, he has been the Managing Director of Tex Corp Pvt Ltd, a leading organisation in the field of fastening products. He has several years of national and international experience in the zip-fastening products sector

Lt Gen (Dr.) Vijay Kumar Ahluwalia
Independent Director

He has been associated with our Company since 5 March 2018. He holds a master's degree in Defence Studies and Management from Madras University, M. Phil in Defence Studies from Indore University and PhD in Management - Internal Security and Conflict Resolution from Amity University, Noida. He has several years of experience in the Defence Services. He also served as a Judge of the Armed Force Tribunal and as Director General of Raffles Group of Institutions, Raffles University, Neemrana, Rajasthan.

Meena Jagtiani
Independent Director

She is an MBA from the Symbiosis Institute of Business Management and has done an Executive Development Programme from Wharton Business School, University of Pennsylvania. At present, she is working as an independent HR advisor. She has three decades of rich industry experience in the field of HR. She served in various corporate houses such as the Aditya Birla Group, Daksh e-Services Private Limited, and Korn/ Ferry International – the world's leading search firm before taking her role as an Independent Advisor.

Corporate information

Board of Directors

Executive Directors

Rahul Gautam
Namita Gautam
Rakesh Chahar
Tushaar Gautam

Non-Executive Independent Directors

Som Mittal
Ravindra Dhariwal
Anil Tandon
Lt Gen (Dr.) V K Ahluwalia
Meena Jagtiani

CEO (India Business)

Nilesh Mazumdar

Group CFO

Amit Kumar Gupta

Company Secretary

Md Iquebal Ahmad

Auditors

M S K A & Associates

Bankers

Yes Bank Limited
Citi Bank
Kotak Mahindra Bank
JP Morgan Chase Bank, N.A.
DBS Bank India Limited

Registered Office

604 Asha Deep, 9 Hailey Road
New Delhi - 110001, India
Telephone - +91 11 22026875

Head Office

#14, Sector 135,
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E-mail - investorrelation@sheelafoam.com

Registrar of the Company

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C-1 Block LSC, Near Savitri Market
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Telephone - +91 11 - 41410592, 93, 94
E-mail - delhi@linkintime.co.in
Website - www.linkintime.co.in

Management Discussion and Analysis

Global economy[1]

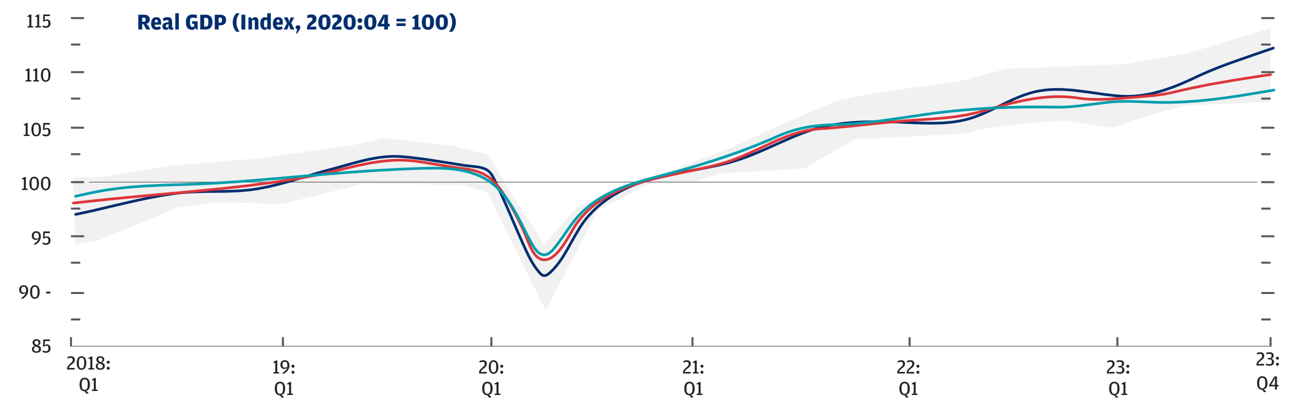
The world economy is projected to maintain a steady growth rate of 3.2% throughout 2024 and 2025, mirroring the momentum observed in 2023. Amidst a dynamic global economic landscape, the emergence of inflationary pressures prompted a tightening of monetary policies across various regions. As a result, 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.

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.



Sources: Haver Analytics; and IMF staff calculations. Note: Panels 1 and 2 plot the median of a sample of 57 economies that accounts for 78 percent of World Economic Outlook world GDP (in weighted purchasing- power-parity terms) in 2023. Vertical axes are cut off at -4 percent and 16 percent. Panel 3 plots the median of a sample of 44 economies. The bands depict the 25th to 75th percentiles of data across economies. "Core inflation" is the percent change in the consumer price index for goods and services, excluding food and energy (or the closest available measure). AEs = advanced economies; EMDES = emerging market and developing economies; SAAR = seasonally adjusted annual rate.

Source: IMF World Economic Outlook, April 2024

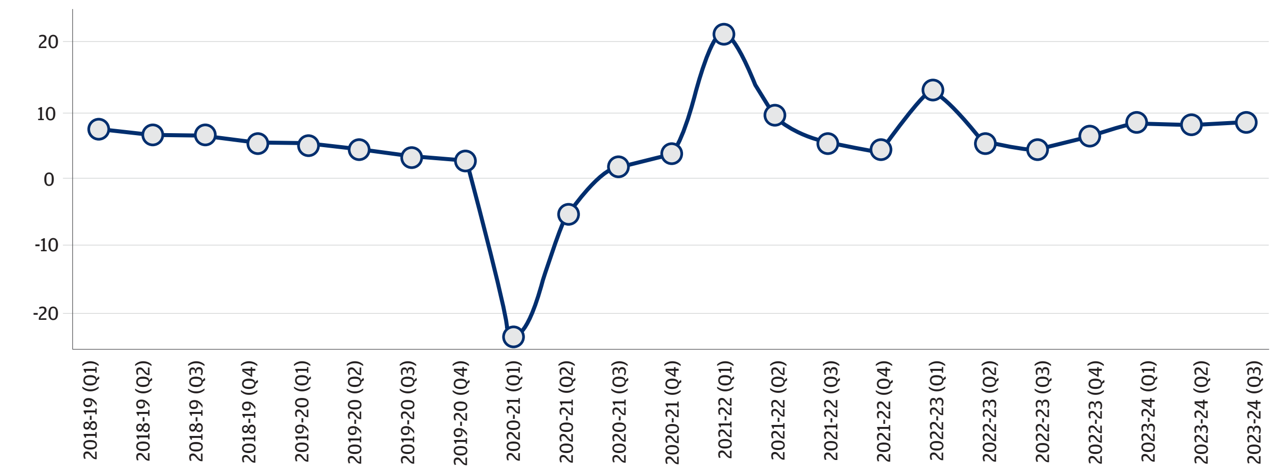
Indian economy

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[2]. 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 stabilised the economy but also increased consumer confidence, leading to higher demand across multiple sectors.

Moreover, capital expenditure saw a significant boost, increasing from ₹10.5 lakh crore in FY23 to ₹12.7 lakh crore in FY24[3]. This surge in spending has catalysed 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.

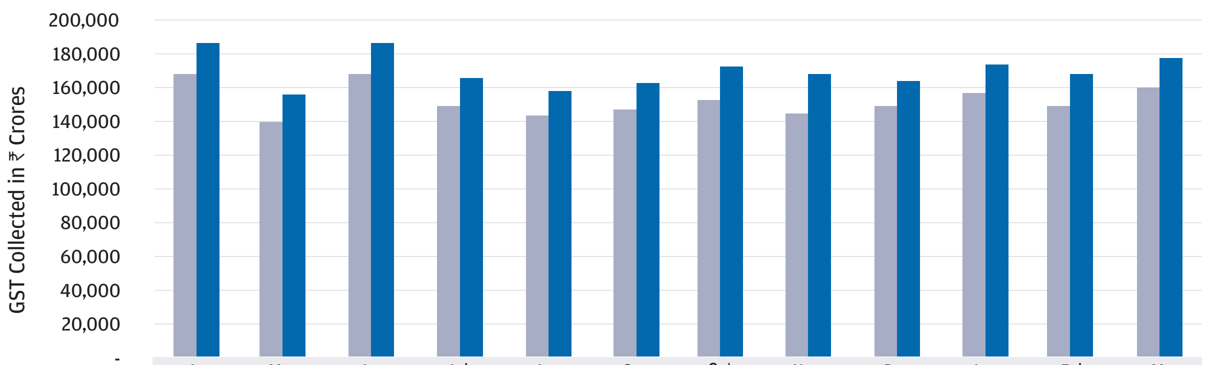
[1]https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024
[2]https://pib.gov.in/PressReleasePage.aspx?PRID=2010223
[3]https://www.indiabudget.gov.in/doc/Budget_at_Glance/budget_at_a_glance.pdf

Quarter-wise Real GDP Growth Rates (%) for FY 2018-19 to FY 2023-24 (Q3) (Constant Prices) (Base 2011-12)



Source: MoSPI India - https://www.mospi.gov.in/dataviz-quarterly-gdp-growth-rates

Total GST Collection (in ₹ Crores)



	Ap	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2002-23	167,540	140,885	144,616	148.995	143,612	147,686	151,718	145,867	149,507	157.554	149,577	160,122
2023-24	187,035	157,090	161,497	165,105	159.069	162,712	172,003	167,929	164,882	174,106	168,337	178,404

Source: Ministry of Finance: pib.gov.in

https://pib.gov.in/PressReleasePage.aspx?PRID=2016802#:~:text=GST%20revenue%20net%20of%20refunds,compared%20to%20the%20previous%20year.

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.

Industry overview

Health and wellness industry[5]

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 prioritising wellness solutions to address lifestyle challenges, driven by a desire to enhance both physical appearance and mental well-being.

[4]https://timesofindia.indiatimes.com/business/india-business/rbi-mpc-policy-meeting-april-5-2024-live-updates-shaktikanta-das-repo-rate-monetary-policy-committee-meet-latest-update/liveblog/109049706.cms

[5]https://www.pwc.in/assets/pdfs/publications-2011/wellness-report-15-sept.pdf

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 capitalising on the growth of the wellness sector. They are diversifying revenue streams, utilising 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 behaviours 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 ₹ 490 billion, with wellness services making up 40% of this share. Key trends in the industry include:

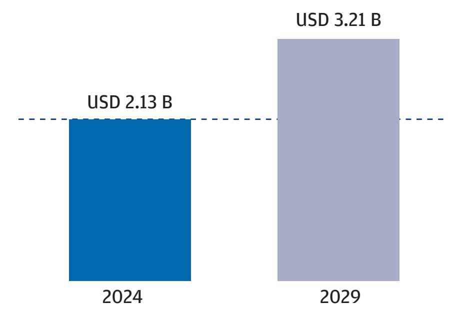
- The wellness industry in India is attracting both domestic and international players due to its expansion.
- Established players are broadening their horizons and venturing into new markets globally and domestically. Franchising has emerged as a favoured strategy for this expansion.
- Companies are 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 commercialising traditional Indian home remedies.

Indian mattress industry[6]

Both branded and non-branded players co-exist in the market utilising local distribution channels. To meet evolving consumer preferences, companies are expanding their product availability through both online and offline channels. While the unorganised sector maintains dominance, the organised 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.

India Mattress Market
Market Size in USD Billion
CAGR **8.54%**



Source: 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 Urbanisation: 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 revolutionised 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 eco-friendly 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.
- Specialised and Orthopaedic Mattresses: There is a growing emphasis on health and wellness driving demand for specialised mattresses tailored to specific needs, such as back pain relief or allergy control.

Organised mattress industry[7]

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 categorised into residential and commercial sectors. Distribution channels comprise

[6]https://www.mordorintelligence.com/industry-reports/india-mattress-market

[7]https://www.mordorintelligence.com/industry-reports/india-mattress-market

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

PU foam industry[8]

Overview of the foam industry in India

The foam industry in India is thriving, fuelled by urbanisation, rising disposable incomes, and evolving consumer lifestyles. The shift towards modern living, particularly in urban areas, has led to a surge in demand for foam-based furniture such as sofas, chairs, mattresses, and cushions. Additionally, foam materials play a vital role in footwear manufacturing, with foam-based insoles and midsoles providing enhanced comfort and reducing foot impact during walking or running.

Foam also finds extensive usage in apparel for padding, shaping, and creating lightweight garments, contributing to market expansion. With consumers increasingly prioritising quality sleep and overall well-being, there is a growing demand for high-quality foam mattresses and bedding

products. Foam's ability to provide support, conform to body contours, and offer pressure relief makes it a preferred choice among Indian consumers seeking better sleep experiences. Moreover, the development of specialty foams with unique properties like flame retardancy, antimicrobial features, and improved durability further drives market growth.

Regional market dynamics

In the Indian foam market, South India emerges as the leading region capturing the largest market share. This dominance is propelled by several factors. Firstly, the region's robust automotive sector drives demand for foam products used in car interiors, enhancing comfort and aesthetics for consumers. Additionally, the rapid growth of the construction and infrastructure industry in South India necessitates foam materials for thermal insulation and acoustic solutions in buildings and commercial spaces. The flourishing furniture market in the region contributes to the demand for foam products in crafting comfortable and stylish upholstery items. Moreover, South India's emphasis on sustainability fosters the adoption of eco-friendly and recyclable foam materials, driving innovation within the industry.

The presence of research and development centres and educational institutions specialising in polymer sciences and material engineering in the region stimulates technological advancements in foam production. This results in the creation of high-quality and specialised foam products tailored to meet industry requirements.

Market breakdown by category and type

The India foam market is segmented based on categories such as furniture, automotive, building and construction, apparels, packaging, appliances, and others. Among these categories, furniture holds the largest market share, driven by several factors. Rising disposable incomes and urbanisation contribute to increased consumer spending on furniture, particularly foam-based products like sofas, chairs, and mattresses. Additionally, the industry's growing focus on sustainability drives the adoption of eco-friendly foam options, meeting the demand for environmentally conscious furniture choices.

The emergence of the e-commerce sector further expands the market reach, making foam-based furniture more accessible to a wider consumer base. Flexible foam stands out as the most widely used category, owing to its versatility and affordability. Its applications span across automotive interiors, furniture manufacturing, thermal insulation in buildings, and packaging, thanks to its customisable properties that cater to diverse industry needs. Polyurethane foam dominates the market share within foam types, owing to its versatility and wide-ranging applications across industries such as automotive, construction, and healthcare.

Opportunities and threats[9]

Opportunities:

1. Growing Health and Wellness Focus: 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 specialised mattresses like orthopaedic, memory foam, and anti-allergic options.

2. Technological Innovation: 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 personalised sleep experiences.

3. Expanding Infrastructure: India's growing residential and commercial construction sector creates a larger market for mattresses in new hotels, hospitals, and homes.

4. Customisation and Personalisation: Consumers today are increasingly looking for mattresses tailored to their individual needs and preferences. This offers companies the opportunity for companies to provide customisation options such as size, firmness, and material choices catering to unique requirements of each customer.

[8]https://www.mordorintelligence.com/industry-reports/polyurethane-foam-market

[9]https://mordorintelligence.com/industry-reports/india-mattress-market/market-trends

Threats:

1. Competition from New Entrants: 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.

2. Higher Prices of Raw Materials: Fluctuations in the prices of raw materials such as cotton, foam, and steel can significantly impact production costs. This could result in either price increases for consumers or tighter profit margins for manufacturers.

3. Limited Presence in Tier 2 & 3 Cities: Many mattress companies face challenges in establishing strong distribution networks in smaller cities. This limitation hinders their ability to tap into the vast potential customer base beyond major metropolitan areas.

4. Economic Downturns: Economic slowdowns can negatively impact consumer spending, potentially leading to reduced demand for mattresses, especially luxury or higher-priced options.

Company overview

Established in 1971 in Uttar Pradesh, Sheela Foam embarked on a journey that led to the creation of its flagship brand 'Sleepwell' in 1994, becoming the most preferred choice of urban Indian households. Over the years, it diversified its offerings by introducing rubberised coir products and collaborating with companies in USA and UK for mattress manufacturing. Expanding its footprint. Sheela Foam established India's largest polyurethane foam plant in Greater Noida while also venturing into markets like Punjab and Sikkim, to reach a wider audience.

In 2005, the Company ventured into the global market making significant acquisitions like Joyce in Australia and expanding further into Europe by acquiring Interplasp S.L. in Spain.

The Company prides itself on its impeccable track record supported by an extensive distribution network and a skilled workforce that drives innovation in the market.

With the launch of revolutionary technologies with Impressions, Latex Plus, Resitec Air, Duet Luxury, Durafirm, Serenity, Amity, and many more, Sheela Foam has revolutionised the mattress industry. Its commitment to excellence has been recognised with numerous awards including the Dataquest Gold CIO Award, Indian Express Intelligent Enterprise Award and the Information Week Silver Edge Award. Moreover, Sheela Foam remains dedicated to societal wellbeing with its CSR efforts. The Sleepwell Foundation has positively impacted 15.6 million lives through various social initiatives.

Product portfolio

- **Mattresses segmentation**

  My Mattress, Spring Range, Technology Range, Custom Cell Range, Back Support Range, Flexi PUF Range, Showroom Range, Economy Range, Online Brand

- **Comfort foam and home care products**

  Foam Sheets, Foam Blocks, Comfort range accessories, Foam Cores, Furniture Cushions, Pillows, Bedsheets, Comforters/Blankets, Mattress Protectors, Sofa-cum-Beds

- **Technical foam**

  Automotive Foams, Reticulated Foams, UltraViolet Stable Foams, Silentech Foams

- **Furniture foam**

  Sleepwell Resitec, Sleepwell Cool Gel, Primo

Key strengths

- Multilocation manufacturing units
- Pan India network for sales and distribution
- Cutting-edge products backed by innovative technology
- Presence across multiple geographies

Manufacturing prowess

With the most recent successful acquisition, the Company has expanded its facilities to 21 manufacturing units across India, Australia and Spain boasting a total foaming capacity of 1,46,000 MTPA. The strategically located manufacturing facilities ensure easy access to both consumer markets and raw material sources showcasing the Company's commitment to. The Company exhibits outstanding capabilities in high-quality production and technological advancements.

The Australian facilities, strategically located in five locations have a combined capacity of 11,000 MT per year while the facility in Spain boasts a foaming capacity of 22,000 MT per year. Notably, the Indian facilities, in Jabalpur and Nandigram, have played an important role in the Company's operations. The Jabalpur plant, centrally located and well connected to the distribution market, is an integrated manufacturing hub equipped with cutting-edge technology such as Variable Pressure Foaming (VPF) aimed at reducing costs while maintaining great quality.

Brand development

Through ongoing investments in research and development, the Company has created customised products that cater to changing customer preferences and unique requirements. Marketing initiatives have bolstered the flagship brand, Sleepwell, establishing a strong reputation in the market. Furthermore, the Company owns two other brands FeatherFoam and Starlite, which cater to price-conscious consumers with affordable mattress options. These moves have contributed to the Company's expanded market share in the organised mattress segment.

Technological innovations at Sheela Foam

- New foam for mass production in India (M5)
- Quilting foam

Financial overview

In FY24, the Company's net revenue from operations on a standalone basis was ₹ 1879.52 crore as compared to ₹ 2038.57 crore in FY23. Profit after tax for the current year was ₹ 168.23 crore in contrast to ₹ 171.09 crore in FY23. Net revenue from operations in Australia was AUD 74.63 million as compared to AUD 79.56 million in the previous year. The net profit after tax was AUD (0.22) million as compared to AUD 0.94 million in FY23. The net revenue from operations in Spain was Euro 36.48 million as compared to Euro 47.21 million in FY23. The net profit after tax was Euro 1.12 million as compared to Euro 2.89 million in FY23. On a consolidated basis, net revenue from operations stood at ₹ 2982.31 crore as compared to ₹ 2873.32 crore in the previous year. Consolidated net profit after tax decreased to ₹ 183.93 crore from ₹ 200.84 crore registered in FY23.

Key financial ratios standalone operation according to the SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018

Name and Designation	2023-2024	2022-2023
Debtors Turnover (in times)	11.49	14.64
Inventory Turnover (in times)	6.61	6.33
Interest Coverage Ratio (in times)	5.68	29.8
Current Ratio (in times)	0.63	2.8
Debt Equity Ratio (in times)	0.37	0.11
Operating Profit Margin (%)	8.06%	8.20%
Net Profit Margin (%)	9%	8%
Return on Net Worth (RONW) (%)	6%	12%

Growth strategy and outlook

New market entry

The Company aims to capitalise on the untapped potential of the unorganised mattress market by transitioning it into an organised sector. To achieve this it plans to introduce affordable yet high quality products tailored to meet the market's needs. Leveraging Variable Pressure Foaming (VPF) Technology, the Company aims to streamline processes and reduce costs ensuring competitive pricing.. The newly established manufacturing plant at Jabalpur will support the production capacity further supporting the Company's efforts to penetrate the unorganised mattress market and establish a strong foothold in the organised sector.

Driving profitability through acquisition synergies

With its recent acquisition of Kurl-on, the Company is focusing on synergies across procurement, manufacturing, logistics and distribution. By integrating these key areas, the combined entity aims to achieve improved realisation economics and enhance net margins over time. Additionally, the expanded manufacturing capabilities will facilitate strong volume and revenue growth for the Company further solidifying its position in the market.

Expanding distribution network

In India, Kurlon has a strong presence in East and South regions while the Company has presence the North and West. With the acquisition, the combined entity will enjoy a strong market presence across all regions for its diverse range of products. This move allows the Company to leverage the full market opportunity and capitalise on the strengthened distribution channels resulting from the merger.

Foray into branded furniture network

The Company is looking to collaborate with an online furniture platform to create innovative products and blend foam technology with furniture designs. This presents an exciting opportunity to cross-sell the mattresses and other products on the online platform. With limited players in the furniture and furniture rental segment, the early mover advantage will be a significant one.

Risks and mitigation

Risks	Description	Mitigation
Market saturation and competition	With new entrants in the market and an increase in competition, there is a possibility of price wars emerging, potentially affecting the Company's profitability. Moreover, increased competition may pose challenges to maintaining market share as rivals vie for their own space in the industry.	The Company has earned a notable market share by offering comfortable and high-quality mattresses. It emphasises on acquisitions and innovation to maintain its competitive edge. With state-of-the-art technology like VPF, the Company has successfully reduced costs while improving product quality.
Supply Chain disruptions and raw material risk	Disruptions in the supply chain can affect production and transportation, which are critical components of the Company's operations. Smooth and continuous supply of raw materials is essential to uphold the Company's reputation and safeguard against and adverse effects on the creation of high value products.	The Company procures key ingredients in bulk at cost effective prices. Through its acquisition strategy, it continuously improves its logistics and distribution network. With presence across India and in select countries abroad, the Company has diversified its sources to effectively mitigate this risk.
Changing consumer preferences	Changing preferences centre around new technology, exploring different mattress types, opting for eco-friendly products and adopting alternative shopping methods such as utilising e-commerce platforms or visiting furniture stores.	The Company has captured a significant portion of the addressable market by diversifying its product offerings and catering to various price points. It also consistently identifies market opportunities and trends through thorough research and strategy implementation.
Regulatory compliance and risk of counterfeits	Compliance with regulations regarding product safety, labelling, and environmental standards can be challenging and costly. Non-compliance can lead to fines, recalls, and damage to brand reputation.	The Company continues to invest in testing products and implementing measures such as unique serial numbers, marks, labels, holograms, and hot stamps. The Company also complies with regulations, conducts safety checks and monitors the market to combat counterfeit products.
Inventory risk	Accumulating high inventory levels can result in revenue loss due to product degradation and high charges associated with inventory cost.	Through consistent and high-quality branding efforts, the Company has established a strong brand presence. It also maintains balanced and orderly sales channels through extensive distribution networks, retail dealers and exclusive brand outlets.

Internal controls

The Company's internal control framework focuses on strong governance, a vigilant finance function, and independent internal reviews. Risk assessment exercises prioritise the business's key risks, guiding the formulation of strategies. The Audit Committee regularly reviews and takes appropriate action based on any deviations, observations, or recommendations from internal auditors. The Company is committed to upholding best practices in corporate governance, supported by well-documented policies and procedures to ensure compliance with all relevant regulations. Robust IT systems are in place to protect sensitive data and streamline the audit process. Accounting standards are strictly adhered to when recording transactions. Alongside robust Management Information Systems (MIS), the Company employs various strategies for real-time expense reporting to maintain control. Any deviations from budget allocations are promptly identified and corrected to ensure strict compliance.

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.

The Company cherishes the profound contributions of its employees, recognising their instrumental role in propelling our success forward. Through collaborative efforts and innovative strategies, our workforce has been pivotal in shaping the trajectory of our growth. 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 prioritise career development and upskilling opportunities, ensuring that our employees thrive and remain instrumental in our continued success.

3,241

Total Employee Strength

Cautionary statement

The statements in the Management Discussion and Analysis Report that describe your Company's projections, estimates and expectations are "forward-looking statements". They are within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied depending on the economic conditions affecting demand and supply, the price scenario in the domestic and international markets in which it operates, changes in government regulations, tax laws and other statutes. The Company undertakes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information, or events.

Director's Report

Dear Members,

Your Directors' have pleasure in presenting the 52nd Annual Report on the business, operations and financial performance of the Company along with the Consolidated Audited Balance Sheet and Statement of Profit & Loss for the year ended 31st March, 2024.

FINANCIAL INFORMATION

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	2982.31	2,873.32	1879.52	2038.57
Profit before Finance Cost, Depreciation & Tax	417.64	383.78	306.73	283.32
Less: Finance Cost	68.62	21.07	43.75	8.13
Cash Profit	349.02	362.71	262.98	275.19
Less: Depreciation	115.79	89.62	58.44	41.08
Profit before Tax and exceptional items	233.23	273.09	204.54	234.11
Gain on Exceptional Items	22.70	-	17.82	-
Profit before tax	255.93	273.09	222.36	234.11
Add/(Less): Income Tax & Earlier year's tax	(50.74)	(74.66)	(45.96)	(63.93)
Add/(Less): Deferred Tax	(10.68)	2.21	(8.17)	0.91
Profit after Tax before share of profit/(loss) of Joint venture	194.51	200.84	168.23	171.09
Share of profit/(loss) of Joint venture	(10.58)	-	-	-
Profit for the year	183.93	200.84	168.23	171.09
Other Comprehensive Income	(2.70)	12.52	-	(3.95)
Total Comprehensive Income for the year	**181.23**	**213.36**	**168.23**	**167.14**

During the current year, Net Revenue of the Company, on standalone basis is ₹ 1880 Crores, last year Net Revenue of the Company was ₹ 2039 Crores. The Profit for the year for the current year decreased marginally by 1.67% to ₹ 168 Crores as against the profit for the year of ₹ 171 Crores of last year.

On consolidated basis the overall Revenue increased from ₹2873 crores to ₹ 2982 Crores. The consolidated profit for the year decreased from ₹ 201 Crores to ₹ 184 Crores.

DIVIDEND

Board of Directors do not recommend any dividend for the year 2023-24. The entire profit is being ploughed back in the business.

SUBSIDIARIES

As on 31st March, 2024 the Company has seven subsidiaries and ten steps down subsidiaries. As required under the provisions of Section 129 of the Companies Act, 2013, read with Companies (Accounts) Rule, 2013, a statement containing salient features of the financial statements of subsidiaries is provided in the prescribed format AOC-1 as **Annexure-A** of the Board Report.

MATERIAL SUBSIDIARIES

In accordance with Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations), Joyce Foam Pty. Ltd (Joyce Foam) Australia, International Foam Technologies Spain, S.L.U. and Kurlon Enterprise Limited* are material non-listed subsidiaries. The Company has formulated a policy for determining material subsidiaries. The policy has been uploaded on the website of the Company at http://www.sheelafoam.com.

*Kurlon Enterprise Limited became the subsidiary of our company from October 20, 2023.

AMALGAMATION OF WHOLLY OWNED SUBSIDIARY WITH THE COMPANY

The Board of Directors of the Company ('Board') at its meeting held on November 08, 2022, has approved the Scheme of Amalgamation of the wholly owned subsidiary of the Company, i.e., International Comfort Technologies Private Limited ("ICTPL" or "Transferor Company") with Sheela Foam Limited ("SFL" or "Transferee Company") and their respective Shareholders and Creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). A joint application of amalgamation of International Comfort Technologies Private Limited, wholly owned subsidiary with Sheela Foam Limited was filed with the National Company Law Tribunal (NCLT) Delhi on December 06, 2022. Accordingly, the aforesaid scheme of arrangement has been approved by National Company Law Tribunal, Bench at Delhi ("NCLT") vide order date February 09, 2024. Subsequently with effect from March 01, 2024 the ICTPL merged into SFL.

ISSUE OF EQUITY SHARE

The Company has raised money by the way of Qualified Institutions Placement ("QIP") and allotted 1,11,31,725 equity shares of face value ₹ 5/- each to the eligible qualified institutional buyers (QIB) at a price of ₹ 1,078/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 1,200.00 Crores on September 26, 2023. The issue was made in accordance SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. QIP proceeds were for part-funding the acquisition of equity shares of Kurlon Enterprise Limited and for general corporate purposes. As on March 31, 2024, 100% funds have been utilised for acquiring equity stake in 'Kurlon Enterprise Limited'.

ISSUE OF DEBENTURE

The Company has further raised the additional required funds through issue of 72,500(Seventy-Two Thousand Five Hundreds) unsecured Non-Convertible Debentures in four tranches of 18,125(Eighteen Thousand One Hundreds Twenty Five) each having a fixed coupon rate of 8.45%, of face value of ₹ 1,00,000(Rupees One Lakhs only) amounting ₹ 725.00 Crores (Rupees Seven Hundreds Twenty-Five Crores Only) on October 06, 2023 through private placement within the borrowing limits of the Company as approved by the shareholders. The said funds were utilised acquiring equity stake in 'Kurlon Enterprise Limited'.

INVESTMENT MADE BY THE COMPANY IN SHARE CAPITAL

During the year, the Company has acquired 35% stake of 'House of Kieraya Private Limited (Furlenco)' on fully diluted basis w.e.f. August 29, 2023.

The Company has acquired 3,46,05,369 equity shares representing 94.67% shareholding in 'Kurlon Enterprise Limited' for a consideration of ₹ 1,940.78 Crores resulting in transfer of its control to the company w.e.f. October 20, 2023. The Company has additionally acquired 9,40,582 equity shares and 67,569 equity shares representing 2.58% and 0.18% shareholding for the consideration of ₹ 55.33 crores and ₹ 3.92 crores respectively, resulting in total equity shareholding of 97.43% as at March 31, 2024.

A wholly owned subsidiary M/s Sheela Foam Trading LLC in Dubai, United Arab of Amirates was incorporated and invested AED 5,00,000.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 136 of the Companies Act, 2013 and the applicable Accounting Standard on the Consolidated Financial Statements, your Directors have attached the consolidated financial statements of the Company which form a part of the Annual Report.

The financial statements including consolidated financial statements and the audited accounts of each of the subsidiary are available on the Company's website www.sheelafoam.com

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed.

b) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The directors have prepared the annual accounts on a going concern basis.

e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

In accordance with SEBI Regulations, a separate report on Corporate Governance is given in **Annexure-B** along with the Practicing Company Secretaries (PCS) Certificate on its compliance. The Practicing Company Secretaries (PCS) Certificate does not contain any qualification, reservation and adverse remark.

RELATED PARTIES TRANSACTIONS

The particulars of Contracts or Arrangements with related parties, in the prescribed form, are attached as **Annexure-C**

RISK MANAGEMENT

The Company has formulated a Risk Management Policy duly reviewed by the Board of Directors. The policy includes risk identification, analysis and prioritization of risk and development of risk mitigation plans. The Company has constituted a Risk Management and ESG Committee to look into the risk involved with the Company and its mitigation.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate Internal Financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The report on the Internal Financial Control issued by M/s. MSKA & Associates., Chartered Accountants, Statutory Auditors of the Company in view of the provisions under the Companies Act, 2013 is given in their audit report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

As per the provisions of the Companies Act, 2013, Rakesh Chahar will retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, seeks re-appointment. The Board has recommended his reappointment.

Nilesh Sevabrata Mazumdar had appointed as the Chief Executive Officer (India Business) and Amit Kumar Gupta had appointed as Group Chief Financial Officer during the year under review.

AUDITORS

M/s MSKA & Associates, Chartered Accountants, appointed as the Statutory Auditor of the Company for the five consecutive financial years from 2021-22 to 2025-26 and they will hold office until the conclusion of the 54th Annual General Meeting of the Company to be held in the year 2026.

AUDITORS' REPORT

There is no adverse observation of Auditors' on financial statements of the company. The Auditors' Report, read with the relevant notes to accounts are self-explanatory and therefore does not require further explanation.

CONSOLIDATED FEES PAID TO STATUTORY AUDITORS

Detail of total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, as mentioned in Note 43 of Consolidated Financial Statement published through annual reports for the Financial Year 2023-24, are as below:-

Consolidated (₹ in Lakhs)

Particulars	Year ended 31 March, 2024	Year ended 31 March,2023
Audit Fees	78	38.00
Certification Work	17	2.75
Reimbursement of expenses	2	1.95
Total	**97**	**42.70**

COST AUDITOR

As per section 148 read with Companies (Audit and Auditors) Rule, 2014 M/s Mahesh Singh & Co, Cost Accountants is appointed, to conduct the cost records of the Company for the Financial Year 2023-24, by the Board of Directors.

Cost Auditor will provide its report to the Board of directors.

INTERNAL AUDITOR

M/s PKF Sridhar Santhanam LLP, Chartered Accountants appointed as the Internal Auditor of the company and they will report to Board of Directors or the respective committee. The internal audit will help company to review the operational efficiency and assessing the internal controls. It also reviews the safeguarding of assets of the Company.

SECRETARIAL AUDITOR

The company had engaged M/s AVA Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial audit for the year 2023-24. The report on secretarial audit is annexed as **Annexure-D** to the Director's Report. The report does not contain any qualification, reservation or adverse remark.

CORPORATE SOCIAL RESPONSIBILITY(CSR)

In terms of Companies Act, 2013, your company has to undertake Corporate Social Responsibility programme. The disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rule, 2014 is attached as **Annexure-E**

AUDIT COMMITTEE

The composition of Audit Committee is provided in the Corporate Governance Report that forms part of this Director's Report.

VIGIL MECHANISM

The Company has established a vigil mechanism through a Whistle Blower Policy. The Company can oversee the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who may express their concerns pursuant to this policy. The policy is uploaded on the website of the Company at http://www.sheelafoam.com.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has in place an Anti-Sexual Harassment policy in line with the requirements of sexual harassment of women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Internal system has been set up to redress complaints received regarding sexual harassment.

MEETINGS OF THE BOARD

During the year, 9 meetings of the Board of Directors were held.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the Financial Statements.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

A. Following measures were taken by company for energy conservation in the year 23-24:

   The disclosure related with energy is mentioned in the Business Responsibility & Sustainability Report (BRSR) forming part of Directors' Report.

B. The expenses incurred on Research and Development have been included in BRSR annexed forming part of Directors' Report.

C. The earnings from exports were ₹ 23.15 Crore (Previous Year ₹ 14.03 crores) and payments in foreign exchange were ₹ 184.24 Crore (Previous Year 164.05 crores).

LISTING AGREEMENTS

Your Company has entered into agreements with Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), in compliance with Regulation 109 of the SEBI LODR Regulations 2015.

PARTICULARS OF EMPLOYEES

The information as required under Section 197 of the Companies Act 2013 read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure-F** and **Annexure G** to the Board's Report.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of provisions of Regulation 34 of the Listing Regulations, the Management's discussion and analysis is set out in this Annual Report.

PUBLIC DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

BOARD EVALUATION MECHANISM

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations, the Board has carried out annual performance evaluation of its own performance, those of directors individually and of various committees.

The performance of individual directors was evaluated on parameters, such as, number of meetings attended, contribution in the growth and formulating the strategy of the Company, independence of judgement, safeguarding the interest of the Company and minority shareholders, time devoted apart from attending the meetings of the Company, active participation in long term strategic planning, ability to contribute by introducing best practices to address business challenges ESG and risk etc. The directors expressed their satisfaction with the evaluation process.

BONUS SHARE

The company had not issued any bonus shares during the year.

EMPLOYEE STOCK OPTION SCHEME

The Company's Employee Stock Option Schemes are in line with Company's philosophy of sharing benefits of growth with the growth drivers and are in compliance with the applicable Securities and Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Companies Act, 2013. The Company on November 02, 2023 and February 06, 2024 granted 1,02,592 and 1,57,260 shares respectively to various employees who exercised their options.

Disclosures with respect to Stock Options, as required under Rule 12(9) of The Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Regulations, are available in the **Annexure H** to this Report, Notes to the Financial Statements and can also be accessed on the Company's website at https://www.sheelafoam.com/index.html

DIVIDEND DISTRIBUTION POLICY

The company has adopted Dividend Distribution Policy and there is no change in policy during the year. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the policy is hosted at our web site at www.sheelafoam.com and is also attached as **Annexure-I**.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT(BRSR)

Business Responsibility Report/Sustainability Report is annexed as **Annexure-J**.

FINANCE AND CREDIT RATING

The company managed its finances prudently, meeting the business needs and maintaining sufficient liquidity at all times to navigate the impact of external challenges. The Company prudently managed its finances in rising interest rate scenario. The Company did raise 72500 debenture on October 06, 2023. India Rating & Research, a credit rating agency has given 'IND AA/Stable' rating to the debenture of the Company on September 25, 2023, same is available on https://www.sheelafoam.com/corporate-announcement.html

ANNUAL REPORT

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return for FY 2022-23 is uploaded on the website of the Company and the same is available on https://www.sheelafoam.com/annual-return.html

ACKNOWLEDGEMENT

Your Directors wish to express and place on record their thanks to the Company's Distributors, Dealers and Business Associates for their excellent effort and the customers for their continued patronage of the Company's products. Your Directors also wish to place on record their appreciation for the devoted services of the Executive, Staff, and workers of the Company at all levels enabling the Company to achieve the excellent performance during the year.

Your Directors' also appreciate the valuable co-operation and continued support received from Company's bankers and all the government agencies and departments.

The Directors also express their sincere thanks to all the Shareholders for the continued support and trust they have reposed in the Management.

By Order and on behalf of the
Board of **Sheela Foam Limited**

Place: Noida
Date : May 21, 2024

(Rahul Gautam)
Executive Chairman

Annexure-A

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint ventures

(₹ in Lakh)

Name of the subsidiary	Joyce Foam Pty Ltd	Staqo Software Pvt Ltd (Formerly known as Divya Software Solutions Pvt Ltd)	Sleepwell Enterprises Pvt Ltd	Staqo World Private Limited	International Foam Technologies Spain S.L.	Kurlon Enterprise Limited	Sheela Foam Trading LLC
Place of incorporation	Australia	India	India	India	Spain	India	Dubai
Date of incorporation / acquisition	03-10-2005	19-04-2010	07-10-1994	26-03-2020	12-06-2019	20-10-2023	25-09-2023
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AUD AUD= ₹ 55.38	N.A.	N.A.	N.A.	EURO EURO= ₹ 90.2178	N.A.	AED AED= ₹ 22.6907
Share capital	2373.38	9.46	1.05	1.00	9428.12	1827.62	113.70
Reserves & Surplus including NCI	13416.48	5469.44	341.92	1225.77	11969.50	26545.76	(168.08)
Total assets	45946.59	5502.32	356.00	1766.67	56960.19	53105.40	280.71
Total Liabilities	30156.73	23.42	13.03	539.90	35562.47	24732.02	335.09
Investments	-	-	-	495.50	27.46	1027.82	-
Total Income	41992.80	230.08	109.13	3179.45	32891.15	40583.82	44.99
Profit/(Loss) before taxation	(529.10)	(99.18)	91.29	675.80	1059.97	2747.86	(166.63)
Tax Expenses	(406.67)	38.48	23.04	172.26	57.74	923.78	-
Profit/(Loss) after taxation	(122.43)	(137.66)	68.25	503.54	1002.23	1824.08	(166.63)
Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL	NIL
% of shareholding	100%	100%	100%	100%	100%	97.43%	100%

Note-

1. Joyce Foam Pty Ltd, Staqo Software Private Limited (Formerly known as Divya Software Solutions Private Limited), Sleepwell Enterprises Private Limited, Staqo World Private Limited, International Foam Technologies Spain S.L. and Sheela Foam Trading LLC are wholly owned subsidiary of the Company.
2. Kurlon Enterprise Limited is subsidiary and House of Kieraya Private Limited is joint venture of the Company added in the year under review.
3. Joyce W C NSW Pty Ltd (Australia), Interplasp SlU (Spain), Staqo World KFT (Hungry), Staqo Inc USA, Staqo Technologies LLP (UAE), Belvedore International Limited, Kanvas Concepts Private Limited, Kurlon Retail Limited, Komfort Universe Products and Services Limited and Starship Value Chain and Manufacturing Private Limited are step down subsidiaries.

Annexure-B

Corporate Governance Report

Our Corporate Governance is a true reflection of our value systems enshrined in our Vision Statement. Our Vision statement places highest reliance on the values of Integrity, Reliability, Proactivity and Transparency. We firmly believe that Corporate Governance, based on these value systems, is vital to not only enhance stakeholders' trust, but also for the success of the organisation. Your company remains committed to follow best governance practices in true spirit.

Board of Directors ("Board")

The Company is managed and guided by the Board of Directors. The Board formulates the strategy and regularly reviews the performance of the Company. The Board has been entrusted with the requisite powers, authorities and duties to enable it to discharge its responsibilities and provide effective leadership to the Business. The Company has an optimum combination of Executive and Independent Directors who are eminent persons with professional expertise and valuable experience in their respective areas of specialisation and bring a wide range of skills and experience to the Board.

The Executive Chairman of the Company provides vision and leadership for achieving the approved strategic plan and business objectives. He presides over the Board and the Shareholders' meetings. The Managing Director with the support of the Whole-time Directors and Senior Executives oversees the operations of the Company.

As on the date of this report the Board comprises of 9 (Nine) Directors, which include 5 (Five) Non-Executive Independent Directors and 4 (Four) Executive Directors. There are 2 (Two) Women Directors one of whom is an Independent Director.

During the financial year none of the Independent Directors of the Company served as an Independent Director in more than seven listed Companies. The composition of the Board is in line with Regulation 17 of Listing Regulations. None of the Directors on the Board is a Member on more than 10 Committees, and Chairperson of more than 5 Committees across all listed companies in which he/she is a Director. Necessary disclosures regarding Committee positions have been made by the Directors.

Meetings of the Board

The Board of Directors met nine times during the financial year ended on March 31, 2024. Board Meetings were held on 17 May, 2023, 10 July 2023, 17 July 2023, 02 August 2023, 02 November 2023, 22 November 2023, 06 February 2024, 12 February 2024 and 28 March 2024.

The maximum gap between any two Board Meetings was less than one hundred twenty days.

Independent Directors

All independent Directors have confirmed that they meet the criteria as stipulated under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Section 149(6) of the Companies Act, 2013.

The maximum tenure of Independent directors is in compliance with the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company (web link http://www.sheelafoam.com).

Regulation 25(3) of Listing Regulations read with Schedule IV of the Companies Act, 2013 and the rules under it mandate that the Independent Directors of the Company hold at least one meeting in a year without the attendance of Non-Independent Directors and members of the management. During the year, separate meeting of the Independent Directors was held on Feb 6th, 2024 without the attendance of non-independent directors and members of the management. All the Independent Directors attended the said meeting. The independent directors, inter-alia, reviewed the performance of Non-Independent Directors, Managing Directors and Chairman of the Company and the Board as a whole.

Familiarisation programme for Independent Directors

The Board/Committee members are provided with the necessary documents/brochures, reports and internal policies, codes of conduct to enable them to familiarise with the Company's procedure and practices. Directors are regularly updated on performance of the business of the Company, business strategy going forward and new initiative being taken/proposed to be taken by the Company through presentation by head of the Departments. Factory/office visits are organised from time to time for the Directors. The policy of the familiarisation programme of the Independent Directors are available on the Company's website at http://www.sheelafoam.com.

Composition of Board

The composition of the Board of Directors at the end of Financial Year i.e 31 March, 2024, their attendance at the Meetings during the year and at the last Annual General Meeting as also the detail with regard to outside Directorships and committee positions are as under:-

Name of the Director and DIN	Category	Number of meeting attended	Attendance in Last AGM held on 18th July, 2023	No. of other Directorship in listed company including this company	No. of Committee positions held including other Companies##	
					Chairman	Member
Rahul Gautam# 00192999	Promoter & Executive Director	9	Yes	1	0	0
Namita Gautam# 00190463	Executive Director	9	Yes	1	0	0

Name of the Director and DIN	Category	Number of meeting attended	Attendance in Last AGM held on 18th July, 2023	No. of other Directorship in listed company including this company	No. of Committee positions held including other Companies##	
					Chairman	Member
Rakesh Chahar 00180587	Executive Director	9	Yes	1	0	0
Tushaar Gautam# 01646487	Executive Director	9	Yes	1	0	2
Som Mittal 00074842	Independent Director	9	Yes	3	1	2
Ravindra Dhariwal 00003922	Independent Director	9	Yes	3	2	3
Anil Tandon 00089404	Independent Director	9	Yes	1	0	1
Vijay Kumar Ahluwalia 08078092	Independent Director	9	Yes	1	0	1
Meena Jagtiani 08396893	Independent Director	9	Yes	2	2	4

Rahul Gautam, Executive Chairman is husband of Namita Gautam and father of Tushaar Gautam and are thus related.

The committees considered for the purpose are those prescribed under Regulation 26 of Listing Regulations i.e. Audit Committee and Stakeholders' Relationship Committee of Indian public limited companies whether listed or not.

Board Functioning and Procedure

- Board Meeting Frequency and circulation of Agenda papers: The Board and its Committees meet at regular intervals for discussion on agenda circulated well in advance by the Company. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at the meeting. Where it is not practical to attach, or send the relevant information as a part of agenda papers, the same are tabled at the Meeting. To meet the business exigencies or urgent matters the resolutions are passed by the Directors by Circulation.

  The Company has proper systems to enable the Board to periodically review compliance reports of all laws applicable to the Company, as prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Board reviewed compliance reports prepared by the Company periodically.

- Presentations by the Management: The Senior Management of the Company is invited at the Board meetings to provide presentation/clarifications as and when necessary.

- Access to Employees: The Directors bring an independent perspective on the issues deliberated by the Board. They have access to any information of the Company as they may need to discharge their duties and to any employee of the Company.

Availability of Information to Board members include:

1. Annual operating plans and budgets and any updates thereof;
2. Capital budgets and any updates thereof;
3. Quarterly results of the Company and its operating divisions and business segments;
4. Minutes of Meetings of the Audit Committee and other Committees of the Board;
5. Recruitment and remuneration of senior officers below board level, including appointment and removal of Chief Financial Officer and the Company Secretary as per SEBI(LODR) Regulations 2015;
6. Materially important show cause, demand, prosecution and penalty notices report;
7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
8. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
9. Any issue which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
10. Details of any joint venture or collaboration agreement;
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.;
13. Sale of material nature, of investments, subsidiaries and assets which is not in the normal course of business;
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material; and
15. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

Appointment/Re-appointment of Directors:

The information/details pertaining to Directors seeking appointment/ re-appointment in the ensuing Annual General Meeting (AGM), is provided in the Notice for the AGM.

Audit Committee

The Committee comprises of Three Directors which include two Non-Executive Independent Directors and one Executive Director of the Company. The Chairperson of the Committee is Som Mittal a Non Executive Independent Director.

The constitution and terms of reference of the Audit Committee meet the requirements of Regulation 18 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013. The Company Secretary is the Secretary to the Audit Committee.

Meetings and Attendance

The Audit Committee met 5 (five) times during financial year 2023-24 ended on 31st March, 2024 on 17 May, 2023, 02 August 2023, 02 November 2023, 06 February, 2024 and 28 March 2024.

The maximum gap between any two meetings was less than four months. The attendance of each Committee Member is as under:

Name of the Members	No. of meetings	
	Held	Attended
Som Mittal (Chairperson)	5	5
Ravindra Dhariwal	5	5
Tushaar Gautam	5	5

Som Mittal, Chairperson of the Audit Committee attended the 51st Annual General Meeting.

The terms of reference of the Committee are as under:

(i) The Audit Committee shall have powers, which should include the following:

   (a) To investigate any activity within its terms of reference;

   (b) To seek information from any employee of the Company;

   (c) To obtain outside legal or other professional advice; and

   (d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) The role of the Audit Committee shall include the following:

   (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

   (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and the fixation of audit fee;

   (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Company;

   (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

      (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;

      (ii) Changes, if any, in accounting policies and practices and reasons for the same;

      (iii) Major accounting entries involving estimates based on the exercise of judgement by the management of the Company;

      (iv) Significant adjustments made in the financial statements arising out of audit findings;

      (v) Compliance with listing and other legal requirements relating to financial statements

      (vi) Disclosure of any related party transactions; and

      (vii) Qualifications / modified opinion(s) in the draft audit report.

   (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

   (f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

   (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

   (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

   (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

   (j) Scrutiny of inter-corporate loans and investments;

   (k) Valuation of undertakings or assets of the company, wherever it is necessary;

(l) Evaluation of internal financial controls and risk management systems;

(m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(o) Discussion with internal auditors of any significant findings and follow up there on;

(p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(t) To review the functioning of the whistle blower mechanism;

(u) Approval of the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(v) Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern; and

(w) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(f) Statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

(g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

Nomination and remuneration Committee

The Chairperson of the Nomination and Remuneration Committee is Ravindra Dhariwal a Non-Executive Independent Director. The Committee comprises of the following Directors:

1. Ravindra Dhariwal- Chairperson, Independent Director
2. Som Mittal-Independent Director
3. Meena Jagtiani- Independent Director

The constitution and term of reference of the Nomination and Remuneration Committee (NRC) meet the requirements of Regulation 19 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013.

Meetings and Attendance

Nomination and remuneration Committee met 4 (four) times during financial year 2023-24 ended on 31 March, 2024 on 17 May, 2023, 09 September 2023, 02 November 2023 and 06 February 2024.

Name of the Members	No. of meetings	
	Held	Attended
Ravindra Dhariwal (Chairperson)	4	4
Meena Jagtiani	4	4
Som Mittal	4	4

The terms of reference of the Committee are as under:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of criteria for evaluation of performance of Independent Directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of the Company;

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(j) Administering the "Sheela Foam Employee Stock Option Scheme 2016" (the "**Plan**");

(k) Determining the eligibility of employees to participate under the Plan;

(l) Granting options to eligible employees and determining the date of grant;

(m) Determining the number of options to be granted to an employee;

(n) Determining the exercise price under the Plan;

(o) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;

(p) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and

b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

(q) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

Stakeholders Relationship Committee

The Chairperson of the Stakeholders Relationship Committee is Meena Jagtiani, a Non-Executive Independent Director. The Committee comprises of the following Directors:

1. Meena Jagtiani-Independent Director (Chairperson)
2. Anil Tandon-Independent Director
3. Vijay Kumar Ahluwalia- Executive Director

The constitution and term of reference of the Stakeholders Relationship Committee (SRC) meet the requirements of Regulation 19 of the Listing Regulations read with the relevant provisions of the Companies Act, 2013.

Meetings and Attendance

Stakeholder Relationship Committee met 1 (one) time during financial year 2023-24 ended on 31 March, 2024 on 01 August 2023.

Name of the Members	No. of meetings	
	Held	Attended
Meena Jagtiani (Chairperson)	1	1
Anil Tandon	1	1
Lt. Gen(Dr.) Vijay Kumar Ahluwalia	1	1

The terms of reference of the Committee are as under:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;

(b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(c) Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; and

(d) Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.

Details of Investor complaints

During the Financial Year ended on 31 March, 2023, the Company not received complaint from investors relating to non-allotment/transfer of Shares. Details of investor complaints received and resolved during the Financial Year are as follows:

Opening Balance	Received	Resolved	Pending
Nil	Nil	Nil	Nil

Corporate Social Responsibility Committee

The Chairperson of the Corporate Social Responsibility Committee is Anil Tandon a Non-Executive Independent Director. The Committee comprises following Executive and Non-Executive Independent Directors:-

1. Anil Tandon-Independent Director (Chairperson)
2. Lt. Gen (Dr.) Vijay Kumar Ahluwalia-Independent Director
3. Namita Gautam- Executive Director
4. Meena Jagtiani- Independent Director

Meetings and Attendance

Corporate Social Responsibility Committee met 2 (Two) time during financial year 2023-24 ended on 31 March, 2024 on 16 May 2023 and 06 March 2024.

Name of the Members	No. of meetings	
	Held	Attended
Anil Tandon (Chairperson)	2	2
Lt. Gen (Dr.) Vijay Kumar Ahluwalia	2	2
Meena Jagtiani	2	2
Namita Gautam	2	2

The terms of reference of the Committee are as under:

(a) To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;

(b) To recommend the amount of expenditure to be incurred on the activities referred to in Policy of company on CSR, Schedule VII of the Companies Act, 2013 and rules made there under and any amendment thereof ;

(c) To monitor the Corporate Social Responsibility Policy of the company from time to time; and

(d) To do such other acts, deeds and things as may be directed by the board and required to comply with the applicable laws.

Risk Management & ESG Committee

The Chairperson of the Risk Management & ESG Committee is Lt. Gen (Dr.) V. K. Ahluwalia a Non-Executive Independent Director. The Committee comprises following :

1. Lt Gen (Dr.) V. K. Ahluwalia- Independent Director
2. Som Mittal- Independent Director
3. Rakesh Chahar- Executive Director
4. Tushaar Gautam-Executive Director
5. Dr. Mahesh Narayanan N Gopalsamudram-Chief Operating Officer#

Dr. Mahesh Narayanan N Gopalsamudram resign on 15th July 2023.

Meetings and Attendance

Risk Management Committee met 4 (Four) times during financial year 2023-24 ended on 31 March, 2024 on 16 May 2023, 01 August 2023, 01 November 2023 and 05 February 2024.

Name of the Members	No. of meetings	
	Held	Attended
Lt Gen (Dr.) Vijay Kumar Ahluwalia	4	4
Rakesh Chahar	4	4
Tushaar Gautam	4	3
Som Mittal	4	4

Committee Responsibilities and Authority

a) The committee shall evaluate significant risk exposures of the company and assess management's actions to mitigate the exposures in a timely manner.

b) The committee will coordinate its activities with the audit committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice).

c) The committee shall make reports to the board, including with respect to risk management and minimization procedures.

d) The board shall review the performance of the committee.

e) The committee shall have access to any internal information of the company necessary to fulfil its oversight role. The committee shall also have the authority to obtain advice and assistance from internal or external experts /advisors.

f) The committee shall advise management in connection with the development and implementation of ESG strategies to preserve and enhance long-term shareholder value and to promote stakeholder interests;

g) The committee shall report to the Board on current and emerging topics relating to ESG Matters that may affect the business, operations, performance, or public image of the Company or are otherwise pertinent to the Company and its stakeholders and, if appropriate, detail actions taken in relation to the same.

h) The committee shall advise the Board on stakeholder proposals and other significant stakeholder concerns relating to ESG Matters.

i) The role and responsibilities of the committee shall include such other items as may be prescribed by applicable law or the board in compliance with applicable law, from time to time

Remuneration of Directors

Non-Executive Directors

(a) The remuneration by way of sitting fees and commission to the Non- Executive Directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and Committee meetings and performance evaluation by the Board. The Annual Commission paid/ payable shall be in addition to the sitting fees payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

(b) (i) Commission: Commission may be paid on profits within the monetary limit approved by the shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

(ii) Sitting Fees: The Non-Executive / Independent Director may receive remuneration by way of fees for attending the meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Provided further that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

(iii) Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

(iv) Reimbursement of expenses: An Independent Director may receive reimbursement of expenses for participation in the Board and other meetings of the Company.

(c) Disclosure with respect to remuneration:

Name	Commission (Amount in ₹)	Sitting Fees (Amount in ₹)
Som Mittal	15,00,000	20,00,000
Ravindra Dhariwal	15,00,000	17,75,000
Anil Tandon	15,00,000	13,00,000
Vijay Kumar Ahluwalia	15,00,000	15,50,000
Meena Jagtiani	15,00,000	14,75,000

Executive Directors

Disclosure with respect to remuneration:

Name	Salary	Incentives
Rahul Gautam	34,88,772	3,07,00,000
Namita Gautam	31,52,340	1,53,00,000
Rakesh Chahar	28,81,476	1,53,00,000
Tushaar Gautam	39,53,076	1,75,00,000

General Body Meetings

Particulars of the last three General Meetings and Postal Ballot are as follows:

Annual General Meeting

Year	Date & Day	Location	Time	Special Resolution
2023-24	18th July 2023	NA Through Video Conference ("VC") / Other Audio Visual Means ("OAVM")	10.00 AM	No Special Resolution
2022-23	18th August 2022	NA Through Video Conference ("VC") / Other Audio Visual Means ("OAVM")	10.00 AM	1. Reappointment of Rahul Gautam as managing Director, Namita Gautam as whole-time director, for a period of five year. 2. Increase the tenure as Non-executive Independent director of Som Mittal, Anil Tandon, V.K. Ahluwalia and Meena Jagtiani to 5 Year, 3. Approve SHEELA FOAM - Employees Stock Option Plan 2022.
2021-22	20th Aug 2021	NA Through Video Conference ("VC") / Other Audio-Visual Means ("OAVM")	11.00 AM	Reappointment of Meena Jagtiani as an Non executive independent director

Extraordinary General Meeting

Year	Date & Day	Location	Time	Special Resolution
		NIL		

Postal Ballot

Year	Date & Day	Special Resolution
2023-24	26/12/2023	1. Appointment of Rahul Gautam as Whole-Time Director 2. Shifting of Registered Office of the Company from the "State of Delhi" to "State of Maharashtra"
	02/08/2023	1. Amendments in Article 12 of AOA of the Company and add Article 37A of AOA of the Company 2. Raising of Funds through issuance of Equity Shares of the company by way of Qualified Institutions Placements
2022-23	16/01/2023	1. Resolution under section 180 (1) (a) of the Companies Act, 2013 for mortgage, hypothecate, pledge and or to create a charge. 2. Resolution under section 180 (1) (c) of the Companies Act, 2013 to approve the borrowing limits of the Company 3. Resolution under Section 186 of the Companies Act, 2013 to approve the loan/ guarantee/ investment limits of the Company
	08/11/2022	Issue of Bonus shares

Year	Date & Day	Special Resolution
2021-22	15/01/2021	1. Reappointment of Vijay Kumar Chopra as Non-Executive Independent Director of the Company for a period of one year. 2. Reappointment of Som Mittal as Non-Executive Independent Director of the Company for a period of four year. 3. Reappointment of Ravindra Dhariwal as Non-Executive Independent Director of the Company for a period of five year. 4. Reappointment of Anil Tandon and Lt. Gen (Dr.) V K Ahluwalia as Non-Executive Independent Director of the Company for a period of three year.

Means of Communication with Shareholders

a) Financial Results

The financial results of the Company are communicated to all the Stock Exchanges where the Company's equity shares are listed. The results are published in 'Financial Express' in English and 'Jansatta' in the vernacular language.

b) Website and email id for Investors

Detailed information on the Company's business and products; quarterly and annual financial results, Investor brief and the quarterly distribution of Shareholding are displayed on the Company's website. The company has designated the email id investorrelation@sheelafoam.com for its investors.

c) Intimation to Stock Exchanges:

The Company intimates stock exchanges all information which in its opinion are material & of relevance to the shareholders. The Company also submits electronically various compliance reports/statements periodically in accordance with the provisions of the Listing Regulations on NSE and BSE's Electronic Filing Systems.

d) Teleconferences, Videoconference and Press conferences, Presentation etc.:

The Company held quarterly Investors Teleconferences and Press Conferences for the investors of the Company after the declaration of the Quarterly Results. The Company made presentations to institutional investors/analysts during the period which are available on the Company's website.

General Shareholder Information

(a) Annual General Meeting

Date & Day: 17th July, 2024, Wednesday

Time: 10:00 a.m.

Venue- E-meeting, through video conference ("VC")/other Audio-visual means ("OAVM")

(b) Financial Year: April to March

(c) Listing on Stock Exchange

The Company's equity shares are listed at the following Stock Exchanges.

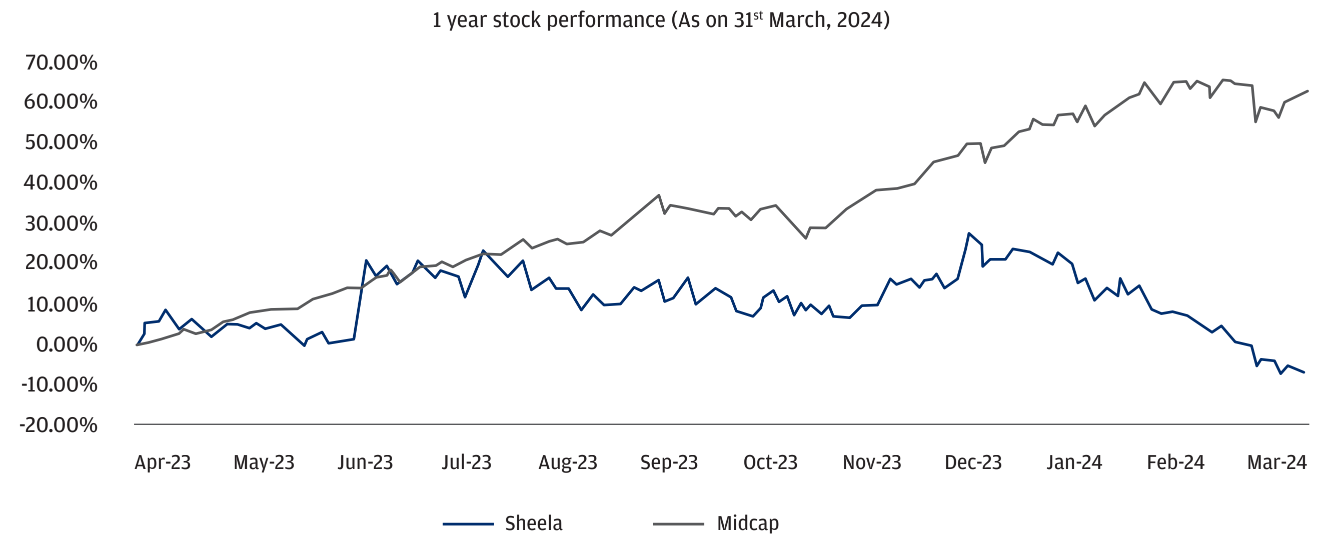
Name and Address of Stock Exchanges	Stock Code
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 023.	540203
National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra¨ Mumbai-400 051	SFL

Market Price Data/Stock Performance: FY 2023-24 ended on March 31, 2024

The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The high low price during this period on the BSE and NSE was as under:-

Month	Bombay Stock Exchange (BSE) (in ₹)		National Stock Exchange (NSE) (in ₹)	
	High	Low	High	Low
April 2023	1,110.00	994.05	1,097.95	993.55
May 2023	1,087.20	992.75	1,088.95	991.70
June 2023	1,272.60	1,007.05	1,270.00	999.95
July 2023	1,369.95	1,108.50	1,363.55	1,107.70
August 2023	1,224.90	1,086.00	1,225.60	1,085.20
September 2023	1,212.90	1,092.00	1,210.00	1,092.00
October 2023	1,176.00	1,000.05	1,175.00	1,000.00
November 2023	1,192.45	1,058.00	1,192.45	1,060.00
December 2023	1,297.00	1,139.95	1,297.35	1,140.00
January 2024	1,258.45	1,111.65	1,262.00	1,111.05
February 2024	1,177.85	1,022.00	1,194.00	1,024.80
March 2024	1,067	918.05	1,063.00	917.45

Stock Performance Graph



Registrar and Share Transfer Agent

Address:

Link Intime India Private Limited

Noble Heights, First Floor, Plot NH2
C-1 Block LSC, Near Savitri Market
Janakpuri, New Delhi-110058
Tel No : +91 1141410592,93,94
E-mail id : delhi@linkintime.co.in
Website : www.linkintime.co.in

Share Transfer System

The Company's share transfer authority has been delegated to the Company Secretary/ Registrar and Transfer Agent M/s Link Intime India Private Limited who generally has authority to approves and confirm the request for share transfer/ transmission/ transposition/ consolidation/ issue of duplicate share certificates/ sub-division, consolidation, remat, demat and perform other related activities in accordance with the Listing Agreement and SEBI (Depositories and Participants) Regulations, 1996.

Except Eleven shares all the shares of the company are in dematerialized form. As per the requirement of Regulation 40(9) of the Listing Regulations a certificate on yearly basis confirming due compliance of share transfer/transmission formalities by the Company from Practicing Company Secretary has been submitted to Stock Exchanges within stipulated time.

Distribution of Equity Shareholding as on March 31, 2024

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to Total Shares
1-500	39,045	97.9947	14,08,071	1.2954
501-1000	388	0.9738	2,86,321	0.2634
1001-2000	162	0.4066	2,30,755	0.2123
2001-3000	50	0.1255	1,27,812	0.1176
3001-4000	35	0.0878	1,21,726	0.1120
4001-5000	22	0.0552	99,789	0.0918
5001- 10000	48	0.1205	3,34,747	0.3080
10001 & above	94	0.2359	10,60,88,120	97.5995
Total	**39,844**	**100.0000**	**10,86,97,341**	**100.0000**

Shareholding Pattern as on March 31, 2024

Category	Number of Shares held	%-Issued Capital
Promoter and Prompter Group	7,11,74,174	65.48
Mutual Funds	2,36,08,431	21.72
Insurance Companies	29,38,808	2.70
Foreign Portfolio Investors (Corporate)	68,71,252	6.32
Non Resident Indians	54,799	0.05
Non Resident (Non Repatriable)	29,838	0.03
Clearing Members	4,095	0.01
Other Bodies Corporate	11,86,859	1.09
Body corp LLP	2,157	0.01
Hindu Undivided Family	1,34,449	0.12
Alternate Investment Funds	1,12,765	0.10
Individual	25,79,713	2.37
NBFCs registered with RBI	1	0.00
Total	**10,86,97,341**	**100**

Dematerialisation of Shares & Liquidity

As on March 31, 2024, all the equity share capital of the Company were held in dematerialised form except 11 shares. The ISIN allotted in respect of equity shares of ₹ 5/- each of the Company by NSDL/CDSL is INE916U01025.

Plant Locations

Plot No-51A, Udyog Vihar,
Greater Noida, Dist. Gautam Budh Nagar
201306 (Uttar Pradesh)

Plot No-1, Udyog Vihar, EcoTech - II,
Greater Noida, Dist. Gautam Budh Nagar
201306 (Uttar Pradesh)

Village Mardanpur, Near Shamboo
Teh. Rajpura, Dist. Patiala-140401 (Punjab)

Mainthapal, Nahan Road
Kalaamb, Dist. Sirmour, Himachal Pradesh-173030

37/2, Site IV, Sahibabad Industrial Area,
Ghaziabad, Uttar Pradesh 201010

Industrial Shed No - Unit III A, Nandigram Realtors, Survey No - 224,
N.H.No - 8, Nandigram, Umbergaon Valsad - 396105

N.H 8, Near Bhilad Check Post
Village- Talwada-Taluka Umergoan
Dist: Valsad - 396105 (Gujarat)

Survey No.-852, Medchal Industrial Area
R.R.Disttrict-501401, Hyderabad (Telagana)

MM-3, Phase-4,
Sipcot Industrial Growth Centre,
P.O.Palayam, Village:Perundurai,
Erode- 638052 Tamilnadu

Kanchanjanga Integrated Hub
P.O. Fatapukur, P.S.Rajganj,
Dist. Jalpaiguri.Pin-735134(West Bengal)

Plot No - 77, Sector F - II, Industrial Growth Centre, Maneri, Medhi
Niwas, Mandla 481885

Reconciliation of Share Capital Audit

As stipulated by SEBI, a Qualified Practising Company Secretaries/ Chartered Accountants carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The Audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form and in physical form.

Disclosures of Accounting Treatment

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

Related Party Transactions

During the year there was no materially significant related party transaction which may have potential conflict with the interest of the Company. The Company has formulated a Related Party Transaction policy which has been uploaded on its website at http://www.sheelafoam.com. Details of related party information and transactions are being placed before the Audit Committee from time to time. The omnibus approval is also obtained from the Board. The details of the related party transactions during the year have been provided in note to the financial statements.

Details of Non-Compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities or any matter related to capital markets.

The Company has complied with all the requirements of the Stock Exchanges/the Regulations and guidelines of SEBI and other Statutory Authorities on all matters relating to capital markets. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authorities on matters relating to capital markets during the last three years.

Whistle Blower Policy and Affirmation that no personnel has been denied access to the Audit Committee

The Company has established a vigil mechanism through a Whistle Blower Policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimisation of director(s)/ employee(s) who express their concerns and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases. During the year under review, no personnel was denied access to the Audit Committee.

Code for prevention of Insider Trading

The Company has instituted code on prevention of insider trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations. The Code lays down the guidelines which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and the consequences of the non-compliances.

Code of conduct for Directors and Senior Executives

The Company has laid down a Code of Conduct for all Board Members and the Senior Executives of the Company. The Code of conduct is available on the Company's website www.sheelafoam.com. The code of conduct was circulated to all the members of the Board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31 March, 2024. A declaration to this effect signed by the Chief Executive Officer is given below:

To
The Shareholders of Sheela Foam Limited.

Sub.: Compliance with Code of Conduct

I hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and applicable to them for the financial year ended 31 March, 2024.

Date: May 21, 2024
Place: Noida

Nilesh Sevabrata Majumdar
Chief Executive Officer

MD/CFO Certification

The Managing Director & CFO have certified to the Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Regulation 17 (8) of Listing Regulations for the year ended March 31, 2024. The said certificate forms part of the Annual Report.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The details of mandatory requirements are mentioned in this Report. The Company is in compliance with the requirements specified under Clause 49 of the Listing Agreements and regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, as applicable, with regard to corporate governance.

Further, as required under the SEBI Regulations, the Company has executed fresh Listing Agreements with BSE Limited and National Stock Exchange of India Limited and has adopted Policy on Preservation of Documents, Archival Policy and Policy for determination of Materiality.

Modified opinion(s) in audit report

The opinion expressed by the Auditor in the audit report on the financial statements for the year ended March 31, 2024 is unmodified.

Compliance Certificate on Corporate Governance from the Practicing Company Secretary

The certificate dated May 21, 2024 from the Practicing Company Secretary confirming compliance with the Corporate Governance requirements as stipulated under Listing Regulations is annexed hereto.

The above report has been adopted by the Board of Directors of the Company at their meeting held on May 21, 2024.

CEO/CFO Certification

To
The Board of Directors
Sheela Foam Limited

Sub: CEO/CFO certification under Regulation 17 (8) of Listing Regulations

We, Nilesh Sevabrata Majumdar, Chief Executive Officer (India Business), Amit Kumar Gupta, Group Chief Finance Officer certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee:

  (i) That there were no significant changes in internal control over financial reporting during the year;

  (ii) That there were no significant changes in accounting policies during the year and

  (iii) That there were no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Nilesh Sevabrata Majumdar
Chief Executive Officer

Amit Kumar Gupta
Group Chief Financial Officer

Place: Noida
Date: May 21, 2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi-110001

We have examined the relevant registers, records, forms, returns and disclosures received from the directors of **Sheela Foam Limited** having CIN (L74899DL1971PLC005679) and having registered office at 604 Ashadeep, 9 Hailey Road, New Delhi 110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the directors on the Board of the Company as stated below for the financial year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

S.N.	Date & Day	DIN	Date of appointment
1	Rahul Gautam	00192999	01/04/1996
2	Namita Gautam	00190463	14/11/2003
3	Rakesh Chahar	00180587	14/11/2003
4	Tushaar Gautam	01646487	01/04/2007
5	Som Mittal	00074842	07/06/2016
6	Ravindra Dhariwal	00003922	07/06/2016
7	Anil Tandon	00089404	07/06/2016
8	Vijay Kumar Ahluwalia	08078092	05/03/2018
9	Meena Jagtiani	08396893	08/04/2019

Ensuring the eligibility for the appointment / continuity of every director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **AVA Associates**
Company Secretaries

Amitabh
Partner
CP: 5500
UDIN: A014190F000382901

Place: Delhi
Date: 16.05.2024

Certificate on Compliance with the Regulations of Corporate Governance

To the Members of **Sheela Foam Limited**

We the Secretarial Auditor of **Sheela Foam Limited** (the 'Company') have examined the compliance of Corporate Governance for the year ended March 31, 2024 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of the Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') as amended from time to time.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliances with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Practicing Company Secretaries' Responsibility

Our responsibility is limited to the examination of the procedures and the implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records and documents maintained by the Company as produced before us, for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2024, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **AVA Associates**
Company Secretaries

(Amitabh)
Partner
PCS 5500
Mem No 14190
UDIN: A014190F000399542

Place: Delhi
Date: 18.05.2024

Annexure-C

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

None; During the reporting period ended on 31st March 23 , all transactions were at Arms's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	NA
2	Nature of contracts/arrangements/transaction	NA
3	Duration of the contracts/arrangements/transaction	NA
4	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
5	Justification for entering into such contracts or arrangements or transactions'	NA
6	Date of approval by the Board	NA
7	Amount paid as advances, if any	NA
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of material contracts or arrangement or transactions at arm's length basis -

NONE; DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL* CONTRACT OR ARRANGEMENT.

(*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the Company.)

(a) Name(s) of the related party and nature of relationship: NA

(b) Nature of contracts / arrangements / transactions: NA

(c) Duration of the contracts / arrangements / transactions: NA

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA

(e) Date(s) of approval by the Board, if any: NA

(f) Amount paid as advances, if any: NA

Annexure-D

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

For the financial year ended on 31st of March 2024

To,
The Members
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi-110001

We have conducted the secretarial audit of compliance with applicable statutory provisions and the adherence to good corporate practices by **Sheela Foam Limited** (hereinafter called the "Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company (as listed in Annexure A) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit.

We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st of March 2024, complied with the laws listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sheela Foam Limited for the financial year ended on 31st of March 2024 according to the provisions of:

a. The Companies Act, 2013 (the Act) and the rules made thereunder;

b. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

f. Other sector specific laws like the Petroleum Act, 1934 ("Petroleum Act") and Petroleum Rules, 2002 ("Petroleum Rules"); Bureau of Indian Standards Act, 1986 ("BIS Act") and Bureau of Indian Standards Act, 2016; Consumer Protection Act, 1986; Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Wastes Rules") and Environmental laws and regulations and other laws applicable to manufacturing companies.

g. Labour laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on a contractual basis as related to wages, gratuity, provident fund, ESIC, compensation and labour laws of the respective States where the Company operates.

The Listing Agreements entered into by the Company with the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that: -

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year Rahul Gautam ceased to be Managing Director and Tushaar Gautam, was appointed as Managing Director in place thereof. Rahul Gautam was appointed as an executive Chairman of the Board. Further, Nilesh Sevabrata Mazumdar was appointed as Chief Executive Officer (CEO) of the Company on and Amit Kumar Gupta as CFO of the company on 17.05.2023.

Adequate notices were given to all the directors to schedule the Board Meetings. Agendas and detailed notes thereon were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions of the Board were carried out properly and Minutes of the meetings were recorded properly.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

1. The Company complied with the provisions of section 149 of the Companies Act, 2013, and rules thereunder. The Company at the end of the review period, has Five Independent Directors on the Board wherein one independent director is a woman.

2. The Board of the company had nine meetings during the review period. The Committees of the Board, met to transact businesses during the year, as given below:

   a) Audit Committee - 5 times;
   b) Corporate Social Responsibility Committee - 2 times;
   c) Nomination and Remuneration Committee - 4 times;
   d) Stakeholders Relationship Committee - 1 time;
   e) Risk Management Committee - 4 times;
   f) Banking Committee - 1 time;
   g) Qualified Institutional Placement Committee - 3 times;
   h) Non-Convertible Debentures Committee - 3 times;
   i) Meetings of the Independent Directors - 2 times.

3. All regulatory reporting, including but not limited to the filing due with the stock exchanges listed, SEBI, Reserve Bank of India (RBI) and the Ministry of Corporate Affairs (MCA) were done regularly.

4. We further report that during the reporting period, the company has

   i. Issued shares through Qualified Institutional Placement of 11,131,725 equity shares amounting to ₹ 1200 crores;
   ii. Issued Non-convertible Debentures (NCD) of ₹ 725 crores comprising 72500 Debentures;
   iii. Amendment in the Articles of Association for further issue of shares to specified persons;
   iv. The company has moved to application for moving its registered office from the National Capital Territory of Delhi to the state of Maharashtra.
   v. Total CSR obligation for the financial year, after set off of the previous year amount, was ₹ 434.80 Lakh out of which ₹ 406 lakhs were spent. An amount of ₹ 28.80 lakh remained unspent.

5. The company has amalgamated International Comfort Technologies Pvt Ltd, a subsidiary company with itself. A wholly owned subsidiary M/s Sheela Foam Trading LLC in Dubai, United Arab of Amirates was incorporated. M/s Kurlon Enterprise Limited has been acquired by the company by purchase of 97.43% of shares and 35% shares of M/s House of Kieraya Pvt Ltd was purchased.

6. Our report is to be read along with the representations disclosed in Annexure B.

For **AVA Associates**
Company Secretaries

(Amitabh)
Partner
CP: 5500
UDIN: A014190F000403238

Place: Delhi
Date: 20.05.2024

Annexure A- List of Documents Verified

1. Memorandum & Articles of Association of the Company.
2. Annual Reports of the Company.
3. Minutes of the meetings of the Board of Directors and the committees thereof (along with Attendance Register) held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year under report.
5. Statutory Registers under the Companies Act, 2013.
6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of section 184 of the Companies Act, 2013.
8. E-Forms and documents filed by the Company, from time-to-time, under applicable provisions of Companies Act, 2013 and listing agreement and securities regulation laws along with the attachments thereof during the financial year under report.
9. Registers and returns maintained under various applicable labour laws.
10. Other State specific laws.
11. Intimations / documents / reports / returns filed/ under the provisions of sectoral laws related to manufacturing of PUF, Foam and other products during the financial year under report.
12. Filings made with Reserve Bank of India under the Foreign Direct Investment Guidelines

Annexure B- Responsibility Statement

To,
The Members
Sheela Foam Limited
604 Ashadeep, 9 Hailey Road,
New Delhi-110001

Our report is to be read along with the following:

Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.

We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.

Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and the happening of events, etc.

Compliance with the provision of corporate and other applicable laws, rules, regulations, and standards is the responsibility of management. Our examination was limited to the verification of procedures on a test basis.

The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **AVA Associates**
Company Secretaries

(Amitabh)
Partner
CP: 5500
UDIN: A014190F000403238

Place: Delhi
Date: 20.05.2024

Annexure-E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE YEAR 2022-23

1. Brief outline on CSR Policy of the Company.

The company is committed to society for improving quality of life of people living in under privileged area especially those from socially and economically backward areas. Company's CSR efforts shall focus on Education, Employability and Health for relevant target groups, ensuring diversity and giving preference to needy and deserving people inhabiting in rural India. The Company has adopted Corporate Social Responsibility (CSR) Policy. The policy has been uploaded on the website of the Company www.sheelafoam.com. The various programme includes Education, Swach Bharat, community, rural development and all the Government Notified Fund. The Company has a CSR arm, Sleepwell Foundation(Trust). It has been promoting education, skill development, wellness, cleanliness, since 2001.

During the year under review the CSR initiatives have been made mainly in the area of education, healthcare, sanitation and eradicating hunger, poverty and malnutrition.

2. Composition of CSR Committee:

SL. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Anil Tandon	Chairperson	2	2
2	Lt. Gen (Dr.) Vijay Kumar Ahluwalia	Member	2	2
3	Namita Gautam	Member	2	2
4	Meena Jagtiani	Member	2	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.

www.sheelafoam.com and https://sleepwellfoundation.com

4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

   Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

SL. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2022-23	47 Lakhs	47 Lakhs

6. Average net profit of the company as per section 135(5).

   ₹ 24,090.24 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) ₹ 481.80 Lakhs

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Not Applicable

   (c) Amount required to be set off for the financial year, if any : ₹ 47 Lakhs

   (d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 434.80 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	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
406.00	28.80	29/04/2024	NA	NA	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:

(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 Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Educational/ skill development Centre	Promoting Education including employment enhancing vocational skills, conducting wellness awareness programme, contributing sanitation programme	Y	Delhi and Uttar Pradesh		18 Months	164.80	136.00	28.80	No	Through Sleepwell Foundation	CSR00010890
	Total						164.80	136.00	28.80			

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
SL. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Amount spent in the current financial Year (₹ in Lakhs)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Skill Development	Promoting Education including employment enhancing vocational skills, conducting wellness awareness programme, contributing sanitation programme	Y	Uttar Pradesh and PAN India		140.00	No	Through Sleepwell Foundation	CSR00010890
2.	Wellness Awareness	Proving Health Support, Promoting Education including employment enhancing vocational skills	Y	PAN India		124.00	No	Through Sleepwell Foundation	CSR00010890
3.	Wellness Awareness	Proving Health Support, Promoting Education including employment enhancing vocational skills	Y	PAN India		6.00	Yes	NA	NA
	Total					**270.00**			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 406.00 lakhs

(g) Excess amount for set off, if any

SL. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	481.80
(ii)	Total amount spent for the Financial Year	406.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years and this financial year:

SL. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	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 Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer	
1.	2023-24	NIL	406	NA	NA	NA	28.80
2.	2022-23	NIL	NIL	NA	NA	NA	NIL
3.	2021-22	NIL	NIL	NA	NA	NA	NIL
4.	2020-21	NIL	NIL	NA	NA	NA	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakhs)	Amount spent on the project in the reporting Financial Year (₹ in Lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lakhs)	Status of the project - Completed / Ongoing
1	NA	NA	NA	NA	NA	NA	NA	NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Asset-wise details).

(a) Date of creation or acquisition of the capital asset(s). NA

(b) Amount of CSR spent for creation or acquisition of capital asset. NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NA

Sd/-
(Managing Director or Director).

Sd/-
(Chairperson CSR Committee)

Annexure-F

Particulars of Employees

Particulars of Employees Pursuant to Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The percentage increase in remuneration of each Director, the CFO and the CS during the Financial Year 2024, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2024.

Name and Designation	% increase/ (Decrease) of remuneration in the Financial Year 2024	Ratio of remuneration to Median Remuneration
Executive Director		
Rahul Gautam Executive Chairman	(18.73)	99
Namita Gautam Wholetime Director	(17.54)	53
Rakesh Chahar Wholetime Director	(17.80)	62
Tushaar Gautam Managing Director	(7.28)	53
Non Executive Independent Director		
Som Mittal Non Executive Independent Director	16.67	10
Ravindra Dhariwal Non Executive Independent Director	18.02	9
Anil Tandon Non Executive Independent Director	13.13	8
Lt Gen (Dr.) Vijay Kumar Ahluwalia Non Executive Independent Director	17.31	9
Meena Jagtiani Non Executive Independent Director	13.33	9
Key Managerial Personnel		
Amit Kumar Gupta* Group Chief Financial Officer	-	-
Nilesh Sevabrata Mazundar* Chief Executive Officer (India Business)	-	-
Md Iquebal Ahmad Company Secretary	0.89%	7

* Amit Kumar Gupta and Nilesh Sevbrata Mazumdar has been appointed on May 17, 2023, Hence % Increase/(Decrease) of remuneration and ratio to the median remuneration cannot be calculated.

Note:

(i) The remuneration of the non-executive Independent directors includes sitting fees for attending Board/Committee meetings and since they were appointed during the mid of the last financial year or this Financial Years there is no comparison for % increase in remuneration.

(ii) The employee and the salary details hereinafter provided are for employees excluding trainees.

(iii) The median remuneration of employees during the financial year was ₹ 3,45,000

(iv) In the financial year, there was an increase of 18.67 % in the median remuneration of employees.

(v) Number of permanent employees on the role of the Company as on 31.03.2024 is 2185

(vi) The remuneration is as per the remuneration policy of the company.

Annexure-G

Particulars of Employees Pursuant to Section 197(12) of the Companies Act, 2013 Read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name and Designation	Remuneration for FY 23 - 24 (₹ in Lakhs)	Experience (in years)	Educational Qualification	Previous employment and designation
NILESH SEVABRATA MAZUNDAR (appointed as CEO-India Business on 17/05/2023)	299.82	30	BE Electronics, MBA and Business Management and Diploma in Business Finance	Pidilite Industries Limited - Chief Business Officer
AMIT KUMAR GUPTA (appointed as Group CFO on 17/05/2023)	112.53	25	PGDBM	Samvardhana Motherson Group - Vice President (Strategy and M&A)
MANOJ SHARMA	119.70	29	MBA Marketing	Mountain Valley Spring Pvt. Ltd. - Head Sales and Marketing
HARNEET KOCHAR (appointed on 15/01/2024)	27.53	21	Mechanical Engineer	PFEDA Sinthetics Pvt. Ltd. - Joint Managing Director
AMAR JETHITHOR (appointed on 19/02/2024)	24.95	25	MBA	Vini Cosmetics - CRO
SHASHWAT GOSWAMI (appointed on 13/03/2024)	6.39	16	PGDM	Ferns N Petals (FNP) - Chief Marketing Officer

Annexure-H

Details of Stock Options as on March 31, 2024

Statement as on March 31, 2024 for Employee Stock Option Scheme, 2010 as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

Sr. No.	Particulars	SHEELA FOAM - Employees Stock Option Plan 2022
1.	Date of Shareholders' approval	August 18, 2022
2.	Total Number of options approved	24,00,000
3.	Vesting Requirements	Vesting of options may commence after a period of not less than one year from the date of individual grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2022.
4.	Source of shares	Primary
5.	Exercise price	Options vest at a nominal value of equity shares i.e. ₹ 5 per option
6.	Maximum term of options granted	The maximum vesting period may extend up to 3 (Three) years from the date of grant of options, unless otherwise decided by the Compensation / Nomination and Remuneration Committee.
7.	Variation of terms of option	None
8.	Option movement during the year:	
	Number of options outstanding at the beginning of the year	NIL
	Number of options granted during the year	2,59,852
	Number of options forfeited/lapsed during the year	NIL
	Number of options vested during the year	NIL
	Number of options exercised during the year	NIL
	Number of shares arising as a result of exercise of options	NIL
	Money realised by exercise of options (₹), if scheme is implemented directly by the Company	NIL
	Number of options outstanding at the end of the year	2,59,852
	Number of options exercisable at the end of the year	NIL
9.	Employee-wise details of options granted during FY23	NONE
	Number of options granted to Senior Managerial Personnel	NONE
	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NONE
	Identified employees who were granted options during any one year, equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NONE
10.	Diluted earnings per share pursuant to issue of ordinary shares on exercise of Options calculated in accordance with Ind AS 33	NA
11.	Method of Calculation of Employee Compensation Cost	The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IND AS for accounting of the Stock options as are applicable to the Company for the same.
12.	Weighted average exercise price and weighted average fair values of Options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock.	
	Weighted Average exercise price (per option)	: ₹ 5
	Weighted Average Fair value (per option)	: ₹ 1812.30
13.	Description of method and significant assumptions used during the year to estimate the fair values of options	Fair Value of option are determined by 2 models - Black Scholes Model and Monte Carlo Simulation Model

Annexure-I

DIVIDEND DISTRIBUTION POLICY

1. Preamble

This Policy is drawn by the management to strike the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.;

2. Company's View

The view of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. Thus, the Company would first utilise its profits for working capital requirements, capital expenditure to meet expansion needs, reducing debt from its books of accounts, earmarking reserves for inorganic growth opportunities and thereafter distributing the surplus profits in the form of dividend to the shareholders.

3. Regulatory Framework

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalization of every financial year) to formulate a Dividend Distribution Policy.

4. Parameters for declaration of Dividend

In line with the company's view stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

- **Financial Parameters / Internal Factors:**

  The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

  - Consolidated net operating profit after tax;
  - Working capital requirements;
  - Capital expenditure requirements;
  - Resources required to fund acquisitions and / or new businesses
  - Cash flow required to meet contingencies;
  - Outstanding borrowings;
  - Past Dividend Trends

- **External Factors:**

  The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

  - Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;
  - Dividend pay-out ratios of companies in the same/similar industry.

- **Circumstances under which the shareholders may or may not expect Dividend:**

  The shareholders of the Company may not expect Dividend under the following circumstances:

  - Whenever the Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;
  - Significantly higher working capital requirements adversely impacting free cash flow;
  - Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;
  - Whenever it proposes to utilise surplus cash for buy-back of securities; or
  - In the event of inadequacy of profits or whenever the Company has incurred losses.

- **Utilization of retained earnings:**

  The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

5 Procedures

- The Chief Financial Officer in consultation with the MD of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.
- The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal.
- Pursuant to the provisions of applicable laws and this Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.
- The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

6 Disclosure: The Company shall make appropriate disclosures as required under the SEBI Regulations.

7 General

- This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.
- The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.
- In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure J

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A:
GENERAL DISCLOSURE

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Company	L74899DL1971PLC005679
2	Name of the Company	Sheela Foam Limited
3	Year of incorporation	1971
4	Registered office address	604, Ashadeep 9 Hailey Road New Delhi-110001
5	Corporate office address	14, Sector 135, Noida, U.P-201301
6	E-mail ID	investorrelation@sheelafoam.com
7	Telephone	+91 11 22026875
8	Website	http://www.sheelafoam.com/
9	Financial year for which reporting is being done	1st April 2023 to 31st March 2024
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE)
11	Paid-up Capital	₹ 54,34,86,705
12	**Name and contact details of the person who may be contacted in case of any queries on the Business Responsibility and Sustainability Report (BRSR)**	
	Name of the Person	Md. Iquebal Ahmad (Company Secretary)
	Telephone	+91 11 23316875-76
	Email address	iquebal.ahmad@sheelafoam.com
13	**Reporting Boundary**	
	Type of Reporting (Standalone / Consolidated)	Disclosures made in this report are on a standalone basis
14	Name of assurance provider	Not Applicable
15	Type of assurances maintained	Not Applicable

II. Product/Services:

16. Details of business activities (Accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1	Sale of products	Polyurethane Foam, Mattress, Pillow, Cushion and Home Comfort Products, Furniture	99.65%

17. Products/Services sold by the Company. (Accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Polyurethane Foam, Mattress, Pillow, Cushion and Home Comfort Products	31005	99.65%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	No. of Offices	Total
National	10	1	11
International	-	-	-

19. Markets served by the entity:

a. No. of Locations

Locations	Numbers
National (No. of States)	28 States (Pan-India)
International (No. of Countries)	12 (Spain, Dubai, Australia, USA, Saudi Arabia, Bahrain, Nepal, Bangladesh, Mauritius, Sri Lanka, Bhutan, Maldives)

b. What is the contribution of exports as a percentage of the total turnover of the entity?

1%

c. A brief on type of Customers

Sheela Foam Limited serves a diverse range of customers across various sectors. The customer base includes but is not limited to: Wholesalers, Traders, End Consumers, Institutions, Government Departments, B2B Customers, Online Market Place etc.

IV. Employees

20. Details as at the end of financial year 2023-24:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a.	**Employees (including differently abled)**					
	Employees					
1	Permanent (A)	786	719	91%	67	9%
2	Other than Permanent (B)	64	55	86%	9	14%
3	**Total (A+B)**	**850**	**774**	**91%**	**76**	**9%**
b.	**Workers (including differently abled):**					
	Workers					
1	Permanent (E)	1,435	1,367	95%	68	5%
2	Other than Permanent (F)	955	885	93%	70	7%
3	**Total (E+F)**	**2,390**	**2,252**	**94%**	**138**	**6%**
c.	**Differently abled Employees**					
	Employees					
1	Permanent	1	1	100%	0	0%
2	Other than Permanent	0	0	0%	0	0%
3	**Total**	**1**	**1**	**100%**	**0**	**0%**
d.	**Differently abled Workers:**					
	Workers					
1	Permanent	0	0	0%	0	0%
2	Other than Permanent	0	0	0%	0	0%
3	**Total**	**0**	**0**	**0%**	**0**	**0%**

21. Participation/Inclusion/Representation of women

S. No.	Category	Total (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	9	2	22%
2	Key Management Personnel *	7	1	14%

*KMPs definition as per Companies Act, 2013

22. Turnover rate for permanent employees and workers

Category	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Female	Female	Total
Permanent Employees	16%	9%	15%	12%	7.50%	11.65%	11.22%	8.42%	11.02%
Permanent Workers	5%	3%	5%	5.71%	8.40%	5.83%	5.89%	1.61%	5.96%

Note: Both voluntary and involuntary turnover has been considered

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23 (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether it is a Holding / Subsidiary / Associate / or Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Sleepwell Enterprises Private Limited, India	Wholly owned Subsidary	100%	No
2.	Staqo World Private Limited, India	Wholly owned Subsidiary	100%	No
3.	Staqo Software Private Limited, India	Wholly owned Subsidiary	100%	No
4.	Joyce Foam Pty, Australia	Wholly owned Subsidiary	100%	No
5.	International Foam Technologies SL, Spain	Wholly owned Subsidiary	100%	No
6.	Kurlon Enterprise Limited, India	Subsidiary	97.43%	No
7.	House of Kieraya Private Limited, India*	Joint Venture	-	No
8.	Rangoli Resorts Private Limited, India	Associate Company	-	No
9.	Sheela Foam Trading LLC, Dubai	Wholly owned Subsidiary	100%	No
10.	Interplasp, SL, Spain	Subsidiary	93.66%	No
11.	Joyce WC NSW PTY Ltd., Australia	Subsidiary	100%	No
12.	Staqo World Kft., Hungry	Subsidiary	100%	No
13.	Staqo Incorporated, USA	Subsidiary	100%	No
14.	Staqo Technologies, LLC, Dubai	Subsidiary	99%	No
15.	Belvedore International Ltd	Subsidiary	100%	No
16.	Kanvas Concepts Private Limited	Subsidiary	100%	No
17.	Kurlon Retail Limited	Subsidiary	100%	No
18.	komfort universe products and services limited	Subsidiary	100%	No
19.	Starship Value Chain Management Private Limited	Subsidiary	100%	No

*As per Accounting Standard is Joint Venture

VI. CSR Details:

24 Whether CSR is applicable as per the provision of Section 135 of Companies Act, 2013: Yes

Turnover (in INR crore) 1879.52

Net worth (in INR crore) 2674.29

VII. Transparency and Disclosures Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) If yes, then provide web-link for grievance redress policy	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in current FY)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, there is a dedicated email id for the communities to communicate their grievances. grievances@sleepwellfoundation.com	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)	Yes, the Investors can write about their grievances to the Compliance Officer of the Company at investorrelations@sheelafoam.com and there is webpage for investor contacts. https://sheelafoam.com/investor-contacts.html	Nil	Nil	NA	Nil	Nil	NA
Shareholders	Yes, the shareholders can raise their grievances to the Compliance Officer of the Company at investorrelations@sheelafoam.com. Shareholders can also reach out to us at https://sheelafoam.com/investor-contacts.html Additionally, grievances can be raised through the 'SEBI Scores' portal through BSE/NSE websites.	Nil	Nil	NA	Nil	Nil	NA
Employees and workers	Yes, an employee grievance redressal mechanism is in place. Grievances are resolved on a monthly basis through an HR Help Desk.	Nil	Nil	NA	Nil	Nil	NA
Consumers*	Yes. Consumer Complaints are attended at centralized customer care center and are resolved expeditiously. Toll-free number: 18005705700 E-mail id: care@mysleepwell.com	18,073	1,431	NA	35,264	640	NA
Value Chain Partners	Yes. Our value chain partners can contact the procurement team, Quality & Assurance team or Product development team in case of any issue/grievances through the official E-mail ID: contactus@sheelafoam.com	Nil	Nil	NA	Nil	Nil	NA

Note: Consumers include distributors also.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

We have integrated the ESG risk management into multi-disciplinary company-wide risk management processes i.e., the centralized Enterprise Risk Management (ERM) program. This helps us derive at the quantitative estimates of the inherent financial risks and impacts for which the controls to be kept in place to mitigate the impacts.

S. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Climate Change	Risk	The operations and business of an organization can be directly affected by climate change risk. Climate change can be seen leading to physical environment risks such as water scarcity (direct physical risk), supply chain disruption, and sourcing challenges (indirect physical risk). Additionally, there are regulatory, reputational and market risks associated with the transition to a low-carbon economy. These risks encompass changing consumer preferences, increased product costs, and future government policies and regulations.	The following are various Green House Gas (GHG) emission reduction initiatives undertaken to adapt to and mitigate the climate change risk and transition to a low-carbon products: 1. Variable Pressure Foaming (VPF) is the only closed loop slab Polyurethane foaming process available today. While it helps in manufacture of products that are differentiated as well as uses less chemicals and zero physical blowing agent in manufacturing leading to low-carbon economy. The role of the physical blowing agent is done by Vacuum. While predominantly the process emission is only carbon-dioxide any trace volatile organics are also extracted by the activated charcoal that is part of the closed loop equipment. It is the most sustainable next generation foam processing technique. The Company is invested deeply with second equipment expected to be fully operational in India. Overseas operations in Spain and Australia are also capitalizing on this technology. 2. SFL's main consumption consists of Polyol, Polymer polyol, and Isocyanate in large quantities. We aim at bulk shipment and storage, aiming to minimize transportation impact and minimize excessive packaging. 3. Introducing block compression for interunit transfers and utilizing Bed in a Box (BIAB) when feasible will optimize space utilization, enhance delivery efficiency, and decrease the carbon footprint. 4. Product innovation: Introduction of Neemfresche foams from sustainable coconut plantations which has no adverse impact on environment. 5. Climate change trainings provided as a part of the overall ESG training module where the coverage extended to both employee population and value chain partners.	Initiatives and endeavors aimed at mitigating climate change risks may result in additional costs in the short to medium term. However, these costs can be partially offset by long-term efficiency improvements. Moreover, these initiatives enhance business resilience and safeguard long-term value.
2.	Energy Management	Opportunity	Energy management presents a strategic opportunity for a company like ours to reduce costs, enhance competitiveness, comply with regulations, improve reputation, drive innovation, and foster collaborations in the pursuit of sustainable and efficient operations.	1. Through Successful implementation of energy management programs thereby fostering a culture of energy performance improvement. We track the energy performance through various KPIs such as energy consumption, energy intensity, evaluation of progress towards energy targets etc. The company's objective is to decrease reliance on power supplied by the Electricity Board by transitioning to green energy - solar energy. Several units have already been successfully converted to solar energy. 2. Investments made to achieve energy efficiency through the following initiatives: a. SFL has installed energy efficient fixtures at all manufacturing plants as well as corporate office. b. We have replaced diesel gen-sets with PNG (Piped Natural Gas) in the NCR region, using retrofitted devices. The remaining units will undergo assessment to determine the feasibility of accessing PNG supply from the government. c. Newer plants like Surajpur and Maneri (Jabalpur) are equipped with solar streetlights saving electricity consumption. 3. Energy efficiency trainings provided as a part of the overall ESG training module where the coverage extended to both employee population and value chain partners.	Implementing effective energy management practices can help reduce energy consumption and lower operational costs and optimizes equipment performance. Further, this also helps us be better prepared for future environmental regulations.
3.	Human Rights	Risk	Adverse financial and reputational consequences may arise from instances of human rights violation or failure to comply with statutory norms.	1. SFL has a dedicated human rights policy in line in with the UN Guiding Principles, which has been implemented on shopfloor and corporate office (both permanent and contractual employees and workers) and also applies to our value chain partners. 2. The company is committed to cultivate a culture of zero tolerance towards human rights violations. The long existing policies and procedures including Non-Discriminations Policy, Code of Business Conduct, Whistle Blower Policy, Policy of SFL towards Society and POSH policy have been reinforced with the comprehensive Human Rights Policy and Diversity Equity and Inclusion Policy. 3. Detailed training programs are in place to prevent human rights violations. Measures are in place to prevent workforce discrimination and sexual harassment, and to ensure a free and fair working environment for employees. 4. Human rights assessment for identifying potential human rights issues and a due diligence process verifying the occurrence and impact of these issues is underway. 5. Robust grievance redressal mechanisms are in place to prevent workforce discrimination, sexual harassment, and ensure a free and fair working environment for employees	Human rights violations and regulatory non-compliance can cause reputation and financial implications

S. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Waste Management	Opportunity	By embracing waste management as an opportunity, we can reduce costs, enhance sustainability, comply with regulations, drive innovation, and contribute to a more circular economy. This not only benefits the company's bottom line but also strengthens its reputation and position in the market.	We have implemented the following waste management programs: 1. Innovation: The company has adapted sustainable packaging material, such as BOPP-PE to PE (Polyethylene), which increases the recyclability of the product, making it less hazardous to the environment. Additionally, the company has successfully implemented a comprehensive recycling program for polyethylene and plastic materials used in product packaging, aiming to achieve 100% recycling rates. 2. The company is committed to a paperless mission to conserve paper, trees, and water resources. Significant progress has already been made by digitizing invoices, packing lists, planning documents, and gate records. The next phase involves establishing a paperless shop floor and eventually transitioning the entire organization into a paperless environment. 3. Quantifiable targets: We aim to reduce waste generated by 3-5% every year	While there is increased cost of developing sustainable packaging alternatives but in the long run, the recycling and sustainable ways of packaging will be beneficial to the organization.
5.	Human Capital Development	Opportunity	The success of the Company's operations relies on the ongoing dedication, skills, and expertise of its corporate and divisional executive teams, as well as other highly qualified employees who possess extensive knowledge in business, technology, and operations. The market for skilled professionals is highly competitive, and there is no guarantee that the Company will be able to retain these employees or recruit and train suitable replacements without incurring significant costs or experiencing delays.	1. Investing in training and development programs 2. Offering equal opportunities for growth and development demonstrates our commitment to our employee's professional growth without any biases towards employee groups. 3. Building a robust talent pipeline across responsibility levels through requisite quality in key roles. 4. Maintaining the wages more than minimum wage as per applicable code. 5. The company tries to maintain an employee friendly work environment.	Human Capital Development can improve the skills and knowledge of employees. This can lead to increased productivity, improved product quality, and operational efficiency within the company.
6.	Occupational Health & Safety	Risk	Poor occupational health and safety (OHS) performance has a direct negative impact on labor costs through lower productivity. Moreover, it can also affect SFL's reputation, impact staff morale or increase operating costs through fines and other contingent liabilities.	1. The company has promulgated a clear Occupational Health and Safety (OHS) Policy communicated through regular safety training sessions for its employees. 2. Comprehensive training on safety procedures, compliance regulations, and ethical practices fosters a secure work environment, reduces accidents, and ensures adherence to regulatory requirements. 3. All employees at the manufacturing plants are equipped with necessary safety gear. 4. Stringent safety audits are regularly conducted and reinforced through an extensive CCTV camera network across all units to ensure adherence to the health and safety precautions. 5. The Company has established an On-site Emergency Control Plan, incorporating government authorities and neighboring industries, which is rehearsed through bi-annual mock drills.	Non-adherence to the health and safety protocols can impact on health and well-being of employees at the Company and result in financial loss.
7.	Product Quality & Safety	Risk	Product Quality and Safety risk can lead to product recalls, legal repercussions, and affect Company's reputation. It is crucial for us to not only maintain our own adherence to high standards but also ensure that our suppliers and partners uphold similar quality and safety practices.	1. SFL guarantees compliance with Restriction of Hazardous Substances (RoHS) and REACH regulations, ensuring that all produced foams meet the required standards without the utilization of restricted or harmful chemicals. 2. The company has incorporated NeemFresche technology, sourced from sustainable coconut plantations. This innovative solution physically eliminates pathogens and maintains long-lasting effectiveness. Unlike other protectants, NeemFresche forms durable bonds with cellular structures, ensuring continued protection even with prolonged use and frequent washes. 3. Moreover, NeemFresche has no adverse environmental impact, making it safe for use without any leaching into the air, soil, or water.	Enhancing product quality always provide an enhancement to brand presence and reputation.
8.	Water Management	Opportunity	Manufacturing of Foam is not a Water intensive process, water is used only for the chemical mixing in production line and also used for domestic purposes.	1. We have installed STP's (Sewage Treatment Plants) at all manufacturing plants and corporate office through which domestic wastewater is treated and used backed in activities like Gardening and toilet flushing. 2. We have installed water saving fixtures like waterless urinals and flow fixtures at our corporate offices and is planned to be extended to manufacturing units. 3. Construction of Rainwater harvesting pits for recharging ground water table is in plan to be extended to manufacturing plants.	Use of recycled water and low flow water fixtures results into lesser freshwater withdrawal through ground and third-party tankers, hence benefiting financially to the company.
9.	Corporate Governance & Ethics	Risk	Adverse Financial and Reputational risks may arise due to unethical Business conduct and non-compliance to regulatory requirements.	1. SFL has a strong governance mechanism to cater to all the regulatory requirements from local and national government. 2. We have a dedicated business code of conduct policy which is applicable to all employees for ethical business conduct.	Ethical business practices and compliance to regulatory requirements will prevent non-compliances and potential regulatory fines from the government.
10.	Innovation and R&D	Opportunity	Innovation and R&D is an integral part of business as it creates and opportunity for SFL to expand its business in different directions. Innovation and R&D can contribute to bringing up new processes and technologies in foam productions industry.	1. SFL has identified various opportunities to expand its business within foam industry for which Innovation and R&D is in progress. 2. There are various projects SFL has undertaken in collaboration with external stakeholders to improve the efficiency of existing process and to establish a new product market in foam manufacturing industry 3. Some of the key innovations include use of VPF technology, Neemfresche technology, Vetiver inputs from production, development of specialized foam for medical usage etc.	Innovation and R&D will lead to financial benefits to the company by optimizing the existing manufacturing process and exploring new products lines in foam market to increase the overall revenue of the company.
11.	Transparency & Reporting	Risk	Failure in regulatory reporting and disclosures will lead to lack of transparency to the internal as well as external stakeholders will spoil the reputation of the company and also leads to loss of trust towards its Investors and consumers.	1. SFL ensures timely regulatory reporting and disclosure of all the necessary details to its internal and external stakeholders through company website and annual reports.	Timely reporting and transparency will maintain the trust of investors, consumers, and government authorities in the company, leading to a positive financial impact by avoiding potential regulatory fines.

S. No.	Material Issue Identified (High priority material issues are listed below)	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12.	Consumer Relationship management	Risk	Consumer Relationship management is vital for SFL business where the company takes feedback from consumers to improve the product quality sold by the company. Improper consumer feedback management may lead to decline in SFL's business and can affect the reputation of the company	1. SFL has a dedicated mechanism to collect consumer feedbacks and work on it to improve company's products and services.	The dedicated help line mechanism/ channel for collecting feedback from the consumers will increase consumer's trust in the company's product and services which in turn provides financial benefits to the company.
13.	Product Stewardship	Opportunity	Product Stewardship is an important part of product design and manufacturing to minimize the product's environmental impact throughout all stages.	1. SFL has invested in Capex to install VPF technology and installation of scrubbers at the gas vents to minimize the environmental Impact while manufacturing the product. 2. SFL is also carrying out initiatives like procurement of biodegradable plastics to be used as packaging material and use of eco-friendly raw material which will act as a filler material in foam mattress.	The process and concept of product stewardship will help the company become more environmentally responsible, improving its reputation and generating long-term revenue.
14.	Corporate Social Responsibility	Opportunity	Corporate Social Responsibility is an opportunity to the company as it provides a competitive advantage for the business to engage community and through its various workshops and initiatives.	1. SFL performs all its CSR activities under Sleepwell Foundation, it majorly focuses on community engagement through various skill development programs and emotional wellness programs etc. 2. SFL also collaborates with schools and students by providing them with study tables and chairs.	These initiatives will help SFL in standing out from its competition and it also improves the brand image of the company which in turn will increase the revenue of the company.
15.	Responsible Supply Chain Management.	Opportunity	Responsible Supply chain management is an opportunity where SFL can get a competitive advantage through sustainable supply chain and also in turn reduce their Scope 3 emissions	1. SFL has taken initiative on compressed foam packaging method to transport finished goods to avoid excessive Carbon dioxide emission. 2. SFL has dedicated Supplier code of conduct and sustainable procurement policy to source raw & packing material in a sustainable manner. 3. We assess our suppliers on ESG aspects also while onboarding as it is important to make our supply chain more sustainable. 4. Additionally, SFL has implemented a compressed foam packaging method, allowing more goods to be transported in less space and which in turn helps in reducing GHG emissions in our supply chain.	Initiatives on responsible supply chain management provides a competitive edge to the company which builds trust in its investors and consumers, hence increasing the revenue of the company.
16.	Diversity & Inclusion	Opportunity	Diversity is a vital part of business as it provides more employment opportunities to employees and makes the organization with a healthy work environment.	1. SFL provides a diverse and inclusive workplace which promotes creativity, diversity, inclusivity, and enhanced work culture.	Increase in diversity will help increase the trust of internal and external stakeholders in the company which will benefit the business and provides financial stability.

SECTION B:

MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P9	P9
	Policy and Management Processes									
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	Our policies are readily available at https://sheelafoam.com/investor.html, while additional internal policies are securely stored on the Company's intranet. These internal policies are accessible to relevant stakeholders, ensuring transparency and compliance across the organization.								
2	Whether the entity has translated the policy into procedures. (Yes / No)	The company has diligently translated its policies to ensure inclusivity and accessibility, aligning with its commitment to diversity and compliance. These translated policies have been seamlessly integrated into the company's operations, enriching its processes and procedures with the necessary guidelines and standards. This effort underscores the company's dedication to fostering a cohesive and compliant environment across all facets of its operations.								
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. This year the Company has promulgated a Supplier's / Vendor's Code of Conduct covering the NGRBC principles, and the Company expects its suppliers/ vendors to follow the same.								
4	Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001, ISO 27001, ISO 20000-1, IATF 16949, LEED Certificate for corporate office, SEDEX, BIS Product Certification License IS 7953: 1975, Great Place to Work								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	SFL's goal is to reduce our carbon footprint to 50% of existing levels by 2030. The targets set by SFL are as follows: 1. Increase usage of solar energy by 1 MW each year for the next 5 years. 2. Reduce Waste Generated by 3 to 5 % every year. 3. Plant 4000 trees every year for the next 5 years. SFL also aims to increase water recycling and practice rainwater harvesting solutions wherever feasible.								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We constantly monitor the performance towards ESG Goals and take adequate actions wherever required. We have a robust governance mechanism to monitor the progress of these goals. The progress achieved against above goals will be reflected in our annual reports. The Company has acquired Kurlon Enterprises Limited during the reporting year and amalgamated wholly owned subsidiary ICTPL into the parent company. The performance will be measured against new baselines. Last year the company has doubled the usage of renewable energy. The energy intensity was sustained to 0.12 $MtCO_2$ per Mt of Foam produced. The waste generation intensity was 0.03 MT of waste generated per MT of Foam production. The consumption of water reduced from 1.23 to 1.07 KL per MT of foam production. In this year, the company has also replaced diesel gen-sets with PNG (Piped Natural Gas) in the NCR region, using retrofitted devices.								

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P9	P9
Governance, Leadership and Oversight										
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	Mr. Tushaar Gautam (Managing Director) Sheela Foam Limited is committed to nurturing new green ideas, fostering a happier and healthier workplace, empowering weaker sections of the society and continually striving to reduce its carbon footprint in line with the national and global climate preservation targets. In keeping with the times, the company has adopted greener and cleaner technologies like Variable Pressure Foaming that eliminates use of potentially hazardous chemicals and use of recyclable Polyethylene packaging in place of the non-recyclable PVC. Over the past few years, we have optimized raw material usage and increased use of green energy. We have received recognition as the "Best Place to Work" continuously for many years. We have constantly met the quality and environmental standards demanded by our clients across the globe. We will continue to pursue an increase in the use of green energy and reduce waste further. As a market leader in the foam and foam products business in India, the company is acutely conscious of its added responsibility of spearheading the R&D efforts of the industry to tackle greening challenges and pioneering innovations that help to reduce, reuse & recycle.								
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Tushaar Gautam, Managing Director								
9	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The 'Risk Management and ESG committee' at the Board level is responsible for decision making on sustainability related issues. The Risk management and ESG committee comprises of 5 members. Mr. Vijay Kumar Ahluwalia: Chairperson Mr. Som Mittal: Member Mr. Rakesh Chahar: Member Mr. Tushaar Gautam: Member Mr. Harneet Kochar: ESG controller								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Policies, wherever stated, have been approved by the Board / functional heads. Polices are reviewed as and when required to accommodate relevant feedback from our stakeholders and any new laws and regulations.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with all statutory laws and regulations as applicable. Further, compliance monitoring is done regularly as per statutory requirements along with periodical audit committee review on a quarterly basis.																	

		P1	P2	P3	P4	P5	P6	P7	P9	P9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	No, however, the Managing Director, in conjunction with the Board, oversees the implementation of policies. These policies undergo regular review, either in accordance with statutory mandates or as deemed necessary based on organizational needs.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Not applicable since the policies and procedures of the Company cover all principles of NGRBCs

SECTION C:
PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: **Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness programmes
Board of Directors Key Management Personnel	7	An insightful outlook on the Mattress and Foam Industry and the home comfort sector, coupled with comprehensive ESG (Environmental, Social, and Governance) risk awareness training. Offered updates and raising awareness regarding governance and regulatory compliance requirements. Additionally, updates on finance, information technology, and the seamless integration of SFL & KEL, among other crucial facets.	100%
Employees other than BODs and KMPs	17	PFMEA (Process Failure Mode effect Analysis), IATF, Certified Auditor Training for IATF, MSA (Measurement System analysis), SPC (Statistical Process Control), APQP (Advance Product Quality Planning) & PPAP, ESG Workshops.	63%
	7	Human rights, POSH and Cybersecurity	100%
Workers	13	First Aid, Electrical safety, Safety & Health, Incident Minimization, Traffic Awareness, Gastric diseases, medical Policy, 5S, Kaizen and Waste Identification, Human rights, POSH and Cybersecurity	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

a. Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement					
Compounding fee					

b. non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Sheela Foam Limited has an anti-corruption and bribery policy as a part of our internal general policies. It is our policy to conduct all of our businesses in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We are committed to act professionally, fairly and with integrity in all our relationships and business dealings wherever we operate. We are also committed to implement and enforce effective systems to counter bribery. Some of our codes / policies are available at https://sheelafoam.com/pdf/investor/Anti_Corruption_Policy.pdf Other internal policies are placed on the intranet of the Company and are open to access by the pertinent stakeholders.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

Topic	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable*365) / Cost of goods/services procured)

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payable	52	54

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties in the format provided

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	5.50%	6%
	b. Number of trading houses where purchases are made from	5	5
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	100%	100%
Concentration of Sales	a. Sales to dealers/ distributors as a % of total sales	59%	46%
	b. Number of dealers/ distributors to whom sales are made	113	110
	c. Sales to top 10 dealers/ distributors as a % of total sales to dealers/ distributors	18%	14%
Share of RPT's in	a. Purchases (Purchases with related parties/ Total purchases)	2.3%	1.2%
	b. Sales (Sales with related parties/ Total Sales)	2.2%	0.3%
	a. Loans & Advances (Loans & Advances given to related parties/ Total loans & advances)	0.0%	0.0%
	a. Investments (Investments in related parties/ Total Investments made)	76.97%	0.0%

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in value chain covered by the awareness programmes
2	ESG overview covering topics such as environmental compliance, safety compliance, human rights, legal and corporate governance	*6.7%

*Note: percentage of persons in value chain covered by the awareness programs is calculated by considering their percentage spent.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, the Company has Code of Conduct for Board of Directors and senior management personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. It states below: The Board of Directors, Key Managerial Personnel and the Senior Management Personnel shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative(s), or any other person or entity, for the purposes of circumventing the personal interest involved. The Board of Directors, Key Managerial Personnel and the Senior Management Personnel shall not take up any position or engagement that may be prejudicial to the interest of the Company. The Executive Director(s), Key Managerial Personnel and the Senior Management Personnel shall not take up any outside Employment.

The Code of Conduct can be accessed at: https://sheelafoam.com/investor.html

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Type	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvement in social and environmental aspects
Research & Development (R&D)	140 Lakhs	~₹ 73.7 Lakhs	• Designing of product for Indian Railways involving special feature of complying with human safety in case of any fire incidents. This is achieved while complying with certain standards defined for the usage in the Railways. This product restricts the emissions during fire within the limits which are allowed for human exposure and allow them to escape safely. • Development of various products using more environmentally friendly catalysts that helps in reduced toxicity levels as well. • Use of Vetivers as a raw material for foam production after processing. • Trials on New Foam production with anti-bacterial properties for medical usage.
Capital Expenditure (CAPEX)	₹ 3.46 Lakhs	~₹ 108.9 Lakhs	• Lab instruments purchased for testing and R&D work. • Purchase of chemicals for trial purposes.

Note: As a leading foam manufacturing company we are committed to minimizing negative impacts on environment and social aspects through R&D, innovation and capex. Hence, most of the Company's Expenses towards R&D projects directly or indirectly contribute towards reducing its negative impact towards Environment and social sector.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, the organization has a sustainable sourcing policy, we carefully select and onboard vendors with robust infrastructure and good manufacturing practices through a supplier assessment checklist when onboarding new vendors and an annual assessment. We strive to enhance vendor infrastructure by implementing solventless lamination in packaging, using compliant granules and inks, maintaining machines and Effluent Treatment Plants effectively, minimizing color dyeing in fabrics, and sourcing foaming inputs from reputable industry leaders. We also aim at eliminating/ minimizing restricted raw materials from products.

b. If yes, what percentage of inputs were sourced sustainably?

The company has its sustainable sourcing policy through which it promotes sustainability at supplier end. As a responsible and leading foam manufacturer the company sources ~70% of its raw and packaging material through sustainable sourcing.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) Plastics (including packaging): As a brand owner, we ensure that the plastic waste produced during our manufacturing process (including packaging) is recycled through a government-registered vendor.

(b) E-waste: We dispose of e-waste materials exclusively through authorized e-waste vendors.

(c) Hazardous waste: We primarily procure TDI in bulk via tanker, with occasional procurement in drums. Due to the presence of TDI residues in the drums, we take special care to sell them exclusively to government-authorized agencies for recycling.

(d) Other waste: Wastepaper generated during production and from our units is sold to authorized vendors who repurpose it in manufacturing molded paper products like plates and bowls. Additionally, waste foam (offcuts/ trims) from production is sold to recycling processors for use in producing rebonded foam. We segregate all waste and store it separately for proper disposal. Non-hazardous waste is sold only to local scrap dealers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable to the company and a EPR plan is available in place for waste collection. SFL in collaboration with Indian Pollution Control Association has collected and recycled 508.135 MT of plastic waste to ensure EPR compliance. As a leading manufacturer in the foam industry, it is important that we ensure the safe disposal of pre-consumer and post-consumer packaging.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Environmental and Social impacts of our products have not been assessed through LCA. There is however, no social impact. Environmental impacts are internally assessed and addressed by taking various environmentally friendly initiatives.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Recycled Fiber Pillows	100%	100%
Re-bonded Foam	91%	91%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in current FY)		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	The Company disposes its wastes through authorized vendors and recyclers, ensuring that no waste is disposed in landfills. The company has disposed 508.13MT of Plastic waste authorized recycler to ensure EPR compliance.					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Nil	Nil

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	Health & Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities*	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent									
Male	719	719	100%	-	-	Nil	Nil	Nil	Nil
Female	67	67	100%	67	100%	Nil	Nil	Nil	Nil
Total	**786**	**786**	**100%**	**67**	**100%**	**Nil**	**Nil**	**Nil**	**Nil**
Other than Permanent (Contractual)									
Male	55	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	9	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total	**64**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

*Note - The Company is in compliance with the Maternity Benefit (Amendment) Act, 2017

b. **Details of measures for the well-being of workers:**

Category	Total (A)	Health & Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities*	
		No. (B)	% (B / A)	No. (C)	% (C / A)	No. (E)	% (E / A)	No. (F)	% (F / A)
Permanent									
Male	1367	1367	100%	-	-	-	-	Nil	Nil
Female	68	68	100%	68	100%	-	-	Nil	Nil
Total	**1435**	**1435**	**100%**	**68**	**100%**	**-**	**-**	**Nil**	**Nil**
Other than Permanent (Contractual)									
Male	885	885	100%	-	-	-	-	-	-
Female	70	70	100%	70	100%	-	-	-	-
Total	**955**	**955**	**100%**	**70**	**100%**	**-**	**-**	**-**	**-**

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	10%	8.2%

2. **Details of retirement benefits, for Current FY and Previous Financial Year:**

Benefits	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	NA	100%	100%	NA
ESI	100%	100%	Y	100%	100%	Y
Others - please specify	-	-	-	-	-	-

3. **Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

We understand the importance of meeting the requirements of the Rights of Persons with Disabilities Act, 2016. Our company has implemented various measures like Wheelchairs, ramps etc. to provide accessible infrastructure at corporate office and plants to support differently abled employees and worker.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Company has an Equal Opportunity Policy as part of internal HR policies (Anti-Discrimination Policy). It states as following: Sheela Foam is an "equal opportunity employer."Sheela Foam will not discriminate and will take "affirmative action" measures to ensure against discrimination in employment, recruitment, advertisements for employment, compensation, termination, upgrading, promotions, and other conditions of employment against any employee or job applicant on the bases of race, creed, color, national origin, or gender. Internal policies are accessible on the intranet to the pertinent stakeholders.

https://sheelafoam.com/pdf/investor/Anti_Discrimination_Policy.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Category	Yes/No	Details of the mechanism in brief
Permanent Workers	Yes	The company has an Employees Grievance Redressal Policy in place internally available to all employees and workers. An employee may face any problem or has concern about his/her work, working environment, or working relationships that he/she wish to raise with someone in the organization. The Company encourages free communication between the employee and the Supervisor / Manager / Head of Function to ensure such problems and concerns can be resolved in the quickest and fairest possible way and at the lowest possible level within the organization. The mechanism has 3 stages of escalation and grievance raised is treated in the strictest of confidence.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in current FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
Permanent Employees						
Male	Nil			Nil		
Female						
Others						
Total						
Permanent Workers						
Male	Nil			Nil		
Female						
Others						
Total						

8. Details of training given to employees and workers:

	FY 2023-24 (Current FY)					FY 2022-23 (Previous FY)				
	Total (A)	On Health & Safety measures		On Skill Upgradation		Total (D)	On Health & Safety measures		On Skill Upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/ D)	No. (F)	% (F/ D)
Employees										
Male	719	719	100%	719	100%	612	612	85%	612	100%
Female	67	67	100%	67	100%	54	54	81%	54	100%
Total	**786**	**786**	**100%**	**786**	**100%**	**666**	**666**	**85%**	**666**	**100%**
Workers										
Male	1367	1367	100%	1367	100%	1197	1197	88%	1197	100%
Female	68	68	100%	68	100%	59	59	87%	59	100%
Total	**1,435**	**1,435**	**100%**	**1,435**	**100%**	**1,256**	**1,256**	**88%**	**1,256**	**100%**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in current FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who had a career review (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who had a career review (D)	%(D/C)
Employees						
Male	719	719	100%	612	612	100%
Female	67	67	100%	54	54	100%
Total	**786**	**786**	**100%**	**666**	**666**	**100%**
Workers						
Male	1367	1367	100%	1197	1197	100%
Female	68	68	100%	59	59	100%
Total	**1435**	**1435**	**100%**	**1256**	**1256**	**100%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No)	Yes
a.1 What is the coverage of such system?	All employees and workers
b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	Work related hazards are identified through internal safety audits, check lists, SOPs, work permit system, regular committee meetings, capturing and resolving the unsafe observations by the employees. Safety audits and risk assessments are also done by external auditors. HAZOP study and risk assessment of the plant is also conducted
c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)	Yes. There are safety committees wherein workers participation is ensured.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	Yes. Non-occupational medical and healthcare services exist for all category of employees.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	1	3
	Workers	48	52
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NA	NA
	Workers	NA	NA

Note: There were no Lost Time Injuries occurred at the manufacturing plants during FY 23-24.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure a safe and healthy workplace, daily safety talks before the start of the routine activities are conducted. 'Toolbox Talk' on various safety topics of daily importance is organized by Shop Engineers / Shift In-charge to sensitize workers about workplace safety. Unit wise fire safety members called as 'crew team members' are aligned along with fire extinguisher attached to them. There is more than required stored water for fire prevention. We conduct regular trainings on good health and safety practices as well.

Safety audits are conducted regularly to ensure everything is in compliance. There is full compliance of OS&H (Occupational Safety and Health) and related applicable legal requirements and other requirements.

13. Number of Complaints on the following made by employees and workers:

Topic	FY 2023-24 (Current FY)			FY 2022-23 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	NA	-	0	NA	-
Health & Safety	0	NA	-	0	NA	-

14. Assessments for the year:

Topic	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Near misses are reported. To prevent the recurrence, corrective actions are carried out.

1. Wheel chokes were applied to arrest accidental movement of the chemical tankers.
2. Pipeline Color Codes followed by SFL displayed at vital places to know what contents are being carried across the pipelines.
3. Toe Board / Toe Guard provided on the first floor of process area to prevent fall of tool/material inadvertently.
4. Installation Fall arrestors and lifelines to protect workers from fall from height hazards.
5. Building a safety culture on shopfloor through competitions and various safety events like National safety week, Road safety day etc.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, for all permanent employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

The Company is compliant with deduction of statutory dues of employees towards income tax, provident fund, ESIC etc. as applicable from time to time. Value chain partners (vendors, distributors) are also encouraged to comply as per the business agreements with the Company.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)	FY 2023-24 (Current FY)	FY 2022-23 (Previous FY)
Employees	0	NIL	0	NIL
Workers	1	NIL	1	NIL

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

Yes. The Company provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

5. Details on assessment of value chain partners:

Topic	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	46%
Working Conditions	

Note: Only suppliers are accounted in the calculation of the %age of value chain partners assessed on health & safety and working conditions.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity:

SFL has mapped its internal and external stakeholders and based on the valuation provided in the value chain and relevance for the organization, the major/ key categories include:

- Investors
- Shareholders
- Employees
- Customers
- Community organizations/ NGOs
- Vendors / Suppliers / Contractors of goods and services
- Distributors & dealers
- Government & Regulatory Authority

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly /others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder	No	Website, Shareholder Meetings, Email, Central Telephone Number, Notice, Newspaper	Quarterly	• Awareness (Q&A) session on performance and results of the company • Annual General Meeting
Investor	No	Email, Website, SMS, Newspaper, Notice, Virtual and Physical Meetings, Stock Exchange	Regularly	1. Financial Results 2. Business Outlook 3. Annual General Meeting 4. Key Risks 5. Resolve queries received from investors.
Employees	No	ERP, Email, SMS, Telephone, Virtual calls, In-person meetings, internal events, Townhall Meetings.	As and when required	1. Relevant business communications 2. Career, learning and growth 3. HR Policies & Practices, health and safety, skill upgradation 4. Grievances and remunerations
Customers	No	Stores, Experience, Advertising, Newspaper, pamphlets, Hoarding/banner, SMS, website, phone	As and when required	1. Brand Awareness 2. Offers 3. New Product Developments 4. Addressing Customer Queries and Grievances 5. Feedback on Products and services
Community organizations / NGOs	Yes	Need assessments for CSR projects through surveys and focused group discussions	As and when required	• Assessment of community needs • Selection of new projects based on needs • Monitoring and evaluation of on-going projects
Vendors / Suppliers / Contractors of goods and services	No	Physical meetings, Emails, Telephone	Frequent and as may be required	• New business opportunities • Query Resolution & Grievance Redressal. • Supplier performance assessment. • Addressing non-compliance issues • Signing / breach of contract.
Distributors and dealers	No	Physical meetings, Emails, Telephone, conferences	Frequent and as may be required	• Query Resolution & Grievance Redressal. • Distributor's performance assessment. • Addressing non-compliance issues.
Business Partners (Suppliers, Dealers/ Distributors/ etc.)	No	Emails, Dealer Meets, Telephone, Physical Meetings, Conferences	As and when required	1. Sales and Marketing Plans 2. Distributors performance assessment 3. Addressing non-compliance issue 4. Supply Chain 5. Quality
Government and regulatory authorities	No	Written communications, Presentations, Industry associations, websites, advertisements	Frequent and as may be required	1. Compliance with National and Local regulations 2. Permissions/ Approvals on various regulatory requirements 3. Seeking clarifications and relaxations 4. Communicating Challenges

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company has in place a Stakeholders Relationship Committee of the Board ("SRC") which has been constituted by the Board for speedy redressal of grievances/ complaints relating to stakeholders / investors, and also has in place a Corporate Social Responsibility Committee, which identifies CSR activities to be undertaken by the Company, affecting communities in areas or subject as specified in Schedule VII of the Act and Rules made thereunder. Further, a dedicated email id is also available for community/ NGOs to register their grievances. The Risk Management Committee has also been constituted to identify elements of risk in different areas of operations. The committee evaluates significant risk exposures of the company and assess management's actions to mitigate the exposures in a timely manner. This also includes the ESG risks. The observations of each of these Committees are duly intimated to the Board at its respective meeting. Value Chain Partners may register their complaints / grievances / concerns directly with the head of the concerned department of the Company. All employees of the Company have direct access to the to the Chairman of the Audit Committee under the Vigil Mechanism implemented by the Company through which Directors, Senior Management & Employees may report breach of Code of Conduct including Code of Conduct for Insider Trading, unethical business practices, illegality, fraud, corruption, leak of unpublished price sensitive information pertaining to the Company etc. at workplace without fear of reprisal.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, Stakeholder consultation is pivotal in order to create long-term value and we take steps to understand each stakeholder group's needs and priorities through several mediums, including direct engagement or via delegated committees and forums.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

   Emotional Wellness Programme:

   Sleepwell foundation is championing the advocacy of substituting the term mental with emotional and bringing proactiveness in emotional wellness.

   Our Initiative supports the IEC activities of the Government of India's National Mental Health Program (NMHP) for the purpose of increasing awareness of mental health. Through our initiatives we create literacy and build awareness of proactive emotional wellness. 11,255 beneficiaries have been impacted by emotional wellness workshops. Additionally, the Awareness Videos and Reels on social media has impacted 1,20,45,533 beneficiaries.

   Our initiatives include educational workshops for children and youth, teacher training, and community-level counsellor programs. We cover topics like Gender Sensitization, Stress Management, Menstrual Health, Bullying Prevention, and Communication. These efforts aim to create an emotionally safe environment for growth. Through social media, our emotional wellness films reach millions, influencing societal behavior. Our BBCS (Barefoot Basic Counselling Skills) Workshops train grassroots mental health counsellors, addressing the shortage of counsellors in India.

   Skill Development Programme:

   Set up Sleepwell Foundation Skill Development Centre at Village Mirpur on the outskirts of Khurja, (UP). The Centre is training people and is helping to meet the objectives of the National Skill Development Corporation (NSDC) in filling the skill gap and achieving the vision of a 'Skilled India'. 2,630 beneficiaries have been impacted by the activities carried out by the Skill Development Programme.

   Sleepwell Foundation is a firm believer in the power of Proactiveness and creating opportunities before even when the need arises. Preventive or proactive approach helps in alleviating many challenges much before they become acute issues and is many times able to nip the problem in the bud.

   Recognizing the need to prepare rural youth, Sleepwell Foundation established Col Gautam Academy to train recruits for the Indian army and paramilitary forces. The academy trains both girls and boys, offering physical and classroom instruction, along with essential guidance on recruitment procedures for the Army, Navy, Air Force, Police, and other services. Understanding the social constraints on young women in rural areas, Sleepwell Foundation offers practical and sustainable skills courses that empower youth within their communities, enabling them to secure employment and contribute to the local economy.

   Paramedical Courses:

   The Covid-19 pandemic exposed the shortage of healthcare professionals in rural India and highlighted rural-urban health disparities. To address this, we introduced Paramedical Courses at SDC Khurja, in partnership with DPMI, a leader in healthcare training in India. These courses, which saw high participation from both men and women, led to internships at local hospitals and healthcare facilities in and around Khurja. Aligned with SDG 3, our aim is to ensure universal health coverage and equitable access to healthcare in rural areas.

   Selling Skill Course:

   Sales is the backbone of any business, employing millions. Recognizing the potential, especially with the upcoming Noida International Airport at Jewar, we introduced a Selling Skill Course at SDC Khurja. This course teaches basic selling skills and modern marketing principles, equipping trainees to become effective salespeople. Taught by industry experts, it aims to create numerous job opportunities and provide decent work for graduates.

   MasterG's fashion design course for women is a step in this direction. Traditionally, patternmaking in garment manufacturing has been a male-dominated role, passed down from father to son and known as 'Masterji'. At MasterG, we democratize patternmaking, providing women with the skills and tools to reimagine and redesign their lives.

   Computer And English Lessons:

   All our trainees at SDC Khurja undergo Computer and English lessons mandatorily, as these skills are essential in today's world. Without them, rural youth would fall behind. We aim to equip them to feel at home wherever they go. In the last four years since SDC Khurja, thousands of trainees have been trained, securing positions in the Armed forces and leading corporations. Many have also become entrepreneurs, creating businesses that boost the economy and their quality of life.

   Business and Professional Effectiveness Workshops:

   A series of 3-Day Workshop, conducted for ITI/Diploma Students, Graduates & Pursuing Graduates etc. of various colleges to prepare and motivate youth to set-up their own business, thereby addressing unemployment issues. A series of 4-Day Workshop, conducted for Supervisors and middle management team of SMEs to enhance their soft skills and thereby increasing productivity of the organizations where they are employed.

PRINCIPLE 5: Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	786	786	100%	666	Nil	Nil
Other than permanent	64	64	100%	41	Nil	Nil
Total Employees	**786**	**786**	**100%**	**707**	**Nil**	**Nil**
Workers						
Permanent	1435	1435	100%	1256	Nil	Nil
Other than permanent	955	955	100%	783	Nil	Nil
Total Employees	**2390**	**2390**	**100%**	**2039**	**Nil**	**Nil**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24 (Current FY)					FY 2022-23 (Previous FY)				
	Total Count in Current FY	Number of Employees Paid Minimum wage	% age of Employees Paid Minimum wage	Number of Employees Paid more than Minimum wage	% age of Employees Paid more than Minimum wage	Total Count in Previous FY	Number of Employees Paid Minimum wage	% age of Employees Paid Minimum wage	Number of Employees Paid more than Minimum wage	% age of Employees Paid more than Minimum wage
Employees										
Permanent										
Male	719	-	-	719	100%	612	-	-	612	100%
Female	67	-	-	67	100%	54	-	-	54	100%
Other than permanent										
Male	55	-	-	55	100%	25	-	-	25	100%
Female	09	-	-	09	100%	16	-	-	16	100%
Workers										
Permanent										
Male	1367	-	-	1367	100%	1197	-	-	1197	100%
Female	68	-	-	68	100%	59	-	-	59	100%
Other than permanent										
Male	885	-	-	885	100%	741	-	-	741	100%
Female	70	-	-	70	100%	42	-	-	42	100%

3. a. Details of remuneration/salary/wages, in the following:

	Male		Female	
	No.	Median remuneration/ salary/ wages of respective category (INR)	No.	Median remuneration/ salary/ wages of respective category (INR)
Board of Directors*	9	35,00,000	2	1,07,13,670
Key Managerial Personnel#	7	1,98,17,276	1	1,84,52,340
Employees other than BoD and KMP	775	3,14,412	76	3,63,096
Workers	2390	2,40,828	138	2,42,208

Note: *BODs include Executive Directors and Independent directors

#KMPs definition as per Companies Act, 2013

b. Gross wages paid to females as % of total wages paid by the entity:

	Current FY2023-24	Previous FY2022-23
Gross wages paid to females as % of total wages.	14.48%	12.69

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the company Chief Human Resource Officer (CHRO) is the focal point responsible for addressing human rights impacts or issues caused or contributed to by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The company has the Employee grievance mechanism policy internally accessible on the intranet to all the employees. Under these policies, we have established 4 levels of escalation.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolutionat the end of year	Remarks	Filed during the year	Pending resolutionat the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour / Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Parameter	Current FY	Previous FY
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH).	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has an Anti-Social Harassment policy in place which is in line with the requirements of Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Internal system has been set up to redress complaints received regarding sexual harassment.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

SFL on board vendors who have operations in notified industrial areas i.e., aspects like child labour, forced labour etc. are continuously monitored by assigned authorities. Also, these suppliers established in notified industrial area are subjected to fire & safety compliances, pollution compliances etc.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100%
Forced/involuntary labor Sexual harassment Discrimination at workplace	The success of the Company's operations, the standard of its work, and its brand reputation hinge on the dedication and capabilities of its workforce. Human rights practices like prevention of Child labour, Forced/involuntary labour, are taken care during hiring process. The Company has a policy relating to Anti-Social Harassment, which is committed to creating a healthy and safe working environment that enables employees to work without fear of prejudice, bias and sexual harassment.
Wages	100%
Others - please specify	NA

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Not Applicable, as the Company has not received any grievance/complaint

2. Details of the scope and coverage of any Human rights due diligence conducted.

SFL on board vendors who have operations in notified industrial areas i.e., aspects like child labour, forced labour etc. are continuously monitored by assigned authorities. Also, these suppliers established in notified industrial area are subjected to fire & safety compliances, pollution compliances etc.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, offices and plants are accessible to differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	Nil
Discrimination at workplace Child labour Forced labour/involuntary labour Wages Others - please specify	SFL encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees. SFL on board vendors who have operations in formal industrial areas i.e., aspects like child labor, forced labor etc. are continuously monitored by assigned authorities of the industrial areas. SFL conducts vendor specific audits to ensure compliance towards Sexual Harassment, child Labour, Forced Labour etc.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	6,203 GJ	2,768 GJ
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources [C]	Nil	Nil
Total energy consumption (A+B+C)	**6,203 GJ**	**2,768 GJ**
From non-renewable sources		
Total electricity consumption (D)	21,700 GJ	27,429 GJ
Total Fuel Consumption (E)	1,914 GJ	3,361 GJ
Energy consumption through other sources [F]	Nil	Nil
Total energy consumption (D+E+F)	23,615 GJ	30,790 GJ
Total energy consumption (A+B+C+D+E+F)	**29,818 GJ**	**33,558 GJ**
Energy intensity per crore of turnover (Total energy consumption/ turnover in rupees) *Revenue is crores	15.87 GJ/Cr	16.46 GJ/Cr
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP in crores)	355.38 GJ/$Cr	364.96 GJ/$Cr
Energy intensity in terms of physical output ((GJ/MT of foam production)	0.62 GJ/MT	0.73 GJ/MT

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yeas, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0 KL	0 KL
(ii) Groundwater	34,866 KL	35,571 KL
(iii) Third party water	16,286 KL	20,817 KL
(iv) Seawater / desalinated water	0 KL	0 KL
(v) Others	0 KL	0 KL
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	**51,152 KL**	**56,388 KL**
Total volume of water consumption (In kilolitres)	**51,152 KL**	**56,388 KL**
Water intensity per rupee of turnover (Water consumed in kilolitres / turnover in crores)	27.21 KL/Cr	27.66 KL/Cr
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP in crores)	609.63 KL/$Cr	613.23 KL/$Cr
Water intensity in terms of physical output (KL/MT of foam production)	1.07 KL/MT	1.23 KL/MT
Water Intensity (optional) - the relevant metric may be selected by the entity	--	--
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?	No	No

*Note: Water Intensity is calculated by dividing the amount of Water Withdrawn (in KL) to the total foam production (in MT) during the Financial Year 23-24.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
(iii) To Seawater	Nil	Nil
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
(iv) Sent to third parties	Nil	Nil
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
- No treatment	Nil	Nil
- With treatment - please specify level of treatment	11,654 KL STP treatment	10,446 KL* STP treatment
Total water discharged (in kiloliters)	**11,654 KL**	**10,446 KL**

*The company has installed STP's at Corporate Office and Manufacturing plants, which treats the water and is used for domestic purposes. The treated water is then reused and recycled for gardening or sent back to earth for recharge, as appropriate.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has Sewage Treatment Plants (STPs) installed at its Corporate Office and manufacturing plants in Greater Noida, Surajpur, Hyderabad, Jalpaiguri, Kalamb, Erode, and Talwada. These plants treat the water, which is then used for domestic purposes. The treated water is reused and recycled for gardening or returned to the earth for recharge, as appropriate. Therefore, there is no need for a Zero Liquid Discharge mechanism.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	mg/nm3	1584.5	Not available
SOx	mg/nm3	1542.3	Not available
Particulate matter (PM)	mg/nm3	2189.1	Not available
Persistent organic pollutants (POP)	-	Not available	Not available
Volatile organic compounds (VOC)	-	Not available	Not available
Hazardous air pollutants (HAP)	-	Not available	Not available
Others - please specify (CO)		Not available	Not available

*Note: SFL monitors its air emissions from DG sets through NABL certified laboratories for its manufacturing plants located at Jalpaigur, Talwada, Hyderabad & Erode. SFL is compliant with the State Pollution control boards recommended industrial air quality norms.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external

No.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	377.21	220.18
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	4,316.00	4,729.30
Total Scope 1 and Scope 2 emissions intensity- (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent / crore of turnover	2.50	2.43
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for	55.93	53.83
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO2 equivalent / MT of Foam Production	**0.10**	**0.11**
Total Scope 1 and Scope 2 emission intensity (optional) the relevant metric may be selected by the entity	-	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not applicable

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

1. Installation of solar plants and LED lights.
2. Solar power project, project on conversion of DG sets from diesel to PNG in Greater Noida plant.
3. Vertical Variable Pressure Foaming (VPF) technology to reduce fumes and GHG emissions
4. 95% of lighting is with LED in Rajpura plant
5. Installation of solar powered streetlights and traffic lights to avoid electricity consumption.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste **(A)**	42.517 MT	107.45 MT
E-waste **(B)**	0.78 MT	13.78 MT
Bio-medical waste **(C)**	Nil	Nil
Construction and demolition waste **(D)**	Nil	4.5 MT
Battery waste **(E)**	Nil	2.52 MT
Radioactive waste **(F)**	Nil	Nil
Other Hazardous waste. Please specify, if any. **(G)**	36.36 MT	34.4 MT
Other Non-hazardous waste generated. Please specify, if any. **(H)** (Break-up by composition i.e., by materials relevant to the sector)	1326.4 MT	1259.6 MT
Total (A + B + C + D + E + F + G + H)	**1406.06 MT**	**1422.30 MT**
Waste intensity per rupee of turnover (Total waste generated MT / Revenue from operations in crores)	0.75	0.70
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP in crores)	16.76	15.47
Waste intensity in terms of physical output (MT/MT of foam production)	0.03	0.03
Waste intensity (optional) - the relevant metric may be selected by the entity	--	--

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Landfilling	Nil	Nil
(iii) Other disposal operations	1406.06 MT (Authorised vendor)	Nil
Total	**1406.06 MT**	**Nil**

Note: Includes iron, tin, quilting & other scrap

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, the generation of hazardous and toxic waste by the Company is minimal.

We are the manufacturer of polyurethane foam and its product. The TDI is the main raw material which is used for the production of foam. To ensure social & environmental responsibility following waste management actions have been taken us: -

1. We have been procuring TDI in bulk quantity through tanker and rear of the rear cases procurement is made through the drum. Since drums contain stains of TDI therefore we take utmost care and sell them to Government authorized agencies only, who further recycle the same.
2. The wastepaper generated in the production process and from the units are being sold out to the authorized vendor, who further uses them in the manufacturing process of molded paper plates & bowl etc.
3. Waste Foam - Waste foam generated from the production process is sold out to the recycling processor which further uses them in the production of rebonded foam
    a. Other E-waste materials are sold out to authorized vendors only.
4. We have obtained the required license from the Government Department as a brand owner for the plastic waste being produced in the manufacturing process. Further, the waste is recycled by M/s ICPL on our behalf.
5. Units segregate all waste and store it separately for further disposal. Further non-hazardous waste is being sold out to local scrap dealers only.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

Yes, the Company is generally compliant with the applicable environmental laws / regulations/ guidelines in India.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
		Nil		

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kiloliters). For each facility / plant located in areas of water stress, provide the following information for current and previous FY:**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area - Greater Noida, Hyderabad and Erode

(ii) Nature of operations - Manufacturing of Foam

(iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	19,910 KL	22,426 KL
(iii) Third party water	15,543 KL	20,817 KL
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres)	**35,453 KL**	**43,243 KL**
Total volume of water consumption (in kilolitres)	**35,453 KL**	**43,243 KL**
Water intensity per crore of turnover (Water consumed / turnover)	19.00	20.26
Water intensity (optional) the relevant metric may be selected by the entity	--	--
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
No treatment	Nil	Nil
With treatment - please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
No treatment	Nil	Nil
With treatment - please specify level of treatment	Nil	Nil
(iii) To Seawater	Nil	Nil
No treatment	Nil	Nil
With treatment - please specify level of treatment	Nil	Nil
(iv) Sent to Third parties	Nil	Nil
No treatment	Nil	Nil
With treatment - please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
No treatment	Nil	Nil
With treatment - please specify level of treatment	8,105.32 KL	STP Treatment 6,590 KL*
Total water discharged (in kilolitres)	**8,105.32 KL**	**6,590 KL**

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

NA

* The Company has installed STP at Corporate Office and plants which treats the water used for domestic purposes. The treated water is then reused and recycled for gardening or sent back to earth for recharge, as appropriate.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Not applicable

2. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	Not Measured	Not Measured
Total Scope 3 emissions per rupee of turnover	tCO_2e / INR	-	-
Total Scope 3 emission intensity (optional) the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

N.A., as the Company does not have operations/offices in/around ecologically sensitive areas where environmental approvals / clearances are required

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Switching to renewable source of energy	Installation of solar plants and consumption of 21% of solar electricity along with LED lights in the manufacturing plants.	Energy efficiency and lower GHG emissions.
2	Switching to renewable source of energy	Solar power project, project on conversion of DG sets from diesel to PNG in Greater Noida plant.	Energy efficiency and lower GHG emissions
3	Better Technology Adoption	Vertical Variable Pressure Foaming (VPF) technology to reduce fumes and GHG emissions	Reduced fumes and GHG emissions,
4	Switching to renewable source of energy	95% of lighting is with LED in Rajpura plant	Energy efficiency and lower GHG emissions
5	LEED Certification	Sheela foam's corporate office building is certified as LEED BD+C (Core and shell) Platinum rating that provides a cost effective, energy, and resource efficient framework for all commercial buildings.	Less energy and water usage, green building mechanism which supports the climate, Shrink carbon footprint
6	Reduced occupancy sensor delays in lift and toilet lights	We reduced the occupancy sensor delay time in lift lobby and toilets from 15 mins to 5 mins	Energy efficiency
7	Sensor taps for washroom area	Sensor taps come with built-in sensors that allow it to detect motion and when an object appears in the front of tap, it automatically lets the water out.	Less water consumption and water wastage up to 70%
8	Automated streetlights and tube lights	100% streetlights and tube lights at the mezzanine tunnels are automated for timely switch on/off to reduce unnecessary energy wastage	Energy Efficiency
9	Trainings on re-use and recycle	Trainings have been provided to the company associates for "Out of the box thinking" on how to reuse and recycle the used/ scrap materials.	Circularity, Reduced waste
10	Procurement of electrical equipment	Procuring electrical equipment such as switchgears and appliances for better utilization and minimum wastage of any kind.	Reduced waste
11	Trees plantation and water harvesting	Plantation of trees for greenery and installation of water harvesting pits	Mitigation of climate change risks, water saving
12	Sustainable Packaging	Packaging and branding material used for packing pillows and mattress are environmentally friendly in nature as either it is recycled or reused.	Lesser packaging waste generation
		Transition towards environmentally friendly packaging material (LDEP Grade 7) which is recyclable and reusable	Circularity

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Sheela Foam Limited has a comprehensive Business Continuity Plan (BCP) in place to ensure continuity of operations and manage disasters effectively. The BCP includes standby databases, redundancy on hardware, regular database backups, and security measures such as firewalls. The plan is reviewed annually and updated when necessary. Data leakage prevention tools are deployed, and BCP testing is conducted every six months. The BCP leader coordinates the development and maintenance of the plan, declares disaster scenarios, conducts audits and testing, and ensures training for team members.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No significant adverse impacts have been reported from any value chain partners. Suppliers are expected to provide a safe and healthy working environment and, if applicable, safe and healthy company living quarters, and to operate in an environmentally responsible and efficient manner.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impact**

SFL encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees. We are currently in process of selecting the assessment criterion for value chain partners. However, 46% of suppliers were assessed for environmental impact as part of the supplier audits.

PRINCIPLE 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1. a) **Number of affiliations with trade and industry chambers/ associations.**

The Company is affiliated with 5 trade and industry chambers/ associations

b) **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Polyurethane Association	National
2	Industrial Associations located at respective units	State
3	Indian Sleep Product Federation	National
4	Associated Chambers of Commerce and Industry of India (ASSOCHEM)	International
5	Confederation of Indian Industry (CII)	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities**

Name of the authority	Brief of the case	Corrective action taken
NA	NA	NA

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity**

As the leading producer of foam and mattresses, our company remains committed to maintaining active involvement in various associations, such as the Indian Polyurethane Association, CII, ASSOCHAM, and others, to address policy matters concerning our industry.

In all advocacy efforts, we prioritize the principle of "Commitment to Society," emphasizing its utmost importance. Web link:

https://sheelafoam.com/pdf/investor/policy-of-sheela-foam-limited-towards-society.pdf

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if
1	NA	NA	NA	NA	NA

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Nil. Social Impact Assessment is conducted internally before planning and executing a project.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community**

We have a dedicated email ID for handling community grievances. The e-mail id is grievances@sleepwellfoundation.com and it is available on our website also.

4. **Percentage of input material (inputs to total inputs by value) sourced from local or small-scale suppliers:**

Parameter	FY2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs/ Small producers	34.53%	4.9%
Sourced directly from within India	55.64%	*79.9%

Note: The Data for FY 2022-23 is considered as per the previous year's KPI - Input material sourced from neighboring districts.

5. **Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost.**

Location	Current FY	Previous FY
Rural	-	-
Semi-urban	24%	28%
Urban	30%	33%
Metropolitan	46%	39%

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not Applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

CSR activities are not done in the aspirational districts identified by Government.

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

-

SFL does not differentiate / discriminate while selecting its vendors. The company procures its foaming inputs from reputed chemical industry players, while for other inputs such as fabrics, packaging, rebonded foam, etc. they have mostly MSME vendors.

They developed trusted relationship with local vendors and works with them to develop quality product that meets its as well as industry needs, thereby enabling local vendors to grow their business.

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

Not applicable.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Nil

6. Details of beneficiaries of CSR Projects.

S. No.	CSR Project	No of persons benefited from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Skill Development Centre in Khurja	1447	100%
2	Skill Development Workshops	2,630	100%
3	Emotional Wellness Workshops	11255	Mixed beneficiaries
4	Emotional Wellness Awareness Programme Through social media	12045533	Mixed beneficiaries

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in responsible manner

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Consumer Complaints are attended at centralized customer care center called 'Sleepwell Care' and are resolved expeditiously. Contact number and e-mail id are available on our website https://mysleepwell.com/sleepwell-at-home for consumers to register complaints or provide any review/feedback. Consumers can register a complaint through Sleepwell care or with the Dealer.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environment and Social parameters relevant to product	*Nil
Safe and responsible usage	However, The Company is in process to establish a tracking mechanism for the same
Recycling and/or safe disposal	

*Note: Mandatory information regarding use of product will be reflected on the product packaging for consumer reference.

3. Number of consumer complaints:

	FY2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Others	18073	1431	-	35264	640	-

4. Details of instances of product recalls on account of safety issues

	Number	Reason for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The company has framed its cyber security & data privacy policy under its IT policies which is applicable to all the Employees (Full Time, Part Time, Contractual, Consultants, Auditors, etc.) and stakeholders (in some cases Customers & Vendors) of SFL. It considers customer information safety as a critical aspect. This policy is available on the intranet portal.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Since there are no complaints, there was no need for any corrective action.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches -

Nil

b. Percentage of data breaches involving personally identifiable information of customers -

Not Applicable

c. Impact, if any, of the data breaches –

Not Applicable

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Corporate Website at https://www.sheelafoam.com/home-comfort-porducts.html and https://mysleepwell.com/

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Steps for responsible usage are available on the packaging of the products.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

In case of any disruption/discontinuation of essential services, BCP leader shall invoke the BCP process in consultation with the BCP Team Members. Thereafter, consumers are informed through website about disruption/ discontinuation if any.

For e.g., during the covid, due to disruption in production and transportation services, customers were informed via website and Sleepwell@Home Initiative was started.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)? If yes, provide details in brief. If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the Company ensures that all the information as required to be displayed on the product labels as per the applicable rules and regulations are properly displayed. Further, the product information can also be referred from our website. Additionally, surveys are carried out to study satisfaction level with reference to Products, Customer handling at Dealers end and by Customer Care Department

Financial Statements

Independent Auditor's Report

To the Members of Sheela Foam Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **Sheela Foam Limited** ("the Company"), which comprise, the Balance Sheet as at March 31, 2024, 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, profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Description of Key Audit Matters

Revenue recognition – Discounts and rebates

Refer note 2 and 32 to the standalone financial statements.

As disclosed in note 2 to the standalone financial statements, revenue is measured net of any trade discounts and volume rebates to customers (i.e. to the wholesale traders and retail traders).

As per the scheme, discounts and rebates are passed on to the customers only on secondary sales made by wholesale to retail. Further, certain discounts and rebates for goods sold during the year are finalised when the precise amounts are known and revenue thus includes an estimate of variable consideration, particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration, results in accrual of discounts and rebates due to customers as at year end. Significant judgement is required in estimating accruals relating to secondary schemes recognized, based on sales made during the year.

In view of above, accrual for discounts and rebates in relation to revenue recognition is identified as a key audit matter.

How the KAM was addressed in our audit:

- Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates as required under the applicable accounting standards.
- Understood and verified the design and implementation and tested operating effectiveness of key application controls over the Company's automated systems and manual controls over rebates agreements/ arrangements, rebate payments / settlements and Company's review over the rebate accruals.
- Verified on a test check basis, key customer contracts to identify the relevant terms and conditions related to discounts and rebates.
- Verified on test check basis, discounts and rebates transactions recorded during the year including period end discounts and rebates accruals and ensured the computation is in accordance with the policy and relevant source documents.
- Examined historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and compared the same with the accrual for the year ended March 31, 2024.

- Verified completeness and accuracy of the data used by the Company for accrual of discounts and rebates through test of controls.
- Verified on a test check basis, rebate accruals after the reporting date to validate whether the accrual is recorded in the correct period.
- Verified payments made/credit notes issued after reporting/ year end date and where relevant, comparing the payment to the related rebate accrual.
- Verified manual journal entries posted to revenue, on a test check basis, to identify unusual items and examining the underlying documentation.
- Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. but does not include the standalone financial statements and our auditor's report thereon. The Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc. is expected to be made available to us subsequent to this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Management report, Chairman's statement, Director's report, Business Responsibility and Sustainability Reporting etc., if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 "The Auditor's responsibilities Relating to Other Information".

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the 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.

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 except for the matters stated in the paragraph 2(g)(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) 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".

   (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 52 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. (1) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 62 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (2) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 62 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-

clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination, the Company has used an accounting software for maintaining its books of account for the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was enabled at the database level only with effect from January 01, 2024 in respect of the database "Oracle" to log any direct data changes. Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded during the year ended March 31, 2024 in the accounting software, except at the database level as stated above, in respect of which the audit trail facility has not been operated throughout the year for all relevant transactions recorded in this accounting software as it was enabled only with effect from January 01, 2024. Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with, post enablement of the audit trail facility.

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

Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFLQ8957

Place: Gurugram
Date: May 21, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2024 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFLQ8957

Place: Gurugram
Date: May 21, 2024

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM 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.

B. The Company has no intangible assets. Accordingly, the provisions stated under clause 3(i)(a)(B) of the Order are not applicable to the Company.

(b) Property, Plant and Equipment, have been physically verified by the management at reasonable intervals and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements, are held in the name of the Company.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) during the year. The Company does not have any intangible assets. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated 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 procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, monthly returns / statements filed with such banks are in agreement with the books of accounts of the Company.

iii. (a) According to the information explanation provided to us, the Company has made investment in, provided loans, or given guarantee, and/or provided security to other entities. The details of such investments, loans, guarantee or security to subsidiaries, joint venture and others are as follows:

(All amount in ₹ Crores)

Particulars	Guarantees	Security	Loans (excluding interest)	Investments
Aggregate amount granted/provided during the year				
- Subsidiaries	-	-	-	2001.17
- Joint venture	-	-	-	360.70
- Others	-	-	3.60	433.69
Balance Outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	174.78	-	72.17	2197.75
- Joint venture	-	-	-	360.70
- Others	-	-	2.07	510.00

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to 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.

(c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the repayment of the principal and payment of interest.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loans, granted to Company/ Firm/ LLP/ Other Parties.

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

(f) According to the information explanation provided to us, the Company has not granted any loans/advances in the nature of loans repayable on demand or without specifying any terms or period of repayment.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company.

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.

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 Act in respect of its products/ services. 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.

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, 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, 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:

(All amount in ₹ Crores)

Name of the statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Central Excise Tax Act, 1944	Excise Duty	0.03	0.01	2011-2012 & 2012-2013	The Customs Excise and Service Tax Appellate Tribunal Kolkata
Central Excise Tax Act, 1944	Excise Duty	2.41	0.12	Feb 2017 to June 2017	Customs Excise Service Tax Appellate Tribunal, Kolkata
Central Excise Tax Act, 1944	Excise Duty	0.45	0.02	2016-2017 & 2017-2018	Customs Excise Service Tax Appellate Tribunal, Kolkata
Income Tax Act,1961	Income Tax	4.80	4.80	2013-2014	Delhi High Court
Income Tax Act,1961	Income Tax	0.23	0.23	2017-18	Income Tax Appellate Tribunal, New Delhi
Income Tax Act,1961	Income Tax	0.37	0.37	2016-17	Income Tax Appellate Tribunal, New Delhi
The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983	Sales Tax	0.46	0.46	2003-2004 & 2004-2005	Supreme Court
The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983	Sales Tax	3.94	3.94	2005-06 to 2011-12	Additional Commissioner Commercial tax
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	0.29	-	2012-13 & 2013-14	Supreme Court

(All amount in ₹ Crores)

Name of the statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	1.07	-	2014-15 to 2017-18	Supreme Court
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	0.58	0.29	2001-2012	Allahabad High Court
Tamil Nadu Goods and Service Tax, 2017	Goods and Service Tax	2.90	-	2017-18 to 2022-23	State Tax Officer, Intelligence, Erode Division

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.

(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.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 22 to the standalone financial statements.

(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 or joint venture.

(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 or joint venture. 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 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.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of shares through Qualified institutional buyers and has also raised money by issuing the non-convertible bonds during the year and the requirements of Section 42 and Section 62 of the Act, have been complied with. The amount raised has been used for the purposes for which they were raised.

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.

(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.

(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 Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered 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 Act 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.

(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.

(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.

(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 no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 61 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility ("CSR") on other than ongoing projects requiring transfer to Fund specified in schedule VII of the Act in compliance with second proviso to sub-section (5) of Section 135 to the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) In respect of ongoing projects, the Company has transferred unspent CSR amount as at the end of the financial year, to a special account within a period of thirty days from the end of the financial year in compliance with provision of Section 135(6) of the Act. Refer Note 57 to the Standalone financial statements.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

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

Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFLQ8957

Place: Gurugram
Date: May 21, 2024

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sheela Foam Limited on the Financial Statements for the year ended March 31, 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 Sheela Foam 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").

Managements' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Nipun Gupta
Partner
Membership No. 502896
UDIN: 24502896BKGFLQ8957

Place: Gurugram
Date: May 21, 2024

Standalone Balance Sheet

as at March 31, 2024

(₹ in Crores)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	433.10	269.75
Right-of-use assets	4	67.81	37.67
Capital work-in-progress	3	80.22	103.40
Investment property	5	2.95	3.43
Investments in Subsidiaries and Joint venture	6	2,558.45	196.58
Financial assets			
(i) Other investments	7	510.00	56.41
(ii) Loans	8	72.44	71.80
(iii) Other financial assets	9	6.28	4.53
Non current tax assets (net)	10	39.14	11.74
Other non-current assets	11	6.94	35.42
Total non current assets		**3,777.33**	**790.73**
Current assets			
Inventories	12	149.59	206.58
Financial assets			
(i) Investments	13	-	706.58
(ii) Trade receivables	14	188.90	138.31
(iii) Cash and cash equivalents	15	12.61	12.71
(iv) Bank balances other than cash and cash equivalents	16	0.28	0.27
(v) Loans	17	0.80	0.61
(vi) Other financial assets	18	10.90	3.42
Other current assets	19	55.29	57.99
Total current assets		**418.37**	**1,126.47**
Total assets		**4,195.70**	**1,917.20**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	54.35	48.78
Other equity	21	2,619.94	1,313.33
Total equity		**2,674.29**	**1,362.11**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	22	787.39	98.75
(ii) Lease liabilities	23	36.24	15.66
(iii) Other financial liabilities	24	15.81	25.48
Provisions	25	10.43	9.10
Other non current liabilities	26	0.17	0.20
Deferred tax liabilities (net)	27	11.70	3.53
Total non current liabilities		**861.74**	**152.72**
Current liabilities			
Financial liabilities			
(i) Borrowings	28	169.04	32.92
(ii) Lease liabilities	23	7.59	1.27
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	29	21.15	7.20
- Total outstanding dues of creditors other than micro enterprises and small enterprises	29	139.94	180.90
(iv) Other financial liabilities	30	254.01	109.67
Provisions	25	11.17	11.35
Other current liabilities	31	56.77	59.06
Total current liabilities		**659.67**	**402.37**
Total liabilities		**1,521.41**	**555.09**
Total equity and liabilities		**4,195.70**	**1,917.20**

Material Accounting Policies 2
The accompanying notes are an integral part of these standalone financial statements.
As per our report of even date

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

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Executive Chairman
DIN:00192999

Tushaar Gautam
Managing Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Place: Gurugram
Date: May 21, 2024

Place: Noida
Date: May 21, 2024

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Crores)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	32	1,879.52	2,038.57
Other income	33	96.88	75.09
Total Income		**1,976.40**	**2,113.66**
Expenses			
Cost of materials consumed	34	1,016.35	1,154.48
Purchase of stock-in-trade	35	81.76	138.08
Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	25.38	(16.59)
Other manufacturing expenses	37	53.51	38.15
Employee benefits expense	38	165.85	151.10
Finance costs	39	43.75	8.13
Depreciation and amortisation expense	40	58.44	41.08
Other expenses	41	326.82	365.12
Total Expenses		**1,771.86**	**1,879.55**
Profit before tax and Exceptional Items		**204.54**	**234.11**
Exceptional items	66	(17.82)	-
Profit before tax		**222.36**	**234.11**
Income Tax expense	59		
Current tax		45.96	62.19
Tax expenses related to earlier years		-	1.74
Deferred tax (net)	27	8.17	(0.91)
Total Income tax expense		**54.13**	**63.02**
Profit for the year		**168.23**	**171.09**
Other Comprehensive Income/ (Loss) (net of tax)			
Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) of the net defined benefit plans		(0.45)	(1.80)
Income tax on above item	27	0.11	0.45
Items that will be reclassified to profit or loss			
Fair value gain / (loss) on investments and other financial instruments		0.45	(3.48)
Income tax on above item	27	(0.11)	0.88
Total Other Comprehensive Income/ (Loss) (net of tax)		**-**	**(3.95)**
Total Comprehensive Income for the year		**168.23**	**167.14**
Earnings per equity share (face value of ₹ 5/- each):	42		
Basic (₹)		16.29	17.54
Diluted (₹)		16.28	17.54

Material Accounting Policies 2
The accompanying notes are an integral part of these standalone financial statements.
As per our report of even date

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

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Executive Chairman
DIN:00192999

Tushaar Gautam
Managing Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Place: Gurugram
Date: May 21, 2024

Place: Noida
Date: May 21, 2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

A. EQUITY SHARE CAPITAL

Particulars	(₹ in Crores)
Balance as at April 01, 2022	**24.39**
Add: Bonus shares issued during the year	24.39
Balance as at March 31, 2023	**48.78**
Add: Equity shares issued during the year	5.57
Balance as at March 31, 2024	**54.35**

B. OTHER EQUITY

₹ in Crores

Particulars	Reserves and surplus					Items of Other Comprehensive Income		Total
	Retained earnings	Capital Reserve	Securities Premium	General reserve	Share based payment reserve	Debt Instruments through OCI	Cash flow Hedge reserve through OCI	
Balance as at April 01, 2022	**1,150.63**	**3.29**	**-**	**17.16**	**-**	**4.24**	**-**	**1,175.32**
Profit for the year	171.09	-	-	-	-	-	-	**171.09**
Remeasurements of the net defined benefit plans (net of tax)	(1.35)	-	-	-	-	-	-	**(1.35)**
Gain / (Loss) on Cash flow hedge reserve (net of tax)	-	-	-	-	-	-	(2.60)	**(2.60)**
Expenses towards increase in authorised capital	(0.50)	-	-	-	-	-	-	**(0.50)**
Realised gain from debt instruments transferred to profit and loss (net of tax)	-	-	-	-	-	(4.24)	-	**(4.24)**
Bonus shares issued during the year	(3.94)	(3.29)	-	(17.16)	-	-	-	**(24.39)**
Total comprehensive income for the year	**165.30**	**(3.29)**	**-**	**(17.16)**	**-**	**(4.24)**	**(2.60)**	**138.01**
Balance as at March 31, 2023	**1,315.93**	**-**	**-**	**-**	**-**	**-**	**(2.60)**	**1,313.33**

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

₹ in Crores

Particulars	Reserves and surplus					Items of Other Comprehensive Income		Total
	Retained earnings	Capital Reserve	Securities Premium	General reserve	Share based payment reserve	Debt Instruments through OCI	Cash flow Hedge reserve through OCI	
Profit for the year	168.23	-	-	-	-	-	-	**168.23**
Remeasurements of the net defined benefit plans (net of tax)	(0.34)	-	-	-	-	-	-	**(0.34)**
Gain / (Loss) on Cash flow hedge reserve (net of tax)	-	-	-	-	-	-	0.34	**0.34**
Securities premium on issue of paid up share capital	-	-	1,194.43	-	-	-	-	**1,194.43**
Equity Fund raising expenses	-	-	(58.47)	-	-	-	-	**(58.47)**
Employees share based payment expenses	-	-	-	-	2.42	-	-	**2.42**
Total comprehensive income for the year	**167.89**	**-**	**1,135.96**	**-**	**2.42**	**-**	**0.34**	**1,306.61**
Balance as at March 31, 2024	**1,483.82**	**-**	**1,135.96**	**-**	**2.42**	**-**	**(2.26)**	**2,619.94**

The accompanying notes are an integral part of these standalone financial statements.
As per our report of even date

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

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Executive Chairman
DIN:00192999

Tushaar Gautam
Managing Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Place: Gurugram
Date: May 21, 2024

Place: Noida
Date: May 21, 2024

Standalone Statement of Cash Flows

for the year ended March 31, 2024

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax and exceptional items	**204.54**	**234.11**
Adjustments for:		
Depreciation and amortisation expense	58.44	41.08
Finance costs	47.79	10.68
Gain on termination of Lease	(1.65)	(0.13)
Liabilities/provisions no longer required written back	(0.02)	(0.12)
Provision for doubtful receivables	1.09	1.87
Provision for warranty	9.01	11.76
Expenses on employees stock option schemes	2.42	-
Investment Subsidy income	(0.03)	(0.03)
Advances / balances written off	0.28	0.36
Fair value gain on investments (net)	(28.97)	(8.73)
Profit on sale of investments (net)	(39.78)	(18.64)
(Profit) / Loss on sale of property, plant and equipment (net)	0.27	(0.49)
Net loss on foreign currency forward contracts	0.44	13.22
Unrealised foreign exchange (gain) / loss (net)	(0.03)	4.05
Rental Income (Short term lease)	(2.09)	(2.39)
Interest income	(12.00)	(34.14)
Operating profit before working capital changes	**239.71**	**252.46**
Changes in working capital:		
Decrease / (Increase) in Inventories	46.64	2.37
(Increase) / Decrease in loans and trade receivables	(52.40)	5.39
Decrease / (Increase) in other financial and non-financial assets	(10.77)	(26.09)
(Decrease) / Increase in trade payables	(27.73)	(10.67)
(Decrease)/ Increase in other financial liabilities, non-financial liabilities and provisions	123.68	(8.28)
Cash generated from operations	**319.13**	**215.18**
Income tax paid (net of refunds)	(73.36)	(68.59)
Net cash flow from operating activities (A)	**245.77**	**146.59**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and change in capital work-in-progress	(207.15)	(110.54)
Proceeds from Sale of property, plant and equipment	44.84	1.76
Increase / (Decrease) in creditors for capital goods (net of capital advances)	29.03	(5.54)
Investment in shares of Subsidiary Companies	(2,001.17)	-
Investment made in Joint venture	(360.70)	-
Proceeds from debentures and mutual funds (net)	321.74	(127.05)
(Investment in) / Proceeds from Bank deposits	(0.01)	0.05
Rental income (short term lease)	2.09	2.39
Interest income received	10.88	52.34
Net cash (used in) investing activities (B)	**(2,160.45)**	**(186.59)**
C. Cash flow from financing activities		
Net Proceeds from issuance of equity share capital including securities premium (net of expenses)	1,141.53	-
Net Proceeds from Non-convertible debentures (including interest and net of expenses)	719.87	-
Proceeds from long term borrowings	-	50.78
Repayment of long term borrowings	(32.89)	-
Net proceeds from short term borrowings	106.22	-
Payment of lease liabilities (principal and interest)	(5.74)	(2.69)
Fees paid for increase in authorised share capital	-	(0.50)
Finance costs	(14.41)	(9.51)
Net cash flow from Financing Activities (C)	**1,914.58**	**38.08**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(0.10)**	**(1.92)**
Cash and cash equivalents at the beginning of the year	12.71	14.31
The scheme of amalgamation (refer note no. 62)	-	0.32
Revised balance after amalgamation	**12.71**	**14.63**
Cash and cash equivalents at the end of the year	**12.61**	**12.71**

Standalone Statement of Cash Flows

for the year ended March 31, 2024

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
2. Figures in bracket represent cash outflow.
3. Components of cash and cash equivalents:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	0.09	0.07
Deposits having original maturity of less than 3 months	0.01	0.01
Balance with banks in current accounts	12.51	12.63
Balance as per Statement of Cash Flows	**12.61**	**12.71**

4. Changes in liabilities arising from financing activities

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease liabilities		
Lease liabilities at the beginning of the year	16.93	20.17
Addition during the year	43.16	0.41
Accretion of interest	2.77	1.01
Payment of lease liabilities	(5.74)	(2.69)
Cancellation / adjustments	(13.29)	(1.97)
Lease liabilities as at year end	**43.83**	**16.93**

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Borrowings		
Borrowings at the beginning of the year	131.67	76.00
Interest charged on Non-convertible debentures	30.77	-
Proceeds from borrowings	826.09	50.78
Repayment of borrowings	(32.89)	-
Foreign exchange loss (net)	0.79	4.89
Borrowings as at year end	**956.43**	**131.67**

The accompanying notes are an integral part of these standalone financial statements.
As per our report of even date

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

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 21, 2024

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Executive Chairman
DIN:00192999

Tushaar Gautam
Managing Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Place: Noida
Date: May 21, 2024

Notes to Standalone Financial Statements

For the year ended March 31, 2024

1. COMPANY INFORMATION

Sheela Foam Limited ("the Company") is a ISO 9001:2000 public limited company incorporated in India, with its registered office in New Delhi. The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company is pioneered in the manufacturing of polyurethane foams in India and has ten manufacturing facilities, using the state of the art technology at strategic locations across the country.

The standalone financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorized for issue on May 21, 2024.

2. MATERIAL ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The standalone financial statements have been prepared on going concern basis. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The standalone financial statements have been prepared on accrual and historical cost basis, except for the following :

- certain financial assets and liabilities (including derivative instruments), measured at fair value (refer accounting policy regarding financial instruments).
- defined benefit plans - plan asset measured at fair value.
- share based payments.

b. Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees (` ₹'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest crores with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is

- expected to be settled in the normal rating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for atleast 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

d. Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the

Notes to Standalone Financial Statements

For the year ended March 31, 2024

standalone financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

Refer below for detailed discussion on estimates and judgments:

i. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rata basis on written down value basis over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.2 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

ii. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations. The mortality rate is based on publicly available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 44.

iii. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

iv. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. Impairment of Financial assets

The impairment provision of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi. Classification of joint venture

Through the shareholder agreement, the Company has right to appoint the majority of the board of directors and participate and control all significant financial and operating decisions. The Company has therefore determined that it has joint control over the "House of Kieraya Private

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Limited (Furlenco)", even though the company only holds 17.70% of the voting rights.

2.2 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till the date of commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under "Capital work-in-progress".

Freehold land is carried at historical cost and depreciation on property, plant & equipment other than freehold land is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by management, in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation on sale/deduction from property plant and equipment other than freehold land is provided up to the date preceding the date of sale, deduction as the case may be. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Building		
- Factory (including roads and lanes)	30	29
- Office	60	4-59
- Residential	60	59
Plant & Equipment	15	20
Furniture & Fixtures	10	15
Vehicles		
- Motor Cars	8	10
Office Equipment	5	20
Data Processing Equipment		
- Computer Equipment	3	6
Electrical Fittings	10	20

Based on usage pattern, technical evaluation and internal assessment, management believes the useful lives as given above best represent the period over which the management expects to use these assets. Hence, the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.3 Investment in Subsidiaries and Joint Venture

Investments in subsidiaries and joint venture entity are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries or joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.4 Financial Instruments

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

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets

Notes to Standalone Financial Statements

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carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

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

a. at amortized cost;

b. at fair value through other comprehensive income (FVTOCI); and

c. at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition. Company reclassifies assets when and only when its business model for managing those assets changes.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test:	The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- Cash Flow Characteristics Test:	The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents, investments in securities and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and

- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI)

Notes to Standalone Financial Statements

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except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss. This category comprises of investments in mutual funds and market linked debentures.

(c) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Company follows "simplified approach" for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits, employee loans, etc.
- Financial assets that are debt instruments and are measured at FVTOCI.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

a. The rights to receive cash flows from the asset have been expired/transferred; or

b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

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

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(iv) Derivative Financial Instruments :

Initial recognition and subsequent measurement

The Company uses derivative financial instruments to hedge its foreign currency risk and interest rate risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. Derivatives are carried as financial assets when the fair value

Notes to Standalone Financial Statements

For the year ended March 31, 2024

is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements : -

There is an economic relationship between the hedged items and the hedging instruments,

- the effect of credit risk does not dominate the value changes that result from that economic relationship,
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit or Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit or Loss upon the occurrence of the underlying transaction.

2.5 Inventories

Raw materials, packaging materials and stores and spares parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, first-in-first-out cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on weighted average and its cost comprises of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first-in-first-out.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item-by-item basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

2.6 Cash and Cash Equivalents

Cash and cash equivalents comprises of cash on hand, short term deposits with banks with original maturity of 3 months or less, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.7 Impairment of Non-Financial Assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

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For the year ended March 31, 2024

2.8 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.9 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

IND AS 115 five step model is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sales are recognized at the fair value of the consideration that can be reliably measured and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

The Company provides various volume based rebates to certain customers once the goods are purchased by them above a certain threshold as specified in the scheme letter. Rebates outstanding at the balance sheet date are adjusted against the amount receivable from the customer. To estimate and recognise the liability for the incentives the company uses the methods which best predicts the amount of incentives and is primarily driven by the number of volume thresholds mentioned in the contracts.

i) Sale of goods – distributors

The company operates via chain of distributors selling mattresses and home comfort products. Revenue from the such sales is recognised when control of the products being sold is transferred to distributor and when there are no longer any unfulfilled obligations. As per company's policy the performance obligations are fulfilled at the time of dispatch from the factory or warehouse.

Company's contract with trade customers do not have financing component or non-cash consideration and the Company does not have any unbilled revenue or deferred revenue.

It is the company's policy to sell its products to the end customer with a right of return within a stipulated time period. Therefore, a refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned, based on estimate. Historical data and past trends are used to estimate such returns. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The company's obligation to replace faulty products under the standard warranty terms is recognised as a provision (Refer Note 25).

ii) Sale of goods – B2B

The company manufactures and sells a range of industrial foam and cushioning foam to B2B segment.

Notes to Standalone Financial Statements

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Sales are recognised when control of the products has transferred, that is when the products are dispatched from the factory or the warehouse.

iii) Sale of services

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

2.10 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short-term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/ pay etc, are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Post-Employment Benefits

i. Defined contribution plan:

(A) Provident fund:

Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss..

(B) Employee's State Insurance Scheme:

Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plan

Gratuity:

The company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Other Comprehensive Income in the year in which they arise. Liability is funded through a separate Gratuity Trust. The short/ excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

c. Other Long-Term Benefits

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

d. Share based payments

Employee Options:

The fair value of options granted by the Company is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions if any;
- excluding the impact of any service and non-market performance vesting conditions if any;
- including the impact of any non-vesting conditions if any.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where shares are forfeited due to failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

2.11 Leases

As a Lessee

The Company's lease assets classes primarily consist of leases for Land & Buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense in the statement of profit and loss.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

Payments associated with short-term leases of warehouses are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Company has applied the practical expedient wherein it relied on its assessment of whether leases are onerous immediately before the date of initial application.

As a Lessor

Lease income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as lease income.

2.12 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax are included in the determination of the net profit or loss for the year.

a. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or

Notes to Standalone Financial Statements

For the year ended March 31, 2024

substantively enacted, at the reporting date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.13 Earnings per Share:

Basic earnings per share is calculated by dividing net profit/ loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.14 Contributed Equity:

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.15 Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.16 Standards (including amendments) issued but not yet effective.

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

2.17 Standards that became effective during the year

The Ministry of Corporate Affairs (MCA) has notified on 01 March 2023 Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments came into force with effect from 1 April 2023, i.e., Financial Year 2023-24. These amendments to Ind AS are made to align the recent amendments came in IFRS. The amendments were applicable for annual periods beginning on or after 1 April 2023.

(i) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendment requires entities to disclose their material rather than their significant accounting policies. These amendments define what is 'material accounting policy information and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting

These amendments had an impact on the disclosure of accounting policies, but not on the measurement, recognition or presentation of any items in financials statements of the Company.

(ii) Definition of accounting estimates - Amendment to Ind AS 8

The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events (as well as the current period).

These amendments had no impact on the year-end financial statements of the Company as there were no changes in accounting policy or estimate.

(iii) Deferred tax related to assets and liabilities arising from a single transaction- Amendment to Ind AS 12

The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate.

Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements.

These amendments had no impact on the year-end financial statements of the Company as the Company is recognizing equal amounts of taxable and deductible temporary differences, separately.

Notes to Standalone Financial Statements
For the year ended March 31, 2024

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Land - freehold	Buildings (Including Roads & Lanes)	Plant & Equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical fittings	Total property, plant and equipment	Capital work-in-progress
At cost or deemed cost									
As at April 1, 2022	**16.99**	**147.40**	**220.90**	**13.40**	**11.85**	**18.93**	**11.01**	**440.48**	**31.84**
Additions	0.29	18.73	10.76	0.97	4.99	3.15	0.09	**38.98**	80.11
Disposals/transfer	-	(0.09)	(1.67)	(0.17)	(0.81)	(0.88)	-	**(3.62)**	(8.55)
As at March 31, 2023	**17.28**	**166.04**	**229.99**	**14.20**	**16.03**	**21.20**	**11.10**	**475.84**	**103.40**
Additions	26.11	104.22	50.82	2.55	3.81	15.15	22.97	**225.63**	137.70
Disposals/transfer	(0.06)	(1.30)	(15.12)	(0.30)	(1.70)	(0.65)	(0.30)	**(19.43)**	(160.88)
As at March 31, 2024	**43.33**	**268.96**	**265.69**	**16.45**	**18.14**	**35.70**	**33.77**	**682.04**	**80.22**
Accumulated depreciation									
As at April 1, 2022	**-**	**53.04**	**89.56**	**6.38**	**6.15**	**9.85**	**5.02**	**170.00**	**-**
Charge for the year	-	12.43	18.69	1.48	2.05	2.95	0.84	**38.44**	-
Disposals/transfer	-	(0.03)	(1.05)	(0.08)	(0.45)	(0.74)	-	**(2.35)**	-
As at March 31, 2023	**-**	**65.44**	**107.20**	**7.78**	**7.75**	**12.06**	**5.86**	**206.09**	**-**
Charge for the year	-	24.18	19.08	1.36	2.66	3.44	1.48	**52.20**	-
Disposals/transfer	-	(0.55)	(7.05)	(0.13)	(0.98)	(0.48)	(0.16)	**(9.35)**	-
As at March 31, 2024	**-**	**89.07**	**119.23**	**9.01**	**9.43**	**15.02**	**7.18**	**248.94**	**-**
Net carrying amount									
As at March 31, 2023	**17.28**	**100.60**	**122.79**	**6.42**	**8.28**	**9.14**	**5.24**	**269.75**	**103.40**
As at March 31, 2024	**43.33**	**179.89**	**146.46**	**7.44**	**8.71**	**20.68**	**26.59**	**433.10**	**80.22**

Notes:

a. The property, plant and equipment costing upto ₹ 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value.

b. Property, plant and equipment and capital work-in-progress has been pledged as security amounted ₹ 324.00 Crores (March 31, 2023: ₹ 221.31 Crores) and for detailed disclosure of charge created on aforesaid assets, refer note no. 65.

c. Refer note no. 51 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.

d. Refer note no. 43 for disclosure of title deeds of immovable properties not held in the name of the Company.

Notes to Standalone Financial Statements
For the year ended March 31, 2024

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

(₹ in Crores)

Particulars	March 31, 2024					March 31, 2023				
	Amount in Capital Work-in-progress for a period of				Total	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	68.44	11.78	-	-	**80.22**	72.20	31.20	-	-	**103.40**

f. Schedule for Capital work-in-progress whose completion is overdue compared to its original plan : -

(₹ in Crores)

Projects in progress	March 31, 2024					March 31, 2023				
	Amount in Capital work-in-progress to be completed in				Total	Amount in Capital work-in-progress to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Jabalpur Plant	63.26	-	-	-	**63.26**	103.40	-	-	-	**103.40**

g. The company does not have any project temporary suspended.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 4 : RIGHT-OF-USE ASSETS

(₹ in Crores)

Particulars	Leasehold land	Buildings	Total
Cost			
As at April 1, 2022	**41.68**	**3.05**	**44.73**
Additions	-	0.41	0.41
Disposal/transfer	(0.06)	(2.95)	(3.01)
As at March 31, 2023	**41.62**	**0.51**	**42.13**
Additions	25.44	22.51	47.95
Disposal/transfer	(16.00)	-	(16.00)
As at March 31, 2024	**51.06**	**23.02**	**74.08**
Accumulated Depreciation			
As at April 1, 2022	**2.29**	**0.90**	**3.19**
Charge for the year	2.03	0.41	2.44
Disposal/transfer	-	(1.17)	(1.17)
As at March 31, 2023	**4.32**	**0.14**	**4.46**
Charge for the year	4.83	1.25	6.08
Disposal/transfer	(4.27)	-	(4.27)
As at March 31, 2024	**4.88**	**1.39**	**6.27**
As at March 31, 2023	**37.30**	**0.37**	**37.67**
As at March 31, 2024	**46.18**	**21.63**	**67.81**

(i) Refer note no. 46 for detailed disclosures as per ind AS 116 "Leases".

NOTE 5 : INVESTMENT PROPERTY

(₹ in Crores)

Particulars	Leasehold land	Freehold land	Buildings	Total
Cost				
As at April 1, 2022	**0.68**	**0.11**	**4.32**	**5.11**
Additions	-	-	-	-
Disposal/Transfer	-	-	-	-
As at March 31, 2023	**0.68**	**0.11**	**4.32**	**5.11**
Additions	-	-	-	-
Disposal/Transfer	-	(0.11)	(0.47)	(0.58)
As at March 31, 2024	**0.68**	**-**	**3.85**	**4.53**
Accumulated Depreciation				
As at April 1, 2022	**0.05**	**-**	**1.43**	**1.48**
Charge for the year	0.01	-	0.19	0.20
Disposal/transfer	-	-	-	-
As at March 31, 2023	**0.06**	**-**	**1.62**	**1.68**
Charge for the year	0.01	-	0.15	0.16
Disposal/transfer	-	-	(0.26)	(0.26)
As at March 31, 2024	**0.07**	**-**	**1.51**	**1.58**
As at March 31, 2023	**0.62**	**0.11**	**2.70**	**3.43**
As at March 31, 2024	**0.61**	**-**	**2.34**	**2.95**

Notes:

a. Property that is held for long- term rental yields or for capital appreciation or both and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the year in which they are incurred. Though the Company measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

b. Depreciation on investment property, is provided on a pro-rata basis on a written down value basis, over the useful life of the property estimated by management, in the manner prescribed in Schedule II of the Act. The property's residual value, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Act:

Asset	Useful life as per Schedule II of the Companies Act, 2013	Useful life as assessed / estimated by the Company
	No. of Years	No. of Years
Buildings:		
- Factory	30	29
- Office	60	59
- Residential	60	59

Based on usage pattern, technical evaluation and internal assessment, management believes the useful lives, as given above best represent the period over which the management expects to use the properties. Hence, the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

c. The leasehold land has been amortised during the year by ₹ 0.01 Crores (March 31, 2023 : ₹ 0.01 Crores) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.

d. Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss. Transfers are made to/from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred. On transition to Ind AS, since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 01, 2016.

e. Income from investment property:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rental Income derived from investment property	1.96	2.17
Profit arising from investment property before depreciation	1.96	2.17
(Less): Depreciation for the year	(0.16)	(0.20)
Net Profit arising from investment property	**1.80**	**1.97**

f. The Company has obtained independent valuation for its investment properties at ₹ 18.25 Crores as on March 31, 2024 and ₹ 28.85 Crores as on March 31, 2023 (includes one investment property located at Silvassa, which was sold during the year). These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.

g. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restrictions on remittance of income and proceeds of disposal.

h. The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.

i. The Company's Investment Properties are given on cancellable lease for a period 1-10 years.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 6 : INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURE

Particulars	As at March 31, 2024		As at March 31, 2023	
	No.	₹ in Crores	No.	₹ in Crores
Investment in equity shares (Unquoted, at cost) (fully paid up)				
Subsidiaries				
Joyce Foam PTY. Limited - Face value per share of AUD 10/- each	6,58,500	23.07	6,58,500	23.07
Staqo Software Private Limited (formerly known as Divya Software Solutions Private Limited - Face value per share of ₹ 10/- each	94,633	76.02	94,633	76.02
Sleepwell Enterprises Private Limited- Face value per share of ₹ 10/- each	10,500	1.09	10,500	1.09
International Foam Technologies SL, Spain - Face value per share of Euro 1/-each	1,20,03,000	96.39	1,20,03,000	96.39
Staqo World Private Limited - Face value per share of ₹ 10/- each	10,000	0.01	10,000	0.01
Sheela Foam Trading LLC - Face value per share of AED 1000/- each	500	1.14	-	-
Kurlon Enterprise Limited - Face value per share of ₹ 10/- each	3,56,13,520	2,000.03	-	-
	4,83,90,653	**2,197.75**	**1,27,76,633**	**196.58**
Joint Venture				
House Of Kieraya Private Limited -				
Investment in Compulsory Convertible Preference Shares - Face value per share of ₹ 10/- each	1,80,52,759	248.79	-	-
Investment in Equity shares - Face value per share of ₹ 1/- each	18,57,500	25.60	-	-
Investment in Share warrants - Face value per share of ₹ 52.35/- (approx.) each	56,00,995	86.31	-	-
	2,55,11,254	**360.70**	-	-
Aggregate amount of Unquoted Investments		**2,558.45**		**196.58**
Aggregate amount of impairment in value of investments		-		-

During the year, the Company has acquired 94.67 % equity shares of Kurlon Enterprise Limited (refer note no. 63) and the Company has acquired 17.70 % equity stake of House of Kieraya Private Limited (refer note no. 64).

NOTE 6.1 : INFORMATION ABOUT SUBSIDIARIES

(%) of Shareholding

Name of the Company and Country of Incorporation	Principal Activities	As at March 31, 2024	As at March 31, 2023
Joyce Foam PTY. Limited, Australia	Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers)	100	100
Staqo Software Private Limited (formerly known as Divya Software Solutions Private Limited), India	Software development and related ancillary activities	100	100
Sleepwell Enterprises Private Limited, India	Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon	100	100
International Foam Technologies SL, Spain	To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam	100	100
Staqo World Private Limited, India	Information technology and related ancillary activities	100	100

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(%) of Shareholding

Name of the Company and Country of Incorporation	Principal Activities	As at March 31, 2024	As at March 31, 2023
Kurlon Enterprise Limited, India	Engaged in the business of manufacturing/trading in rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.	97.43	-
Sheela Foam Trading LLC, Dubai	Home Furniture and Mattresses trading	100	100

NOTE 6.2 : INFORMATION ABOUT JOINT VENTURE

(%) of Shareholding

Name of the Company and Country of Incorporation	Principal Activities	As at March 31, 2024	As at March 31, 2023
House Of Kieraya Private Limited, India	The Company is engaged in the business of providing furnishings solutions by purchasing and letting on rent furniture and fixtures, domestic equipment's, home appliances, and other electronic equipment's and sale of refurbished and new furniture and fixtures and other electronic equipments.	17.70	-

The country of incorporation or registration for above subsidiaries and joint venture is also their principal place of business.

NOTE 7 : OTHER INVESTMENTS (NON CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
In Debentures - fully paid up		
Carried at fair value through Profit & Loss - Unquoted	510.00	56.41
Total Investments	**510.00**	**56.41**
Aggregate amount of Unquoted investment	**510.00**	**56.41**
Aggregate amount of impairment in value of investments	**-**	**-**

NOTE 8 : LOANS (NON CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
At amortised cost		
Loans to employees	0.27	0.11
Loan to Subsidiary Company (refer note no. 45 & 68)	72.17	71.69
Total	**72.44**	**71.80**

NOTE 9 : OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	6.27	4.52
Deposits with banks:		
- held as margin money	0.01	0.01
Total	**6.28**	**4.53**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 10 : NON CURRENT TAX ASSETS (NET)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provision of ₹ 167.41 Crores (March 31, 2023: ₹ 123.11 Crores))	39.14	11.74
Total	**39.14**	**11.74**

NOTE 11 : OTHER NON CURRENT ASSETS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Capital advances*	5.56	33.57
Prepaid rent	0.38	0.38
Loan & advances	1.00	1.47
Total	**6.94**	**35.42**

*For value of Contracts in capital account remaining to be executed (refer note no. 51).

NOTE 12 : INVENTORIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials	58.27	83.42
Raw materials (In transit)	9.38	17.24
Work-in-progress	45.10	50.78
Finished goods	13.91	11.57
Stock-in-trade	2.92	25.90
Packing materials	6.66	5.93
Packing materials (In transit)	0.45	0.41
Stores and spares	12.42	11.09
Stores & spares (In transit)	0.48	0.24
Total	**149.59**	**206.58**

Notes:

(i) Value of inventories above is net of provision for slow moving/ obsolete inventories amounting to ₹ 0.11 Crores (March 31, 2023: ₹ 0.24 Crores) for write down to net realisable value and provision for slow-moving and obsolete items.

(ii) Inventories held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company (refer note no. 65).

NOTE 13 : INVESTMENTS (CURRENT)

(₹ in Crores)

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	-	706.58
Total Investments	**-**	**706.58**
Aggregate amount of Quoted Investments	**-**	**706.58**
Aggregate market value of Quoted Investments	**-**	**706.58**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 14 : TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(At amortised cost)		
Unsecured		
Trade receivables - considered good (refer note below)	188.90	138.31
Trade receivables - considered doubWtful	3.55	2.46
Trade receivables (gross)	**192.45**	**140.77**
(Less): Impairment allowance for trade receivables considered doubtful	(3.55)	(2.46)
Total	**188.90**	**138.31**
Further Classified as		
Receivable from related parties (refer note no. 45)	9.32	2.17
Receivable from others	179.58	136.14
	188.90	**138.31**

Notes :

a. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

b. Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.

c. For trade receivables, the Company has applied the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.

d. **Movement in the expected credit loss allowance**

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	2.46	0.59
Charge / (reversal) in allowance during the year (net)	1.09	1.87
Balance at the end of the year	**3.55**	**2.46**

e. The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the company has retained late payment and credit risk. The company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The company considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

(₹in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total transferred receivables	26.32	-
Associated secured borrowings (refer note no. 28)	26.32	-

Presenting Cash flows

Management considers that in substance the factor collects the amounts receivable on the entity's behalf and retains the cash in settlement of the separate financing transaction. The company therefore presents the cash inflows received from the bank as financing cash inflows and the subsequent payments by the debtor as both operating cash inflows and financing cash outflows.

f. Refer note no. 49 for information about credit and market risk of trade receivables.

g. Realization from trade receivables held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company.

Notes to Standalone Financial Statements
For the year ended March 31, 2024

h. Below is the ageing analysis of trade receivables :

As on March 31, 2024

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) Undisputed trade receivables							
- considered good	94.18	77.27	8.17	6.58	0.31	2.39	**188.90**
- which have significant increase in credit risk	-	-	-	-	-	-	**-**
- credit impaired	-	-	-	-	-	-	**-**
(ii) Disputed trade receivables							
- considered good	-	-	-	-	-	-	**-**
- which have significant increase in credit risk	-	0.36	0.22	0.61	1.76	0.60	**3.55**
- credit impaired	-	-	-	-	-	-	**-**
(iii) Impairment allowance for trade receivables considered doubtful (Disputed and Non Disputed)	-	(0.36)	(0.22)	(0.61)	(1.76)	(0.60)	**(3.55)**
Total	**94.18**	**77.27**	**8.17**	**6.58**	**0.31**	**2.39**	**188.90**

As on March 31, 2023

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) Undisputed trade receivables							
- considered good	98.20	38.35	0.94	0.55	0.06	0.21	**138.31**
- which have significant increase in credit risk	-	-	-	-	-	-	**-**
- credit impaired	-	-	-	-	-	-	**-**
(ii) Disputed trade receivables							
- considered good	-	-	-	-	-	-	**-**
- which have significant increase in credit risk	-	0.45	0.40	1.44	-	0.17	**2.46**
- credit impaired	-	-	-	-	-	-	**-**
(iii) Impairment allowance for trade receivables considered doubtful (Disputed and Non Disputed)	-	(0.45)	(0.40)	(1.44)	-	(0.17)	**(2.46)**
Total	**98.20**	**38.35**	**0.94**	**0.55**	**0.06**	**0.21**	**138.31**

NOTE 15 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks :		
Current accounts	12.51	12.63
Fixed deposits account with an original maturity of less than three months	0.01	0.01
Cash on hand	0.09	0.07
Total	**12.61**	**12.71**

Notes to Standalone Financial Statements
For the year ended March 31, 2024

Notes:

a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.

b) Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

NOTE 16 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits having original maturity more than 3 months but less than 12 months	0.28	0.27
Total	**0.28**	**0.27**

Note:

Other bank balances represent fixed deposits with banks.

NOTE 17 : LOANS (CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
At amortised cost		
Loans to employees	0.80	0.61
Total	**0.80**	**0.61**

Note:

In the above no loans or advances are granted to promoters, directors, KMPs and related parties.

NOTE 18 : OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Interest accrued but not due on deposits with Banks and debentures	0.06	0.06
Interest accrued on loan given to subsidiary companies*	3.52	2.40
Other Receivables*	6.85	0.69
Other loans & advances	0.47	0.27
Total	**10.90**	**3.42**

Note:

*For transaction with related parties, refer note no. 45.

NOTE 19 : OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to contractors/suppliers	5.59	14.72
Balances with Statutory/Government authorities:		
- Excise & Custom	1.19	3.75
- GST	33.42	27.87
- VAT/Sales Tax	4.84	4.86

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses (refer note (a))	7.31	4.65
Lease equalisation	0.54	0.68
Right to recover return goods (refer note (b))	2.40	1.46
Total	**55.29**	**57.99**

Notes:

a. Prepaid expenses includes amount of ₹ Nil (March 31, 2023: ₹ 0.47 Crores) towards amount available for set off in pursuant of sub-rule(3) of rule 7 of the Companies (Corporate social responsibility policy) rules, 2014 (refer note no. 57).

b. In certain cases, the Company provides its customers right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises Liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).

NOTE 20 : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Authorised share capital:		
26,00,00,000 fully paid equity shares of ₹ 5/- each	130.00	130.00
(March 31, 2023 : 26,00,00,000 fully paid equity shares of ₹ 5/- each)		
	130.00	**130.00**
Issued, subscribed & paid up share capital:		
10,86,97,341 fully paid equity shares of ₹ 5/- each	54.35	48.78
(March 31, 2023 : 9,75,65,616 equity shares of ₹ 5/- each)		
Total	**54.35**	**48.78**

(b) 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	₹ in Crores	Number of shares	₹ in Crores
At the beginning of the year	9,75,65,616	48.78	4,87,82,808	24.39
Bonus shares issued during the year (refer note no. 20(e))	-	-	4,87,82,808	24.39
Fully paid up equity shares issued during the year*	1,11,31,725	5.57	-	-
Outstanding at the end of the year	**10,86,97,341**	**54.35**	**9,75,65,616**	**48.78**

*During the year, the Company has raised money by the way of Qualified Institutions Placement ('QIP') and allotted 1,11,31,725 equity shares of face value ₹ 5/- each to the eligible qualified institutional buyers (QIB) at a price of ₹ 1,078/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 1,200.00 Crores on September 26, 2023. The issue was made in accordance SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Expenses incurred in relation to QIP includes ₹ 58.47 Crores which has been adjusted from Securities Premium Account (refer note no. 21).

Notes to Standalone Financial Statements

For the year ended March 31, 2024

c) Terms and rights attached to equity shares

The Company has one class of equity shares having a par value of ₹5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Sh. Rahul Gautam	1,24,18,970	11.43%	1,24,18,970	12.73%
Smt. Namita Gautam	1,14,31,758	10.52%	1,14,31,758	11.72%
Sh. Tushaar Gautam	3,41,72,628	31.44%	3,41,72,628	35.03%
Rangoli Resorts Private Limited	1,31,50,818	12.10%	1,31,50,818	13.47%
SBI Magnum Midcap Fund	1,06,25,381	9.78%	84,70,282	8.68%
Kotak Emerging Equity Scheme	58,02,172	5.34%	63,00,647	6.46%

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

During the year ended March 31, 2024, no shares were allotted as fully paid up by way of bonus shares. While during the year ended March 31, 2023, 4,87,82,808 fully paid up equity shares of ₹5/- each were allotted by way of bonus shares to all the shareholders in the ratio of 1:1.

(f) Shareholding of promoters & promoter group

Shares held by promoters at the end of the year / Promoter Name	As at March 31, 2024			As at March 31, 2023		
	Number of shares	% of holding	% change during the year	Number of shares	% of holding	% change during the year
Sh. Rahul Gautam	1,24,18,970	11.43%	-1.30%	1,24,18,970	12.73%	-
Smt. Namita Gautam	1,14,31,758	10.52%	-1.20%	1,14,31,758	11.72%	-
Sh. Tushaar Gautam	3,41,72,628	31.44%	-3.59%	3,41,72,628	35.03%	-
Rangoli Resorts Private Limited	1,31,50,818	12.10%	-1.37%	1,31,50,818	13.47%	-
Total		**65.49%**			**72.95%**	

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end. However, certain bonus shares has been issued during the previous year, refer (e) above.

NOTE 21 : OTHER EQUITY

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve (refer note (a) below)	-	-
General reserve (refer note (b) below)	-	-
Securities Premium (refer note (c) below)	1,135.96	-
Retained earnings (refer note (d) below)	1,483.82	1,315.93
Other comprehensive income (refer note (e) below)	-	-
Share based payment reserve (refer note (f) below)	2.42	-
Cash flow hedge reserve (refer note (g) below)	(2.26)	(2.60)
Total	**2,619.94**	**1,313.33**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Reserve		
Opening balance	-	3.29
Bonus shares issued during the year	-	(3.29)
Closing balance	**-**	**-**
General reserve		
Opening balance	-	17.16
Bonus shares issued during the year	-	(17.16)
Closing balance	**-**	**-**
Securities Premium		
Opening balance	-	-
Equity shares issued during the year	1,194.43	-
Equity Fund raising expenses	(58.47)	-
Closing balance	**1,135.96**	**-**
Retained earnings		
Opening balance	1,315.93	1,150.63
Net profit for the year	168.23	171.09
Bonus shares issued during the year	-	(3.94)
Expenses towards Increase in authorised capital	-	(0.50)
Remeasurements of the net defined benefit plans (net of tax)	(0.34)	(1.35)
Closing balance	**1,483.82**	**1,315.93**
Other Comprehensive Income		
Opening balance	-	4.24
Realised gain from debt instruments transferred to profit and loss (net of tax)	-	(4.24)
Closing balance	**-**	**-**
Share based payment reserve		
Opening balance	-	-
Employees share based payment expenses	2.42	-
Closing balance	**2.42**	**-**
Cash flow hedge reserve		
Opening balance	(2.60)	-
Gain / (Loss) on Cash flow hedge reserve (net of tax)	0.34	(2.60)
Closing balance	**(2.26)**	**(2.60)**

Notes:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve. During the previous year, Company had issued bonus shares in the ratio of 1:1 out of capital reserve of ₹ 3.29 Crores.

(b) General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. During the previous year, Company had issued bonus shares in the ratio of 1:1 out of general reserve of ₹ 17.16 Crores.

(c) Securities Premium

The amount received in excess of face value of equity shares is recognised in Securities premium.

(d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

Remeasurement of net defined benefit plans: Differences between the interest income on plan assets and the return actually achieved and any changes in liabilities over the year due to changes in actuarial assumption on experience adjustment with in the plan, are recognised in other comprehensive income and are adjusted to retained earning.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(e) Other Comprehensive Income

The fair value change of debt instruments measured at fair value through other comprehensive income is recognised in Other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the standalone statement of profit and loss.

(f) Share based payment reserve

The fair value of the equity-settled share based payment transaction is recognised in standalone statement of profit and loss with corresponding credit to Share based payment reserve.

(g) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

NOTE 22 : BORROWINGS (NON-CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Term Loans from Banks (refer note (A) below)		
- ₹ Bank Loan	27.15	40.73
- $ Bank Loan	39.23	58.02
Unsecured		
Non-convertible Debentures (refer note (B) below)	721.01	-
Total	**787.39**	**98.75**
Reconciliation of carrying value of Unsecured Non-Current Borrowings:		
Gross carrying value of Unsecured Borrowings	725.00	-
(Less): Unamortised cost netted off in Borrowings	(3.99)	-
Total	**721.01**	**-**

Notes:

A. Term Loans from Banks

a. ₹ & $ Term loans have been taken from JPMorgan Chase Bank, N.A., India & Kotak Mahindra Bank respectively during the year ended 31st March, 2022 for purchase of capital equipment's for its Nandigram manufacturing unit and towards construction of Mandla (Jabalpur) manufacturing facility.

b. ₹ Term Loan carries interest to be charged on loan linked to 1.37% over 3M T- Bill. Rates as applicable on the date of agreement shall be revised at interval of every 3 months. The loan is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.

c. $ Term Loan carries interest of 2.25% p.a. and is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.

d. $ & ₹ Term loans has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets) (refer note no. 65).

Notes to Standalone Financial Statements

For the year ended March 31, 2024

e. Purpose of loan and its utilization

Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement	If no, mention the purpose for which it is utilised
JP Morgan Chase Bank (₹ Loan)	The facility shall be used by the borrower towards Capex at their new plants in Nandigram and Jabalpur.	Yes	Not applicable
Kotak Mahindra Bank ($ Loan)	For capex at Maneri, Medhi Niwas, Jabalpur, Madhya Pradesh and Nandigram, Umbergaon, Valsad, Gujrat.	Yes	Not applicable

f. Repayment schedule for secured loan outstanding:-

Particulars	As at March 31, 2024		As at March 31, 2023	
	JP Morgan	Kotak Mahindra	JP Morgan	Kotak Mahindra
Currency of Loan	₹	$	₹	$
Number of installments	12	12	16	16
Rate of Interest (%)	1.37% over 3M T- Bill rates	2.25%	1.37% over 3M T- Bill rates	2.25%
Borrowings (Current) :-				
Due within one year (refer note no. 28) (₹ in Crores)	13.58	19.61	13.58	19.34
Borrowings (Non Current):-				
Due after one year but not more than 5 years (₹ in Crores)	27.15	39.23	40.73	58.02
Due more than 5 years (₹ in Crores)	-	-	-	-
	40.73	**58.84**	**54.31**	**77.36**

B. Non-Convertible Debentures

a. Rated, Listed, Unsecured, 8.45% Coupon, Non-Convertible Debentures amounting to ₹ 29.63 Crores (March 31, 2023: NIL) included within Current maturities of Non-Convertible Debentures in note no. 28 and ₹ 721.01 Crores (March 31, 2023: NIL) included within Non-Convertible Debentures in note no. 22. It bears Interest rate of 8.45% and maturity ranges from April 2025 to October 2026.

b. Terms of Debentures

Particulars of Debentures	STRPP - I	STRPP - II	STRPP - III	STRPP - IV
Face value per debenture (₹)	1,00,000	1,00,000	1,00,000	1,00,000
Date of allotment	October 06, 2023	October 06, 2023	October 06, 2023	October 06, 2023
As at 31st March, 2024 (₹ in Crores)	187.78	187.67	187.61	187.58
As at 31st March, 2023 (₹ in Crores)	NIL	NIL	NIL	NIL
Interest	8.45% p.a payable annually	8.45% p.a payable annually	8.45% p.a payable annually	8.45% p.a payable annually
Terms of Repayment	Due for Redemption on April 04, 2025	Due for Redemption on October 06, 2025	Due for Redemption on April 04, 2026	Due for Redemption on October 06, 2026

c. Funds raised from Non-Convertible Debentures were utilised for the purpose it were obtained.

d. The Company agrees, confirms and undertakes to comply with and maintain the following Financial covenants at a group level, at all times till the final settlement date:-
i. Interest service coverage ratio not less than 2.5 times
ii. Total Net debt / EBITDA less than 3.5 times
iii. Total Debt / Tangible net worth less than 2 times

As at the end of the reporting year, the above financial covenants has been complied with.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 23 : LEASE LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities (refer note no. 46A)	43.83	16.93
Total	**43.83**	**16.93**
Current	7.59	1.27
Non current	36.24	15.66

NOTE 24 : OTHER FINANCIAL LIABILITIES (NON CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits from dealers and others	15.68	25.28
Unearned Rent Income	0.13	0.20
Total	**15.81**	**25.48**

NOTE 25 : PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Long-term provisions:		
Provision for employee benefits:		
- Compensated absences	5.68	4.27
Other provisions:		
- Provision for warranty (refer note below)	4.75	4.83
Total	**10.43**	**9.10**
Short-term provisions:		
Provision for employee benefits:		
- Compensated absences	0.62	0.10
- Gratuity	3.99	4.85
Other provisions:		
- Provision for warranty (refer note below)	6.56	6.40
Total	**11.17**	**11.35**

Note:

Provision for warranty:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns and in accordance with the Ind AS - 37 `Provisions, Contingent Liabilities and Contingent Assets'. Assumptions used for the said provision are sales return trend based on past warranty sales. The table below gives information about movement in warranty provision:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	11.23	6.79
Add : Created during the year	9.01	11.76
(Less) : Utilised during the year	(8.93)	(7.32)
At the end of the year	**11.31**	**11.23**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 26 : OTHER NON CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred capital grant	0.17	0.20
Total	**0.17**	**0.20**

The table below gives information about movement in deferred capital grant:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	0.23	0.26
(Less) : Realised to statement of profit and loss	(0.03)	(0.03)
At the end of the year	**0.20**	**0.23**
Non Current	0.17	0.20
Current	0.03	0.03

NOTE 27 : DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities (net)	11.70	3.53
Total	**11.70**	**3.53**

Movement of deferred tax (assets)/liabilities

(₹ in Crores)

Particulars	Opening balance	Recognised in the statement of profit or loss	Recognised in the other comprehensive income	Closing balance
As at March 31, 2024				
Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting purposes	6.03	2.35	-	8.38
Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis	(1.10)	(0.49)	-	(1.59)
Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net)	2.21	7.28	-	9.49
Remeasurements gain / (loss) of the net defined benefit plans	(0.53)	0.42	0.11	-
MTM loss on forward currency swap contract	(4.20)	0.87	(0.11)	(3.44)
Impact of Lease assets	1.71	(1.96)	-	(0.25)
Others	(0.59)	(0.30)	-	(0.89)
Total	**3.53**	**8.17**	**-**	**11.70**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(₹ in Crores)

Particulars	Opening balance	Recognised in the statement of profit or loss	Recognised in the other comprehensive income	Closing balance
As at March 31, 2023				
Impact of difference between tax depreciation and depreciation / amortization charged for financial reporting purposes	4.14	1.89	-	6.03
Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis	(0.95)	(0.15)	-	(1.10)
Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net)	0.62	1.59	-	2.21
Remeasurements gain / (loss) of the net defined benefit plans	-	(0.08)	(0.45)	(0.53)
MTM loss on forward currency swap contract	-	(3.32)	(0.88)	(4.20)
Impact of Lease assets	3.88	(2.17)	-	1.71
Others	(1.92)	1.33	-	(0.59)
Total	**5.77**	**(0.91)**	**(1.33)**	**3.53**

NOTE 28 : BORROWINGS (CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Term Loans from Banks		
- ₹ Bank Loan	13.58	13.58
- $ Bank Loan	19.61	19.34
Working Capital Loan	79.90	-
Factored Receivables	26.32	-
Unsecured		
Current Maturities of Non-Convertible Debentures (Including Interest)	29.63	-
Total	**169.04**	**32.92**

Notes:

a. Working capital facility has been taken to meet day to day funds requirement with interest rate for this facilities ranging from 7.32% to 7.45% (March 31, 2023 : Nil) (refer note no. 67)

b. Refer note no. 22 for the purpose, interest rate and repayment term for Term Loans from Banks.

c. Factored receivables are secured by first charge on trade receivables subject to factoring arrangements.

NOTE 29 : TRADE PAYABLES

(₹ in Crores)

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 (refer note no. 56)	21.15	7.20
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	139.94	180.90
Total	**161.09**	**188.10**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Notes:

a. Trade payables due to related parties are disclosed in note no. 45.

b. Trade payables for micro and small enterprises are non interest bearing and are normally settled on 7 days to 30 days credit terms.

c. Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.

d. **Ageing Analysis for Trade payables**

As on March 31, 2024

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Payables not due	Less than 1 Year	1-2 years	2-3 years	more than 3 years	
(i) MSME	-	21.15	-	-	-	-	21.15
(ii) Others	6.49	128.43	4.83	0.07	0.08	0.04	139.94
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**6.49**	**149.58**	**4.83**	**0.07**	**0.08**	**0.04**	**161.09**

As on March 31, 2023

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Payables not due	Less than 1 Year	1-2 years	2-3 years	more than 3 years	
(i) MSME	-	7.20	-	-	-	-	7.20
(ii) Others	4.56	175.15	1.00	0.19	-	-	180.90
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**4.56**	**182.35**	**1.00**	**0.19**	**-**	**-**	**188.10**

NOTE 30 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors for capital goods	6.90	5.88
Deposits from dealers and others	70.98	62.84
Liability towards exercise of shares warrants	55.85	-
Employee Liabilities	26.02	18.04
Other financial liabilities	71.94	-
Liability against foreign currency swap contracts	22.25	22.68
Interest accrued but not due on borrowings	-	0.16
Unearned rent Income	0.07	0.07
Total	**254.01**	**109.67**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 31 : OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Refund liabilities	3.88	2.36
Deferred capital grant (refer note (a))	0.03	0.03
Contract liabilities (refer note (b))	38.90	37.72
Statutory dues (Including provident fund, tax deducted at source, Goods and Service Tax and others)	11.05	16.46
Other Liabilities (refer note (c))	2.91	2.49
Total	**56.77**	**59.06**

Notes:

a) Refer note no. 26 for the movement in deferred capital grant.

b) Consists of advances received from customers towards supply of products.

c) Consists of liability pertaining to Corporate social responsibility of ₹ 0.29 Crores (March 31, 2023: ₹ Nil) (refer note no. 57).

NOTE 32 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products (refer note below)	1,870.49	2,027.29
Sale of services	6.56	6.32
	1,877.05	**2,033.61**
Other operating revenue		
- Income from sale of processed scrap	2.39	4.82
- Other Operating Revenue	0.08	0.14
Total	**1,879.52**	**2,038.57**

Note:

Includes sale of finished goods and semi-finished goods and services to related parties (refer note no. 45).

Note 32.1 : DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Geographical Revenue		
Type of goods		
Revenue from external customers	1,870.49	2,027.29
Total revenue from contracts with customers		
India	1,851.56	1,988.52
Outside India	18.93	38.77
	1,870.49	**2,027.29**
Type of services (IT Support Services)		
Revenue from external customers	6.56	6.32
Total revenue from contracts with customers		
India	2.34	2.06
Outside India	4.22	4.26
	6.56	**6.32**
Total revenue from contracts with customers	**1,877.05**	**2,033.61**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Note 32.2 : CONTRACT BALANCES

The following table provides information about receivables and contract liabilities from contract with customers.

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Contract Liabilities		
Advance from customers (refer note no. 31)	38.90	37.72
Receivables		
Trade Receivables (refer note no. 14)	188.90	138.31

Receivables is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Company's obligation to transfer goods or services to a customer for which the Company has received consideration from the customer in advance.

Note 32.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price (goods and services)	2,089.57	2,232.01
Less: Adjustments:		
Sales return	(16.58)	(11.40)
Rebate and discount	(195.94)	(187.00)
Revenue from contracts with customers	**1,877.05**	**2,033.61**

Note 32.4 : PERFORMANCE OBLIGATIONS

The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer.

The performance obligation for sale of services is satisfied over the period of time as per contract with customers.

NOTE 33 : OTHER INCOME

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income from:		
Financial assets at amortised cost		
Bank deposits	0.03	0.14
Loan given to subsidiary companies (refer note no. 45)	3.51	1.44
Inter-corporate-deposit	-	0.28
Others	2.97	1.95
Financial assets at fair value		
Currency swap forward contract	4.94	3.35
Bonds (refer note (a) below)	-	26.47
Unwinding of discount of deposits and lease receivable	0.55	0.51
On income tax refund	0.01	1.73
Other non operating income		
Gain on Termination of Lease	1.65	-
Guarantee commission (refer note (b) below & note no. 45)	1.34	1.22
Rental income (refer note (c) below)	2.09	2.39
Gain on sale/disposal of fixed assets	-	0.49
Liabilities/provisions no longer required written back	0.02	0.12
Income from sale of Mutual fund & MLD - designated at fair value through profit and loss (refer note (d) below)	39.78	8.89
Income from sale of bond - designated at fair value through other comprehensive income (refer note (d) below)	-	9.75
Fair valuation adjustments of Investments through profit and loss (refer note (e) below)	28.97	8.73
Subsidy income (refer note (f) below)	0.03	0.03
Sale of non-processed scrap	6.04	6.76
Net gain on foreign currency transactions and translations (refer note (g) below)	3.74	-
Other miscellaneous income	1.21	0.84
Total	**96.88**	**75.09**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Notes:

a) Interest income from Bonds

Interest income from bonds at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

b) Guarantee Commission

The Company earns guarantee commission on the guarantee given to Bank for the credit facility availed by its foreign subsidiaries.

c) Rental income

Rental income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. It Includes rental income of ₹ 1.96 Crores (March 31,2023: ₹ 2.17 Crores) from Investment property (refer note no. 5).

d) Income from sale of investments

The Company earns profit/loss on sale of mutual funds, bonds, AIF and MLD. When these investments are sold, the cumulative gain or loss previously recognised in statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method .

e) Fair valuation adjustments of Investments

Fair value through profit and loss of Investments represent fair valuation changes in mutual funds & MLD which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

f) Government Grants / Subsidy

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

g) Foreign Currency Transactions

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount, the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 34 : COST OF MATERIALS CONSUMED

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw material		
Opening inventory	100.66	120.10
Add: Purchases	988.80	1,105.36
(Less): Sales/adjustments/return	(59.82)	(47.39)
(Less): Closing inventory (including goods in transit of ₹ 9.38 Crores (March 31, 2023: ₹ 17.24 Crores))	(67.65)	(100.66)
Raw materials consumed (A)	**961.99**	**1,077.41**
Packing Material		
Opening inventory	6.34	8.95
Add: Purchases	63.54	79.74
(Less): Sales/adjustments/return	(8.41)	(5.28)
(Less): Closing inventory (including goods in transit of ₹ 0.45 Crores (March 31, 2023: ₹ 0.41 Crores))	(7.11)	(6.34)
Packing materials consumed (B)	**54.36**	**77.07**
Cost of materials consumed (A+B)	**1,016.35**	**1,154.48**

NOTE 35 : PURCHASE OF STOCK-IN-TRADE

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Traded Goods -Bed sheets/comforters/PU foam/ spring/coir mattresses	81.76	138.08
Total	**81.76**	**138.08**

NOTE 36 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Closing stock:		
Finished goods	13.91	11.57
Stock-in-trade	2.92	25.90
Work-in-progress	45.10	50.78
Right to recover return goods	2.40	1.46
	64.33	**89.71**
Opening stock:		
Finished goods	11.57	13.36
Stock-in-trade	25.90	8.40
Work-in-progress	50.78	49.70
Right to recover return goods	1.46	1.66
	89.71	**73.12**
Changes in inventories of Finished goods, Stock-in-trade and Work-in-progress	**25.38**	**(16.59)**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 37 : OTHER MANUFACTURING EXPENSES

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	9.15	8.79
Repair and maintenance:		
- Buildings	1.39	2.41
- Plant and equipment	21.71	9.66
Processing and other charges	22.50	17.66
	54.75	**38.52**
(Less): Transfer to Capital work-in-progress /Capitalised	(1.24)	(0.37)
Total	**53.51**	**38.15**

NOTE 38 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages, allowance, and other benefits	140.64	129.45
Contribution to gratuity (refer note no. 44)	2.98	2.86
Contribution to provident and other funds (refer note no. 44)	8.46	7.33
Employees share based payment expenses (refer note no. 44)	2.42	-
Workmen and staff welfare	12.65	12.07
	167.15	**151.71**
(Less): Transfer to Capital work-in-progress /Capitalised	(1.30)	(0.61)
Total	**165.85**	**151.10**

NOTE 39 : FINANCE COSTS

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense (on financial liabilities measured at amortised cost) :		
- on Security deposits	5.29	5.27
- on non-convertible debentures	30.77	-
- on borrowings from banks	7.99	4.20
- on lease liabilities	2.77	1.01
- Others	0.83	0.07
Bank Charges	0.14	0.13
	47.79	**10.68**
(Less): Transfer to Capital work-in-progress /Capitalised	(4.04)	(2.55)
Total	**43.75**	**8.13**

NOTE 40 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note no. 3)	52.20	38.44
Depreciation on right-of-use assets (refer note no. 4)	6.08	2.44
Depreciation on investment property (refer note no. 5)	0.16	0.20
Total	**58.44**	**41.08**

Notes to Standalone Financial Statements
For the year ended March 31, 2024

NOTE 41 : OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
IT Support services	17.17	16.40
Freight and forwarding	89.80	93.94
Rent and hire	6.23	4.74
Insurance	8.88	6.64
Rates and taxes	0.77	0.63
Legal and professional	11.33	12.82
Other Maintenance	9.14	12.99
Selling and promotion	38.39	73.13
Travelling and conveyance	17.93	15.21
Loss on sale/disposal of fixed assets	0.27	-
Warranty (refer note (a))	9.01	11.76
Advertisement	93.16	73.19
Net Loss on Foreign Currency Forward Contracts	0.44	13.22
Advances/Balances written off	0.28	0.36
Provision for Doubtful debts	1.09	1.87
Net loss on foreign currency transactions and translations	-	3.53
Contributions towards CSR (refer note no. 57)	4.82	4.76
Miscellaneous	20.89	21.46
	329.60	**366.65**
(Less): Transfer to Capital work-in-progress /Capitalised	(2.78)	(1.53)
Total	**326.82**	**365.12**

Note:

a) Provision for Warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years.

NOTE 41.1 : AUDITOR'S REMUNERATION INCLUDED IN LEGAL AND PROFESSIONAL (EXCLUDING GST)

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit (including limited review)	0.40	0.38
Certification	0.09	0.03
Out of pocket expenses	0.02	0.02
Total	**0.51**	**0.43**

NOTE 42 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year attributable to Equity shareholders	168.23	171.09
Earnings used in the calculation of basic earnings per share	168.23	171.09
Earnings used in the calculation of diluted earnings per share	168.23	171.09

Notes to Standalone Financial Statements
For the year ended March 31, 2024

(In Numbers)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Weighted average number of equity shares for the purposes of basic earnings per share	10,32,83,551	9,75,65,616
Weighted average number of equity shares for the purposes of diluted earnings per share	10,33,29,194	9,75,65,616

(₹ per share)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic earnings per share	16.29	17.54
Diluted earnings per share	16.28	17.54

NOTE 43 : There are no title deeds of Immovable Properties, which are not held in name of the Company.

NOTE 44 : EMPLOYEE BENEFITS

A. Defined contribution plans

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 8.46 Crores (March 31, 2023: ₹ 7.33 Crores) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution towards Provident Fund (PF)	7.21	6.41
Employer's contribution towards Employees State Insurance (ESI)	0.62	0.47
Employer's contribution towards Labour welfare fund (LWF)	-	-
Employer's contribution towards National Pension Scheme (NPS)	0.63	0.45
Total (refer note no. 38)	**8.46**	**7.33**

B. Post employment benefits

Defined benefit plans

Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 and is being maintained by SFL Employees gratuity trust. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

This plan is governed by the Payment of Gratuity Act 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.09%	7.36%
Future salary increase/salary escalation	7.00%	7.00%
Retirement age (years)	60	60
Mortality Tables		
Employee turnover		
18 to 30 years	3.59%	3.40%
From 31 to 45 years	4.29%	3.70%
Above 45 years	1.47%	0.80%

Notes:

i. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii. Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/others.

Quantitative sensitivity analysis for significant assumptions as at March 31, 2024 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting year, while holding all other assumptions constant.

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount rate		
Increase by 1.00%	(3.24)	(3.03)
Decrease by 1.00%	3.62	3.44
Salary increase		
Increase by 1.00%	3.59	3.42
Decrease by 1.00%	(3.28)	(3.07)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Service cost:		
Current service cost	2.63	2.26
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	0.35	0.60
Components of defined benefit costs recognised in profit or loss	**2.98**	**2.86**
Remeasurement on the net defined benefit liability:		
Actuarial gains and losses arising from changes in demographic assumptions	-	0.01
Actuarial (gains) / losses arising from changes in financial assumptions	-	0.51
Actuarial (gains) / losses arising from experience adjustments	1.12	1.49
Return on Plan Asset (Excluding Interest)	(0.67)	(0.21)
Components of defined benefit costs recognised in other comprehensive income	**0.45**	**1.80**
Total	**3.43**	**4.66**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	33.46	29.55
Fair value of plan assets	(29.47)	(24.70)
Net deficit in funded plan (refer note no. 25)	**3.99**	**4.85**

Movements in the present value of the defined benefit obligation are as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening defined benefit obligation	29.55	24.62
Current service cost	2.63	2.26
Interest cost	2.09	1.84
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	0.01
Actuarial gains and losses arising from changes in financial assumptions	-	0.51
Actuarial gains and losses arising from experience adjustments	1.12	1.49
Benefits paid	(1.93)	(1.18)
Closing defined benefit obligation	**33.46**	**29.55**

Change in plan assets are as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of plan assets	24.70	18.39
Return on plan assets	1.75	1.25
Employer contribution	4.28	6.03
Actuarial (Gain)/Loss on Asset	0.67	0.21
Benefits paid	(1.93)	(1.18)
Closing fair value of plan assets	**29.47**	**24.70**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

The major categories of plan assets:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Insurance products	29.47	24.70
Total	**29.47**	**24.70**

Maturity profile of gratuity liability is as follows:

(₹ in Crores)

Year	As at March 31, 2024	As at March 31, 2023
0 to 1 year	2.07	1.26
1 to 2 Year	1.78	1.07
2 to 3 Year	1.50	1.21
3 to 4 Year	1.53	1.57
4 to 5 Year	1.54	1.26
5 Year onwards	25.04	23.18
Expected contribution to the fund in next year (₹ In Crores)	**7.17**	**6.89**

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a. **Asset volatility:**

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

b. **Changes in discount rate:**

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets holdings.

c. **Inflation risks:**

Gratuity payments are not linked to inflation, so this is a less material risk.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of unit linked group insurance plan which further invests in government and corporate bonds, equities, money market instruments & public deposits. The plan asset mix is in compliance with the requirements of the respective local regulations.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

C. Share based payments

a) Employee option plan

The establishment of the SHEELA FOAM - Employees Stock Option Plan 2022- (`SF ESOP - 2022') was approved by shareholders at the 2022 annual general meeting. The Employee Option Plan is designed to provide long term incentive for people who are in the employment of the Company, whether working in India or outside India, including Director of the Company, whether Wholetime director or not, including a non-executive director, but excluding Promoter, Promoter group and independent Directors, a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the company to deliver long-term shareholder returns. Under the plan, participants are granted options which vest upon completion of upto three years or on satisfaction of market conditions. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Grant date	As at March 31, 2024		As at March 31, 2023	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	-	-	-	-
Granted during the year	5	2,59,852	-	-
Exercised/forfeited during the year	-	-	-	-
Closing balance	**5**	**2,59,852**	**-**	**-**

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date having exercise price of ₹ 5 each:

Grant date	Expiry Date	Number of options	
		As at March 31, 2024	As at March 31, 2023
02-11-2023	01-11-2027	17,827	-
02-11-2023	01-11-2029	84,765	-
06-02-2024	05-02-2030	7,260	-
06-02-2024	06-12-2028	1,50,000	-
	Total	**2,59,852**	**-**

(i) Fair value of options granted basis service vesting period

The fair value at the grant date of options granted during the year ended March 31, 2024 ranges from ₹ 1081.02 to ₹ 1081.63.

The fair value at grant date is independently determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following table lists the inputs to the Black Scholes Model used:

Particulars	Model Inputs		
Grant Date	02-11-2023	02-11-2023	06-02-2024
Expiry Date	01-11-2027	01-11-2029	05-02-2030
Risk free rate (%)	7.29	7.309	7.309
Expected life of options (no. of years)	1.5	3.5	3.5
Expected volatility (%)	26.81	26.81	26.81
Dividend yield (%)	0	0	0
Exercise price (₹)	5	5	5
Fair value of the option (₹)	1081.02	1081.63	1081.63

Notes to Standalone Financial Statements

For the year ended March 31, 2024

The expected price volatility is based on the historic volatility (based on the remaining life of options), adjusted for any expected changes to future volatility due to publicly available information.

(ii) Fair value of options granted basis satisfaction of market conditions

The fair value at the grant date of options granted during the year ended March 31, 2024 was ₹ 2347.47.

The fair value at grant date is independently determined using the Monte Carlo Simulations (MCS), which is used to model the probabilities of different outcomes in a process that cannot easily be predicted due to the intervention of random variables. It is a technique used to understand the impact of risk and uncertainty in prediction and forecasting models. We have forecasted the multiple possibilities of change in share price by using the MCS method for calculating the expected market capitalization.

The following table lists the inputs to the Monte Carlo Simulation Model used :

Particulars	Model Inputs
Grant Date	06-02-2024
Expiry Date	06-12-2028
Risk free rate (%)	7.01
Expected life of options (no. of years)	2.83
Expected volatility (%)	31.04
Dividend yield (%)	0
Exercise price (₹)	5
Fair value of the option (₹)	2347.47

The expected price volatility is based on the historic volatility (based on the remaining life of options), adjusted for any expected changes to future volatility due to publicly available information.

b) Expense arising from Share Based Payment transactions

Total expense arising from share-based payment transactions recognised in profit & loss as a part of employee benefit expense were as follows :

(₹ in Crores)

Year	As at March 31, 2024	As at March 31, 2023
Employee Option Plan (Refer Note 38)	2.42	-
Total	**2.42**	**-**

NOTE 45 : RELATED PARTY TRANSACTIONS

In accordance with the requirements of IND AS 24, Related Party Disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are provided below:

(A) Names of related parties and nature of relationship are given below :

Relationship	Name of the party
A. Subsidiary companies (wholly owned)	Joyce Foam PTY Ltd., Australia Staqo Software Private Limited, India (formerly known as Divya Software Solutions Private Limited) Sleepwell Enterprises Private Limited, India International Foam Technologies S.L, Spain Staqo World Private Limited, India Kurlon Enterprise Limited, India (w.e.f 20.10.2023) Sheela Foam Trading L.L.C, Dubai (w.e.f 25.09.2023)
B. Entities in which Key Management Personnel or their Relatives have significance influence	Rangoli Resorts Private Limited Sleepwell Foundation (Trust)

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Relationship	Name of the party
C. Key management personnel	Mr. Rahul Gautam (Executive Chairman) Mrs. Namita Gautam (Wholetime Director) Mr. Tushaar Gautam (Managing Director) Mr. Rakesh Chahar (Wholetime Director) Mr. Amit Kumar Gupta (Chief Financial Officer) Mr. Nilesh Sevabrata Mazumdar (Chief Executive Officer) Md. Iquebal Ahmad
D. Step-down Subsidiary	Interplasp, S.L, Spain, (Subsidiary of International Foam Technologies SL) Joyce WC NSW PTY Limited (Subsidiary of Joyce Foam PTY Ltd.) Staqo World Kft. (Subsidiary of Staqo World Private Limited) Staqo Incorporated. (Subsidiary of Staqo World Private Limited) Staqo Technologies L.L.C (Subsidiary of Staqo World Private Limited) Kurlon Retail Limited (Subsidiary of Kurlon Enterprise Limited, India (w.e.f 20.10.2023)) Belvedore Internatinal Limited (Subsidiary of Kurlon Enterprise Limited, India (w.e.f 20.10.2023)) Komfort Universe Products & Services Limited (Subsidiary of Kurlon Enterprise Limited, India (w.e.f 20.10.2023)) Starship Value Chain and Manufacturing Private Limited (Subsidiary of Kurlon Enterprise Limited, India (w.e.f 20.10.2023)) Kanvas Concepts Private Limited (Subsidiary of Kurlon Enterprise Limited, India (w.e.f 20.10.2023))
E. Joint Venture	House Of Kieraya Private Limited (formerly known as Kieraya Furnishing Solutions Private Limited) (Joint Venture) (w.e.f 29.08.2023)

(B) Disclosure of transactions between the Company and related parties during the year

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Purchase of material / capital goods		
Subsidiaries/ Step Down Subsidiaries		
Kurlon Enterprise Limited	7.71	-
Joyce Foam PTY Ltd., Australia	1.37	-
Interplasp, SL, Spain	0.16	-
	9.24	**-**
(ii) Sale of material/ capital goods		
Subsidiaries/ Step Down Subsidiaries		
Kurlon Enterprise Limited	29.36	-
Joyce Foam PTY Ltd., Australia	0.38	0.24
Sheela Foam Trading LLC	0.39	-
Interplasp, SL, Spain	0.17	0.55
	30.30	**0.79**
Joint Venture		
House Of Kieraya Private Limited	5.86	-
Related entities		
Sleepwell Foundation (Trust)	0.07	-
	36.23	**0.79**
(iii)Sale of IT support services		
Subsidiary		
Joyce Foam PTY Ltd., Australia	4.22	4.26
	4.22	**4.26**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(iv) Purchase of IT Support Services		
Subsidiary		
Staqo World Private Limited, India	17.17	16.40
	17.17	**16.40**
(v) Royalty paid		
Subsidiary		
Sleepwell Enterprises Private Limited, India	0.10	0.10
	0.10	**0.10**
(vi) Investment made		
Joint venture		
House Of Kieraya Private Limited	0.10	-
	59.35	**-**
(vii) Key management personnel		
Compensation of Key management personnel		
Short-term Employee Benefits	13.21	10.83
Post Employment Benefits	0.29	0.14
	13.50	**10.97**
(viii) Rent paid		
Subsidiaries		
Staqo Software Private Limited, India (formerly known as Divya Software Solutions Private Limited)	1.98	1.82
Sleepwell Enterprises Private Limited, India	0.33	0.33
	2.31	**2.15**
(ix) Contributions for CSR expenses		
Related entities		
Sleepwell Foundation (Trust)	4.00	2.75
	4.00	**2.75**
(x) Interest on loan given to subsidiary companies		
Subsidiariy		
International Foam Technologies S.L, Spain	3.51	1.44
	3.51	**1.44**
(xi) Guarantee Commission received		
Subsidiary		
Joyce Foam PTY Ltd., Australia	1.34	1.22
	1.34	**1.22**
(xii) Corporate guarantee utilised (net)		
Subsidiaries		
Joyce Foam PTY Ltd., Australia	(11.64)	16.08
International Foam Technologies S.L, Spain	(25.45)	(21.22)
	(37.09)	**(5.14)**

(C) Disclosure of balances outstanding at the end of the reporting year

(₹ in Crores)

Particular	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Subsidiaries		
Joyce Foam PTY Ltd., Australia	3.08	2.17
Kurlon Enterprise Limited	3.14	-
Sheela Foam Trading LLC	0.41	-
Interplasp, S.L, Spain,	0.09	-
Joint Venture		
House Of Kieraya Private Limited	2.60	-
	9.32	**2.17**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(₹ in Crores)

Particular	As at March 31, 2024	As at March 31, 2023
Other receivables		
Subsidiary		
Joyce Foam PTY Ltd., Australia	1.02	0.69
	1.02	**0.69**
Contract Liabilities (Advance from Customer)		
Subsidiary		
Interplasp, S.L, Spain	0.01	0.01
	0.01	**0.01**
Investments		
Subsidiaries		
Joyce Foam PTY Ltd., Australia	23.07	23.07
Staqo Software Private Limited, India	76.02	76.02
Sleepwell Enterprises Private Limited, India	1.09	1.09
International Foam Technologies SL, Spain	96.39	96.39
Staqo World Private Limited, India	0.01	0.01
Sheela Foam Trading LLC	1.14	-
Kurlon Enterprise Limited	2,000.03	-
Joint Venture		
House Of Kieraya Private Limited	360.70	-
	2,558.45	**196.58**
Loan to subsidiary companies (refer note no. a below)		
International Foam Technologies SL, Spain	72.17	71.69
	72.17	**71.69**
Interest accrued on loan given to subsidiary Company		
International Foam Technologies SL, Spain	3.52	2.40
	3.52	**2.40**
Financial /Corporate guarantees (refer note no. b below)		
Joyce Foam PTY Ltd., Australia	86.94	98.58
International Foam Technologies SL, Spain	87.84	113.29
	174.78	**211.87**
Post employee benefit plan for the benefitted employees		
SFL Employee Gratuity Trust	3.99	4.39
Payable to key managerial personnel	**4.21**	**6.80**

Notes:

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end for trade payables/receivables are unsecured and interest free and loan balances carry interest, further settlements occurs in cash. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) Details of financial/Corporate guarantees given are as below:

i. Company has given a Corporate guarantee of AUD 20 million on April 09, 2021 and an additional guarantee on dated December 20, 2022 of AUD 5 Million towards term loan granted by Citi Bank, Australia for its subsidiary Company Joyce Foam PTY Ltd., Australia.

ii. Company has given financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary Company International Foam Technologie SL, Spain and the same was redcued to EURO 10.75 million at the year ending March 31, 2024.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 46 : DISCLOSURES AS PER IND AS 116 'LEASES'

(A) Company as lessee

(i) The Company's significant leasing arrangements are in respect of the following assets:

The Company has leases of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 10 years and lease hold land range between 2 to 97 years.

(ii) The carrying amounts of lease liabilities and the movements during the year:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Liabilities	**16.93**	**20.17**
Additions	43.16	0.41
Accretion of interest	2.77	1.01
Repayment of Lease liabilities	(5.74)	(2.69)
Cancellation / adjustments	(13.29)	(1.97)
Closing liabilities	**43.83**	**16.93**
Current	7.59	1.27
Non current	36.24	15.66
	43.83	**16.93**

(iii) Maturity analysis of the lease liabilities:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
3 months or less	2.73	0.63
3-12 months	8.36	1.88
1-2 years	11.29	2.55
2-5 years	28.51	8.33
More than 5 years	24.05	25.61
Total undiscounted lease liability	**74.94**	**39.00**
Less: Impact of discounting and other adjustments	31.11	22.07
Lease liabilities at the year end	**43.83**	**16.93**

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Finance cost	2.77	1.01
Depreciation and amortisation expense	6.08	2.44
Expenses relating to short term leases	6.23	4.74

(v) The following are the amounts disclosed in the Statement of Cash Flows:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash outflow from leases	5.74	2.69

(vi) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

(vii) Extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.

(B) Company as lessor

(i) The Company has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Land & Factory Building situated at Sikkim	The lease agreement was executed on 1st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is ₹ 1.74 Crores (Previous year: ₹ 1.61 Crores).
Residential Flat situated at Greater Noida	The lease agreement was executed w.e.f. 15th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is ₹ 0.10 Crores (Previous year: ₹ 0.09 Crores).
Land & Factory Building situated at Silvassa	The lease agreement was executed w.e.f. 31st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is ₹ 0.12 Crores (Previous year: ₹ 0.47 Crores).The said property has been disposed off during the year.

NOTE 47 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as loans, trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

NOTE 48 : FAIR VALUE HIERARCHY

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1 -** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

- **Level 2 -** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- **Level 3 -** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for other investments, loans receivables and lease receivables included in level 3.

Valuation Processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) including board of directors. Discussions of valuation processes and results are held between the CFO and the valuation team every month. The Company takes the help of independent valuers for valuation purposes.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Fair Valuation Technique

The carrying amounts of trade receivables, trade payables, creditors towards capital goods, cash and cash equivalents, 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:

Fair Value measurement hierarchy of Assets:

(₹ in Crores)

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
Financial Assets measured at fair value through profit and loss					
Other Investments	March 31, 2024	510.00	-	510.00	-
Financial Assets measured at amortized cost					
Loans	March 31, 2024	73.24	-	-	73.24
Trade receivables	March 31, 2024	188.90	-	-	188.90
Cash and cash equivalents	March 31, 2024	12.61	-	-	12.61
Bank balances other than cash and cash equivalents	March 31, 2024	0.28	-	-	0.28
Other financial assets	March 31, 2024	17.18	-	-	17.18

(₹ in Crores)

Assets for which Fair Values are disclosed:	March 31,2024	March 31,2023
Investment Property	18.25	28.85

Fair Value measurement hierarchy of Liabilities:

(₹ in Crores)

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
Financial liabilities measured at amortized cost					
Borrowings	March 31, 2024	956.43	-	-	956.43
Lease liabilities	March 31, 2024	43.83	-	-	43.83
Trade payables	March 31, 2024	161.09	-	-	161.09
Other financial liabilities	March 31, 2024	269.82	-	-	269.82

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Fair Value measurement hierarchy of Assets:

(₹ in Crores)

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
Financial Assets measured at fair value through profit and loss					
Other Investments	March 31, 2023	762.99	706.58	56.41	-
Financial Assets measured at amortized cost					
Loans	March 31, 2023	72.41			72.41
Trade receivables	March 31, 2023	138.31	-	-	138.31
Cash and cash equivalents	March 31, 2023	12.71		-	12.71
Bank balances other than cash and cash equivalents	March 31, 2023	0.27	-	-	0.27
Other financial assets	March 31, 2023	7.95	-	-	7.95

Fair Value measurement hierarchy of Liabilities:

(₹ in Crores)

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
Financial liabilities measured at amortized cost					
Borrowings	March 31, 2023	131.67	-	-	131.67
Lease liabilities	March 31, 2023	16.93		-	16.93
Trade payables	March 31, 2023	188.10	-	-	188.10
Other financial liabilities	March 31, 2023	135.15	-	-	135.15

NOTE 49 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company'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 Companys operations. Further, the Company has financial risk / exposure of financial guarantees given to the banks towards security against the loans taken by its subsidiaries, however, considering that there is no expected credit losses, there is no financial liability as at the year end on this account. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

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.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company is exposed to foreign currencies such as "USD", "AED", "AUD", "GBP" and "EURO".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in Crores)

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Trade payables	USD	(11.65)	(23.58)
	EUR	(0.60)	(0.33)
	GBP	(2.22)	(0.20)
	AED	(0.37)	-
	AUD	(0.31)	(0.00)
Trade receivables	USD	2.33	8.18
	AUD	4.41	2.85
	AED	6.17	2.06
	EUR	0.09	-
Creditors for Capital goods	EUR	-	(0.59)
Interest Accrued	EUR	3.52	2.40
Loan to Subsidiary Company	EUR	72.17	71.69
Term Loan	USD	(59.11)	(77.36)

Foreign currency sensitivity analysis

The Company is mainly exposed to USD, EURO, GBP, AED and AUD . The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Foreign currency sensitivity

(₹ in Crores)

Particulars	%	As at March 31, 2024	%	As at March 31, 2023
USD	2%	(1.37)	2%	(1.86)
USD	-2%	1.37	-2%	1.86
EURO	3%	2.26	3%	2.20
EURO	-3%	(2.26)	-3%	(2.20)
GBP	2%	(0.04)	2%	(0.00)
GBP	-2%	0.04	-2%	0.00
AUD	4%	0.16	4%	0.11
AUD	-4%	(0.16)	-4%	(0.11)
AED	2%	0.12	2%	0.04
AED	-2%	(0.12)	-2%	(0.04)

(ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of interest-bearing deposits with dealers, however, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factor:

(i) Trade receivables

Customer credit risk is managed by the Company through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit limits, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof. Concentration of credit risk with respect to trade receivables are limited, due to Company's customer base being large and diverse. All trade receivables are reviewed and assessed for default on monthly basis.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 and March 31, 2023 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current assets		
- Other Investments	510.00	56.41
- Loans	72.44	71.80
- Other non-current financial assets	6.28	4.53
Current assets		
- Other Investments	-	706.58
- Trade receivables	188.90	138.31
- Cash and cash equivalents	12.61	12.71
- Bank balances other than cash and cash equivalents	0.28	0.27
- Loans	0.80	0.61
- Other current financial asset	10.90	3.42
Total	**802.21**	**994.64**

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits and short term investments. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

(₹ in Crores)

Particulars	Less than 1 Year	More than 1 Year	Total
As at March 31, 2024			
Trade payables	161.09	-	161.09
Other financial liabilities	254.01	15.81	269.82
Lease Liabilities	7.59	36.24	43.83
Borrowings	169.04	787.39	956.43
	591.73	**839.44**	**1,431.17**
As at March 31, 2023			
Trade payables	188.10	-	188.10
Other financial liabilities	109.67	25.48	135.15
Lease Liabilities	1.27	15.66	16.93
Borrowings	32.92	98.75	131.67
	331.96	**139.89**	**471.85**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 50: CAPITAL MANAGEMENT

The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders The Company considers the following components of its Balance Sheet to be managed capital:

1) Share Capital and

2) Other Reserves comprising of General Reserve and Retained Earnings.

The Company's capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities.

(₹ in Crores)

Particulars		As at March 31, 2024	As at March 31, 2023
Equity		54.35	48.78
Other Equity		2,619.94	1,313.33
Total equity	(i)	**2,674.29**	**1,362.11**
Borrowings (including lease liabilities)		1,000.26	148.60
(Less): cash and cash equivalents		(12.61)	(12.71)
Total debt	(ii)	**987.65**	**135.89**
Overall financing	(iii) = (i) + (ii)	**3,661.94**	**1,498.00**
Gearing ratio (in %)	(ii)/ (iii)	**27%**	**9%**

The Company has not distributed any dividend to its shareholders The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The capital structure of the Company is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company. The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Company. In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

NOTE 51 : COMMITMENTS FOR EXPENDITURE

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹ 5.56 Crores (March 31,2023: ₹ 33.57 Crores))	24.31	26.34
Other Commitment (Corporate Guarantee given to banks and financial institution against credit facilities availed by Subsidiary Companies, Entities under common control and others) (also refer note 45).	174.78	211.87
	199.09	**238.21**

NOTE 52 : CONTINGENT LIABILITIES

(₹ in Crores)

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		
Sales tax	4.40	4.40
Entry tax	1.94	1.94
Income tax	5.40	5.65
Excise Duty	2.89	4.11
Goods and Service Tax	2.90	-

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Note:

The Company is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

NOTE: 53 DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

(₹ in Crores)

Name of the Investee	Nature of Transaction	Purpose for which it is utilized / Interest rate and tenure	2023-24 During the Year	2023-24 Outstanding Balance	2022-23 During the Year	2022-23 Outstanding Balance
Wholly Owned Subsidiaries						
Joyce Foam PTY. Ltd., Australia,	Investment in equity shares	Manufacturing of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) in Australia.	-	23.07	-	23.07
	Financial Guarantee given	Corporate guarantee given to CITI bank for security towards long term working capital facility availed by the said Subsidiary.	(11.64)	86.94	16.08	98.58
Staqo Software Private Limited, India (formerly known as Divya Software Solutions Private Limited)	Investment in equity shares	Engaged in Software development and related ancillary activities	-	76.02	-	76.02
Sleepwell Enterprises Private Limited, India	Investment in equity shares	The Company, which is holding ownership of Sleepwell and other brands related to foam, mattress & other products.	-	1.09	-	1.09
International Foam Technologies S.L, Spain	Investment in equity shares	To invest in a running Company in Spain, engaged in manufacturing of Polyurethane Foam.	-	96.39	-	96.39
	Financial Guarantee	Corporate guarantee given to CITI bank for security towards long term availed by the said Subsidiary.	(25.45)	87.84	(21.22)	113.29

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(₹in Crores)

Name of the Investee	Nature of Transaction	Purpose for which it is utilized / Interest rate and tenure	2023-24 During the Year	2023-24 Outstanding Balance	2022-23 During the Year	2022-23 Outstanding Balance
International Foam Technologies S.L, Spain (IFTS)	Loans	Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) Interest charged - 1.25 % to 3.34% (1.25% in March 31, 2022) Tenure of Loan - To be repaid over the next 2 years after the repayment of CITI bank loan by them (CITI bank loan to be repaid by Company with in 6 years from the date of disbursement.)	0.48	72.17	5.98	71.69
Staqo World Pvt. Ltd., India	Investment in equity shares	To carry on business of Information technology and related ancillary services.	-	0.01	-	0.01
Sheela Foam Trading LLC, UAE Wholly Owned Subsidiary	Investment in equity shares	Home Furniture and Mattresses trading	-	1.14	-	-
Kurlon Enterprise Limited	Investment in equity shares	Engaged in the business of manufacturing/trading in rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.	2,000.03	2,000.03	-	-
Joint Venture						
House Of Kieraya Pvt Ltd, India	Investment in equity shares	Involved in Renting of other machinery and equipment	360.70	360.70	-	-

For above investment in equity and preference share and warrants, refer note no. 6.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 54 : SEGMENT INFORMATION

Operating segment information

The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors of the Company.

Geographical information

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from external customers		
Within India	1,856.37	1,995.54
Outside India	23.15	43.03
Total revenue	**1,879.52**	**2,038.57**

The revenue information is based on location of customers and excluding other operating revenue.

Non-current operating assets

The Company has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

NOTE 55 : TRANSFER PRICING

The Company has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the financial year ended March 31, 2024 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2023 has been obtained and there are no adverse comments requiring adjustments.

NOTE 56 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under:		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier.		
Principal amount:	21.15	7.20
Interest:	-	-
(ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year).	-	-
(iv) The amount of interest accrued and remaining unpaid for the year ended.	-	-
(v) The amount of further interest remaining due and payable for the earlier years.	-	-

Notes to Standalone Financial Statements

For the year ended March 31, 2024

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company. Further, the amount payable to these parties is not overdue hence no interest is required to provided/accrued as at March 31, 2024 and March 31, 2023.

II The credit period for purchase of goods and services are normally up to 30 days. No interest is chargeable on trade payables.

NOTE 57 : CORPORATE SOCIAL RESPONSIBILITY

As per provisions of Section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Gross amount required to be spent as per section 135 of the Act	4.82	4.76
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	**4.82**	**4.76**
b) Amount approved by the Board to be spent during the year	4.82	5.23
c) Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	4.06	5.23
d) Details related to amount spent .		
Contribution to Sleepwell Foundation Trust	4.00	2.75
Spent on Health Support , Promoting education including employment enhancing vocational skills.	0.06	2.48
e) Details of CSR expenditure in respect of other than ongoing projects		
Balance (Short) / Excess as at opening	0.47	-
Amount required to be spent during the year	(4.82)	(4.76)
Amount spent during the year	4.06	5.23
Balance (Short) / Excess Spent at end of the year*	**(0.29)**	**0.47**
f) Reason for shortfall	Pertains to ongoing projects	Not applicable

g) Corporate social responsibility expenses of Company are managed by related party -Sleepwell foundation (refer note no. 45).

* The Company has transferred unspent CSR amount, in respect of ongoing projects, as at the end of the financial year, to a special bank account within a period of thirty days from the end of the financial year in compliance with provision of Section 135(6) of the Companies Act, 2013.

NOTE 58 : DERIVATIVES AND HEDGING

(i) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Company and outstanding as at the end of the financial year is provided below:

(₹ in Crores)

Particulars	Financial Assets		Financial liabilities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Derivatives designated as Hedging Instruments:				
Cross currency Interest Rate Swap	-	-	8.38	9.46
Principal and Interest Swap	-	-	0.21	-
Derivatives not designated as Hedging Instruments:				
Principal only Swap	-	-	13.66	13.22

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(ii) Hedging activities

Foreign Currency Risk

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

Derivatives designated as hedging instruments are accounted for as cash flow hedges.

(iii) Hedge Effectiveness

For derivatives designated as hedging instruments, there is an economic relationship between the hedged items and the hedging instruments as the terms of the hedge contracts match the terms of hedge items. The Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and interest rate are identical to the hedged risk components. To test the hedge effectiveness, the Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

(iv) Source of Hedge ineffectiveness

For derivatives designated as hedging instruments, in case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty's credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

(v) Disclosures of effects of Cash Flow Hedge Accounting:

Hedging instruments

The Company has taken derivatives to hedge its loan given to its related party.

(₹ in Crores)

Particulars	Less than 1 Year	1 to 5 year	More than 5 Years
As at March 31, 2024			
Cross currency interest rate swap			
Nominal Amount (on financial asset)	-	64.17	-
Principal and Interest Swap			
Nominal Amount (on financial liability)	-	72.39	-
As at March 31, 2023			
Cross currency interest rate swap			
Nominal Amount (on financial asset)	-	64.17	-

(vi) The effect of the cash flow hedge in the Statement of Profit or Loss and Other Comprehensive Income is as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash flow Hedge Reserve at the beginning of the year	(2.60)	-
Total hedging gain/(loss) recognised in Other Comprehensive Income	0.45	(3.48)
Income tax on above	(0.11)	0.88
Ineffectiveness recognised in statement of profit or loss	(0.44)	(13.22)
Line item in the statement of profit or loss that includes the recognised ineffectiveness	Net Loss on Foreign Currency Forward Contracts in "other expenses"	
Amount reclassified from OCI to profit or loss	-	-
Income tax on above	-	-
Cash flow Hedge Reserve at the end of the year	(2.26)	(2.60)
Line item in the statement of profit or loss that includes the reclassification adjustments	Not Applicable	Not Applicable

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(vii) The outstanding position of derivative instrument is as under:

Nature	Currency	Purpose	As at March 31, 2024		As at March 31, 2023	
			(₹ in crores) (nominal value)	Foreign Currency (in crores) (notional value)	(₹ in crores) (nominal value)	Foreign Currency (in crores) (notional value)
Cross currency interest rate swap	EURO	Hedging of Foreign Currency Loan given	64.17	0.80	64.17	0.80
Principle and interest swap	USD	Hedging of Foreign Currency Term Loan taken (Principal and Interest)	57.91	0.71	-	-
Principle only swap	EURO	Hedging of equity investment in foreign subsidiary	93.90	1.20	93.90	1.20

Exchange rates used for conversion of foreign currency exposure:

Currency	As at March 31, 2024	As at March 31, 2023
EURO	90.22	89.61
USD	83.37	NA

(viii) The impact of the hedging instruments on the statement of financial position is as under:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Nominal Amount (on Financial Asset)	64.17	64.17
Nominal Amount (on Financials Liability)	72.39	-
Carrying Amount (Financial Asset)	72.17	71.69
Carrying Amount (Financial Liability)	59.11	-
Line item in the statement of financial position that's includes Hedging Instruments	Other current financial liabilities	
Change in fair value of the hedge item used as the basis for recognising hedge ineffectiveness for the year - Gain / (Loss)	0.34	(2.60)

(ix) Hedge Items

The impact of the Hedged Items on the statement of financial position is as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	(2.26)	(2.60)
Change in value of the hedged item used for measuring ineffectiveness for the year	0.34	(2.60)

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(x) Particulars of unhedged foreign currency (FC) exposure as at balance sheet date:

Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
		FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
Trade payables	USD	(0.14)	(11.65)	(0.29)	(23.58)
	EURO	(0.01)	(0.60)	-	(0.33)
	GBP	(0.02)	(2.22)	-	(0.20)
	AED	(0.02)	(0.37)	-	-
	AUD	(0.01)	(0.31)	(0.00)	(0.00)
Trade receivables	USD	0.03	2.33	0.10	8.18
	AUD	0.08	4.41	0.05	2.85
	AED	0.27	6.17	0.09	2.06
	EURO	0.00	0.09	-	-
Creditors for Capital goods	EURO	-	-	(0.01)	(0.59)
Interest Accrued	EURO	0.04	3.52	0.03	2.40
Term Loan	USD	-	-	(0.94)	(77.36)

NOTE 59 : INCOME TAX RECOGNISED IN PROFIT OR LOSS

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax		
In respect of current year	45.96	62.19
Tax expenses related to earlier years	-	1.74
	45.96	**63.93**
Deferred tax		
Origination and reversal of temporary differences Including Tax impact on other comprehensive income	8.17	(2.24)
	8.17	**(2.24)**
Total income tax expense recognised in the current year including tax impact on other comprehensive income	**54.13**	**61.69**

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax (Including Other comprehensive income)	**222.36**	**228.83**
Income tax expense calculated at 25.168%	55.96	57.59
Effect of income that is exempt from taxation	(2.01)	(0.16)
Effect of expenses that are not deductible in determining taxable profit	2.10	4.06
Effect of difference in tax rates	(0.97)	(0.32)
Others	(0.95)	(1.22)
	54.13	**59.95**
Adjustments recognised in the current year in relation to tax of prior years	-	1.74
Income tax expense recognised in the Statement of Profit and Loss	**54.13**	**61.69**
Effective Tax Rate	**24.34%**	**26.96%**

NOTE 60 : THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ("The Code") relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 61 : DISCLOSURE FOR SPECIFIC RATIOS

Particulars	Formula	Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Reasons for variances
		Numerator	Denominator				
Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories+Financial assets+Current tax assets+Other current assets	Current Liabilities= Financial Liabilities+Short Term Provisions+Current Tax Liabilities+Other current liabilities	0.63	2.80	-77%	Decrease in Current Investments compared to previous year
Debt equity Ratio	Debt / Equity	Debts = Borrowings+Lease liabilities	Equity = Equity share capital+Other Equity	0.37	0.11	243%	Increase in Debt due to issue of Non-convertible debentures
Trade payable turnover Ratio	Net Credit Purchases / Average Trade Payables	Net credit purchases =Purchase of raw material and packing material +Purchase of traded goods +Other manufacturing expenses	Average Trade Payables	6.80	7.04	-3%	-
Net capital turnover Ratio	Revenue / Working Capital	Revenue =Revenue from operations	Working Capital= Current assets -Current Liabilities	(7.79)	2.82	-377%	Decrease in working capital due to reduction in current investments
Debt Service coverage ratio	Net Operating Income / Debt Service	Net Operating Income = Profit before tax for the year + Finance costs + Depreciation and amortisation expense	Debt service=Finance costs + Lease payments + Principal payments	1.39	6.69	-79%	Increase in Debt due to issue of Non-convertible debentures
Net Profit Ratio	Net Profit / Net Sales	Net Profit = Profit for the year (after exceptional items)	Net Sales =Revenue from operations	0.09	0.08	7%	-
Return on Equity Ratio	Total comprehensive income / Shareholder's Equity	Total comprehensive income for the year	Shareholders Equity=Total Equity	0.06	0.12	-49%	Increase in Shareholders equity due to fresh issue of shares
Return on capital employed	EBIT / Capital Employed	EBIT= Profit before tax + Finance costs	Capital Employed = Total assets -current liabilities	0.07	0.16	-56%	Increase in Capital employed due to fresh issue of shares

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Particulars	Formula	Particulars: Numerator	Particulars: Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	Variance	Reasons for variances
Inventory turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of goods sold =Cost of material consumed +Purchase of traded goods +Other manufacturing expenses +Changes in inventories of finished goods , traded goods & work in progress	Average Inventory	6.61	6.33	4%	-
Return on investment	Net Profit / Net Investment	Net Profit= Profit before tax + Finance costs	Net Investment = Total Equity	0.09	0.18	-48%	Increase in Net investment due to fresh issue of shares
Trade receivables turnover ratio	Net Credit Sales / Average Trade Receivables	Net Credit sales =Revenue from operations	Average Trade Receivables	11.49	14.64	-22%	-

NOTE 62 : SCHEME OF AMALGAMATION BETWEEN THE COMPANY AND INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED (ICTPL)

The Board of Directors of the Company and Its wholly owned subsidiary, International Comfort Technologies Private Limited (ICTPL) (Transferor Company") have in their respective board meetings held on November 08, 2022 have considered and approved the Scheme of Amalgamation of ICTPL with the Company, subject to all the necessary statutory / regulatory approvals. As per the said scheme, the undertaking of the transferor company shall stand transferred and vested in the Company (transferee company) on a going concern basis without and further act, deed of matter. As a result, the transaction has been accounted in accordance with "Pooling of Interest Method" laid down by Appendix C (Business Combinations of Entities under Common Control) of Indian Accounting Standard 103 (Ind AS 103), notified under the Companies' Act, 2013.

The scheme envisages transfer of all properties, rights, assets, interests and claim of the Transferor Company to the Transferee Company. Pursuant to the scheme coming into effect, all the equity shares held by the Transferee Company in the Transferor Company shall stand cancelled automatically. Hon'ble National Company Law Tribunal (NCLT), New Delhi bench vide its order dated February 09, 2024 approved the Scheme of Amalgamation of ICTPL with the Company under Section 230 and 232 of Companies Act, 2013. The Scheme became effective upon filing of the aforesaid order with Registrar of Companies (ROC) on January 01, 2022. The amalgamation has been accounted for under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) rules, 2014.

In accordance with Appendix C of Ind AS 103, the difference between the carrying value of the Investment in the books of transferee company and the amount of net assets of the transferor company has been adjusted in capital reserves as per the scheme. The current accounting period and comparative accounting period presented in the financial statements of the Company and accompanying Notes have been prepared by including the accounting effects of the acquisition of the business, as stated above, as if the purchase had occurred from the beginning of the comparative period in the financial statements, i.e. April 01, 2022.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Following are the assets & liabilities taken over by the Company on April 01, 2022:

(₹ in Crores)

Particulars	Amount
Assets	
Property Plant & equipment	36.83
Right to use assets	23.61
Capital Work in progress	31.68
Other financial assets	-
Deferred tax assets(Net)	1.49
Non current tax assets (net)	0.01
Other non current assets	23.04
Total Non-current assets - (a)	**116.66**
Inventories	5.49
Financials asset	
(i) Trade receivables	4.12
(ii) Cash and Cash equivalents	0.31
(iii) Investments	-
(iv) Loans	0.01
(v) Other financial assets	0.02
Other current assets	9.03
Total Current assets - (b)	**18.98**
Total Assets (a)+(b) = (A)	**135.64**
Liabilities	
Financial liabilities	
(i) Borrowings	76.00
(ii) Lease liabilities	15.82
Provisions	0.23
Non-Current Liabilities (c)	**92.05**
Financial liabilities	
(i) Borrowings	12.00
(ii) Lease liabilities	1.03
(iii) Trade payables	
- MSME	0.61
- Other than MSME	4.28
(iv) Other financial liabilities	2.34
Other current liabilities	0.54
Provisions	-
Current Liabilities (d)	**20.80**
Total Liabilities (c)+(d) = (B)	**112.85**
Net assets taken over (C = A – B)	**22.79**
Reserves of ICTPL vested in SFL	
Retained earnings	(7.21)
Total Reserves (D)	**(7.21)**
Cancellation of Investments in equity and preference shares of ICTPL held by the Company (E)	30.00
Capital reserve on amalgamation (C - D - E)	**-**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Restated Balance sheet as at March 31, 2023

(₹ in Crores)

Particulars	Before effect of Business combination	Effect of Business combination	Revised balance post effect of Business combination
ASSETS			
Non-current assets			
Property, plant and equipment	237.10	32.65	269.75
Right-of-use assets	16.31	21.36	37.67
Capital work-in-progress	1.89	101.51	103.40
Investment property	3.43	-	3.43
Equity Investments in Subsidiaries and Joint venture company	196.67	(0.09)	196.58
Financial assets			
(i) Investment in preference shares	29.90	(29.90)	-
(ii) Other investments	56.41	-	56.41
(iii) Loans	122.29	(50.49)	71.80
(iv) Other financial assets	16.98	(12.45)	4.53
Deferred Tax Asset	-	11.74	11.74
Non current tax assets (net)	6.71	(6.71)	-
Other non-current assets	3.24	32.18	35.42
Total non current assets	**690.93**	**99.80**	**790.73**
Current assets			
Inventories	188.94	17.64	206.58
Financial assets			
(i) Investments	706.48	0.10	706.58
(ii) Trade receivables	164.00	(25.69)	138.31
(iii) Cash and cash equivalents	10.43	2.28	12.71
(iv) Bank balances other than cash and cash equivalents	0.27	-	0.27
(v) Loans	0.59	0.02	0.61
(vi) Other financial assets	6.40	(2.98)	3.42
Other current assets	37.04	20.95	57.99
Total current assets	**1,114.15**	**12.32**	**1,126.47**
Total assets	**1,805.08**	**112.12**	**1,917.20**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	48.78	-	48.78
Other equity	1,347.02	(33.69)	1,313.33
Total equity	**1,395.80**	**(33.69)**	**1,362.11**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	-	98.75	98.75
(i) Lease liabilities	14.88	0.78	15.66
(ii) Other non current financial liabilities	25.48	-	25.48
Provisions	8.98	0.12	9.10
Other non current liabilities	0.20	-	0.20
Deferred tax liabilities (net)	1.89	1.64	3.53
Total non current liabilities	**51.43**	**101.29**	**152.72**
Current liabilities			
Financial liabilities			
(i) Borrowings	-	32.92	32.92
(i) Lease liabilities	1.27	-	1.27
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	6.31	0.89	7.20
- Total outstanding dues of creditors other than micro enterprises and small enterprises	176.46	4.44	180.90
(iii) Other financial liabilities	103.59	6.08	109.67
Provisions	10.89	0.46	11.35
Current tax liabilities (net)	1.16	(1.16)	-
Other current liabilities	58.17	0.89	59.06
Total current liabilities	**357.85**	**44.52**	**402.37**
Total liabilities	**409.28**	**145.81**	**555.09**
Total equity and liabilities	**1,805.08**	**112.12**	**1,917.20**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Restated Statement of Profit & Loss for the year ended March 31, 2023

(₹ in Crores)

Particulars	Before effect of Business combination	Effect of Business combination	Revised balance post effect of Business combination
Income			
Revenue from operations	2,019.82	18.75	2,038.57
Other income	78.61	(3.52)	75.09
Total Income	**2,098.43**	**15.23**	**2,113.66**
Expenses			
Cost of materials consumed	1,133.11	21.37	1,154.48
Purchase of stock-in-trade	148.88	(10.80)	138.08
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(3.60)	(12.99)	(16.59)
Other manufacturing expenses	36.26	1.89	38.15
Employee benefits expense	145.19	5.91	151.10
Finance costs	6.37	1.76	8.13
Depreciation and amortisation expense	33.76	7.32	41.08
Other expenses	337.79	27.33	365.12
Total Expenses	**1,837.76**	**41.79**	**1,879.55**
Profit before tax and Exceptional Items	**260.67**	**(26.56)**	**234.11**
Exceptional items	-	-	-
Profit before tax	**260.67**	**(26.56)**	**234.11**
Income Tax expense			
Current tax	68.16	(5.97)	62.19
Tax expenses related to earlier years	(0.70)	2.44	1.74
Deferred tax (net)	(1.65)	0.74	(0.91)
Total Income tax expense	**65.81**	**(2.79)**	**63.02**
Profit for the year	**194.86**	**(23.77)**	**171.09**
Other comprehensive income (net of tax)			
Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) of the net defined benefit plans	(1.66)	(0.14)	(1.80)
Income tax on above item	0.42	0.03	0.45
Items that will be reclassified to profit or loss			
Fair value gain / (loss) on investments and other financial instruments	(3.48)	-	(3.48)
Income tax on above item	0.88	-	0.88
Total Other Comprehensive Income/ (loss) (net of tax)	**(3.84)**	**(0.11)**	**(3.95)**
Total Comprehensive Income for the year	**191.02**	**(23.88)**	**167.14**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Restated cash flow statement for the year ended March 31, 2023

(₹ in Crores)

Particulars	Before effect of Business combination	Effect of Business combination	Revised balance post effect of Business combination
A. Cash flow from operating activities			
Profit before tax	260.67	(26.56)	234.11
Adjustments for:			
Depreciation and amortisation expense	-	41.08	41.08
Finance costs	-	10.68	10.68
Gain on termination of Lease	-	(0.13)	(0.13)
Liabilities/provisions no longer required written back	-	(0.12)	(0.12)
Provision for doubtful receivables	-	1.87	1.87
Provision for warranty	-	11.76	11.76
Expenses on employees stock option schemes	-	-	-
Investment Subsidy income	(0.03)	-	(0.03)
Advances / balances written off	0.36	-	0.36
Fair value gain on investments (net)	(8.73)	-	(8.73)
Profit on sale of investments (net)	(18.65)	0.01	(18.64)
(Profit) / Loss on sale of property, plant and equipment (net)	(0.49)	-	(0.49)
Net loss on foreign currency forward contracts	-	13.22	13.22
Unrealised foreign exchange (gain) / loss (net)	-	4.05	4.05
Rental Income (Short term lease)	(2.51)	0.12	(2.39)
Interest income	(37.10)	2.96	(34.14)
Operating profit before working capital changes	**193.52**	**58.94**	**252.46**
Changes in working capital:			
Decrease / (Increase) in Inventories	14.52	(12.15)	2.37
(Increase) / Decrease in loans and trade receivables	(24.26)	29.65	5.39
Decrease / (Increase) in other financial and non-financial assets	(12.84)	(13.25)	(26.09)
(Decrease) / Increase in trade payables	(11.09)	0.42	(10.67)
(Decrease)/ Increase in other financial liabilities, non-financial liabilities and provisions	(9.33)	1.05	(8.28)
Cash generated from operations	**150.52**	**64.66**	**215.18**
Income tax paid (net of refunds)	(68.38)	(0.21)	(68.59)
Net cash flow from operating activities (A)	**82.14**	**64.45**	**146.59**
B. Cash flow from investing activities			
Purchase of property, plant and equipment and change in capital work in progress	(37.53)	(73.01)	(110.54)
Proceeds from Sale of property, plant and equipment	1.73	0.03	1.76
Increase / (Decrease) in creditors for capital goods (net of capital advances)	0.43	(5.97)	(5.54)
Investment in debentures and mutual funds (net)	(126.94)	(0.11)	(127.05)
Loans given to Subsidiary Company	(42.00)	42.00	0.00
Repayment of loans by Subsidiary Company	3.50	(3.50)	-
Proceeds from bank deposits	0.05	-	0.05
Interest and principal received on lease receivable	2.06	(2.06)	-
Rental income (short term lease)	2.51	(0.12)	2.39
Interest income received	52.78	(0.44)	52.34
Net cash (used in) investing activities (B)	**(143.41)**	**(43.18)**	**(186.59)**
C. Cash flow from financing activities			
Proceeds from long term borrowings	-	50.78	50.78
Payment of lease liabilities (principal and interest)	(2.61)	(0.08)	(2.69)
Fees paid for increase in authorised share capital	(0.50)	-	(0.50)
Finance costs	(5.46)	(4.05)	(9.51)
Net cash flow from / (used in) Financing Activities (C)	**(8.57)**	**46.65**	**38.08**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(69.84)**	**67.92**	**(1.92)**
Cash and cash equivalents at the beginning of the year	14.31	0.32	14.63
Cash and cash equivalents at the end of the year	**(55.53)**	**68.24**	**12.71**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

NOTE 63 : ACQUISTION OF KURLON ENTERPRISE LIMITED

(a) The Company has entered into a business transfer agreement dated July 17, 2023 for the acquisition of the 'Kurlon Enterprise Limited' (KEL). In terms of the business transfer agreement, the business has been acquired by the Company with effect from October 20, 2023 (date of acquisition) and the fair value of assets and liabilities acquired have been determined by the Company and accounted for in accordance with IND AS 103 - "Business Combination". Subsequently, the Company gained control of Kurlon Enterprise Limited ("KEL") as a subsidiary for a consideration of ₹ 1,940.78 Crores.

Details of purchase consideration

Details of the purchase consideration are as follows:

(₹ in Crores)

Purchase Consideration	Amount
Cash Paid	1,869.78
Holdback amount	71.00
Total Purchase Consideration	**1,940.78**

(b) The Scheme of Amalgamation of the subsidiary of the Company, i.e., Kurlon Enterprise Limited ("KEL" or "Transferor Company") with Sheela Foam Limited ("SFL""or"Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Mumbai ("NCLT"). The same will be accounted for in the books of accounts, in accordance with Appendix C to Ind AS-103 on the approval from NCLT.

NOTE 64 : INTEREST IN JOINT VENTURE

During the year, the Company has entered into an agreement with shareholders of 'House of Kieraya Private Limited (Furlenco)' to acquire 35% stake on fully diluted basis w.e.f. August 29, 2023. Accordingly, the Company has invested ₹ 360.70 Crores (including acquisition cost of ₹ 4.75 Crores) to acquire equity stake of 17.70%. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Crores)

Name of the entity	Place of Business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					March 31, 2024	March 31, 2023
House of Keiraya Private Limited ("HOK")	India	17.70	Joint Venture	Equity Method	360.70	-
Total equity accounted investments					**360.70**	**-**

Liabilities recognized in respect of HOK

Pursuant to shareholder agreement, the Company has recognized liability against uncalled capital on share warrants (payable in 12 months from the date of acquistion i.e. August 29, 2023) amounting to ₹ 55.85 Crores (refer note no 30).

NOTE 65 : ASSET PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Assets		
Inventories	149.59	-
Trade receivables	188.90	-
	338.49	**-**
Non-Current assets		
Leasehold land	10.57	7.30
Property, plant and equipment	260.74	117.41
Capital work in progress	63.26	103.90
	334.57	**228.61**

Notes to Standalone Financial Statements

For the year ended March 31, 2024

Note based on the terms and conditions written on sanction letters by bank:

a. Term loan with JP Morgan & Kotak Mahindra Bank in the Company has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets) for Nandigram and Jabalpur Plant.

b. Company owned fixed assets (moveable and immoveable) at manufacturing plants located at Jalpaiguri (West Bengal) , Sahibabad (Uttar Pradesh) , Rajpura (Punjab) and Erode (Tamil nadu) has been pledged as security against the financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary Company International Foam Technologies S.L, Spain and the same was reduced to EURO 10.75 million at the year ending March 31, 2024.

c. Working capital loan and Factored receivables are secured by first charge on inventories and trade receivables subject to factoring arrangements.

NOTE 66 : EXCEPTIONAL ITEMS

(a) During the year, a fire broke out at the Silvassa location on June 28, 2023, resulting in the loss of inventory and fixed assets (including dismantling costs) amounting to ₹ 11.56 crores. The Company has recognized this loss as an 'Exceptional item' in the statement of profit and loss. The Company has filed an insurance claim; however, due to the absence of reasonable certainty regarding its collection, the potential recovery has not been accounted for in these financial statements.

(b) During the year, the Company has executed the sale deeds in respect of certain land and building for a consideration of ₹ 29.90 Crores and has recognised gain of ₹ 29.38 Crores as exceptional item.

NOTE 67 : 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 (₹ in Crores)*	Amount as reported in the quarterly statement (₹ in Crores)	Amount of difference	Reason for material discrepancies
Jun-23	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	248.17	248.17	-	-
Sep-23	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	280.58	280.58	-	-
Dec-23	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	234.61	234.61	-	-
Mar-24	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	229.08	229.08	-	-

*These numbers up to December 31, 2023 are without impact of the merger of International Comfort Technologies Private Limited with the Company.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

As at March 31, 2023

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (₹ in Crores)**	Amount as reported in the quarterly statement (₹ in Crores)	Amount of difference	Reason for material discrepancies
Jun-22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	287.47	287.47	-	-
Sep-22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	313.59	313.59	-	-
Dec-22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	244.90	244.90	-	-
Mar-23	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	292.74	292.74	-	-

**These numbers are without impact of the merger of International Comfort Technologies Private Limited with the Company.

NOTE 68 : THE FOLLOWING DISCLOSURES SHALL BE MADE WHERE LOANS OR ADVANCES IN THE NATURE OF LOANS ARE GRANTED TO PROMOTERS, DIRECTORS, KMPS AND THE RELATED PARTIES (AS DEFINED UNDER COMPANIES ACT, 2013), EITHER SEVERALLY OR JOINTLY WITH ANY OTHER PERSON, THAT ARE:

Type of Borrower	Particulars			March 31, 2024		March 31, 2023	
	Loans/Advances granted Individually or Jointly with other (₹in crores)	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	Amount outstanding (₹ In crores)	% of Total	Amount outstanding (₹ In crores)	% of Total
Related Parties (Subsidiary Company)	0.48	No	Yes	72.17	100.00%	71.69	100.00%

NOTE 69 : REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

A brief description of the charges or satisfaction	The location of the Registrar	The period (in days or months) by which such charge had to be registered as on March 31, 2024	The period (in days or months) by which such charge had to be registered as on March 31, 2023	Reason for delay in registration
The floating charge is created on current assets including book debt & on Immovable property or any interest therein.	ROC-DELHI	30 days from the certified copy of hypothecation deed execute between bank & Company	30 days from the certified copy of hypothecation deed execute between bank & Company.	There is no delay in registration of Charge.

NOTE 70: UTILISATION OF BORROWED FUNDS

(i) The Company has not advanced or loaned or invested funds to any other persons or entities, 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.

Notes to Standalone Financial Statements

For the year ended March 31, 2024

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whetherrecorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 71 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

NOTE 72 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTE 73 : UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 74 : DETAILS OF BENAMI PROPERTY HELD

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

NOTE 75 : RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

NOTE 76 : COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

NOTE 77 :

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE 78 : REGROUPPING/ RECLASSIFICATION

Previous years figures have been regroupped/ reclassified whereever necessary to correspond with the current year's classification/disclosure.

As per our report of even date
For **M S K A & Associates**
Chartered Accountants
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Executive Chairman
DIN:00192999

Tushaar Gautam
Managing Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Place: Gurugram
Date: May 21, 2024

Place: Noida
Date: May 21, 2024

Independent Auditor's Report

To the Members of Sheela Foam Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sheela Foam Limited (hereinafter referred to as the "Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entity which comprise the Consolidated Balance Sheet as at March 31, 2024, 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 and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2024, of consolidated profit 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 and its jointly controlled entity 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 and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

DESCRIPTION OF KEY AUDIT MATTER

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	**Revenue recognition - Discounts and rebates** Refer Note 2.9 to the consolidated financial statements, revenue is measured net of any trade discounts and volume rebates to customers (i.e, to the wholesale traders and retail traders). As per the scheme, discounts and rebates are passed on to the customers only on secondary sales made by wholesale to retail. Further, certain discounts and rebates for goods sold during the year are finalized when the precise amounts are known and revenue thus includes an estimate of variable consideration. Particularly in arrangements with customers involving varying terms which are based on annual contracts or shorter-term arrangements. In addition, the value and timing of promotions for products varies from period to period, and the activity can span beyond the year end. The unsettled portion of the variable consideration results in accrual of discounts and rebates due to customers as at year end.	Description of Auditor's response: • Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts, incentives and rebates as required under the applicable accounting standards. • Understood and verified the design and implementation and tested operating effectiveness of key application controls over the Company's automated systems and manual controls over rebates agreements/ arrangements, rebate payments / settlements and Company's review over the rebate accruals. • Verified on a test check basis, key customer contracts to identify the relevant terms and conditions related to discounts and rebates.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	Significant judgement is required in estimating accruals relating to secondary schemes recognized, based on sales made during the year. In view of above, accrual for discounts and rebates in relation to revenue recognition is identified as a key audit matter.	• Verified on test check basis, discounts and rebates transactions recorded during the year including period end discounts and rebates accruals and ensured the computation is in accordance with the policy and relevant source documents. • Examined historical rebate accrual together with our understanding of current year developments to form an expectation of the rebate accrual as at year end and compared the same with the accrual for the year ended March 31, 2024. • Verified completeness and accuracy of the data used by the Company for accrual of discounts and rebates through test of controls. • Verified on a test check basis, rebate accruals after the reporting date to validate whether the accrual is recorded in the correct period. • Verified payments made/Credit notes issued after reporting/year end date and where relevant, comparing the payment to the related rebate accrual. • Verified manual journal entries posted to revenue, on a test check basis, to identify unusual items and examining the underlying documentation. • Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards.
2	**Impairment of Goodwill** Refer Note 2.1 (d) (6) to the consolidated financial statements Group has a Goodwill on account of consolidation of one foreign subsidiary amounting to ₹ 265.46 crores as on March 31, 2024. In determining the fair value/value in use of subsidiaries, the Group has applied judgment in estimating future revenues, operating profit margins, long-term growth rate and discount rates. The carrying value of goodwill is tested annually for impairment. The Group performed its annual impairment test of goodwill and determined that there was no impairment. Due to the significance of the carrying value of goodwill and judgment involved in performing impairment test, we have identified this as a key audit matter.	Description of Auditor's response: • Obtained an understanding from the management with respect to process and controls followed by the Group and tested the design, implementation and operating effectiveness of controls over the process of impairment assessment to perform annual impairment test related to goodwill. • Obtained the impairment analysis model from the management and reviewed their conclusions. • Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results. • Assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied. Tested the discount rate and long term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate. • Reconciled the future operating cash flow forecasts with the business plan approved by the Company's board of directors. • Evaluated the appropriateness of the disclosures made in the consolidated financial statement in relation to the above as required under applicable accounting standards. • Verified the related disclosures made in notes to the financial statements in accordance with the requirements of the applicable accounting standards.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
3	**Purchase price allocation pursuant to business combination** During the year ended March 31, 2024, the Group has completed the acquisition of Kurlon Enterprise Limited that resulted in the Group acquiring control over the entity as disclosed in the consolidated Ind AS financial statements. The accounting for this transaction includes identification and valuation of net assets acquired and liabilities assumed, and the consequent allocation of the purchase price to the assets (including intangible assets) and liabilities arising from this transaction. These require significant estimation and judgment on various aspects including post-acquisition performance of the acquired business, discount rates, growth rate and terminal value used and is therefore considered a Key Audit Matter.	Description of Auditor's response: • Evaluated design and tested the operating effectiveness of controls over accounting of business combination. • Read and evaluated the key terms of the underlying agreements applicable to the acquisition along with the necessary board approval for the acquisition. • Obtained and read the valuation reports issued by experts engaged by management for measuring the assets acquired (including intangible assets) and liabilities assumed, at fair value including the allocation of purchase price. • Assessed the competence, capabilities and relevant experience of the experts engaged by management to determine fair value of the assets and liabilities acquired. • With the involvement of our experts, analysed the key assumptions adopted by management with reference to their business plan and historical actual results to assess the quality of management's financial projection. • Verified the accounting treatment required as per Ind AS 103 "Business Combination" as assessed by the Company for said acquisitions and also assessed the compliance of the disclosures made in the consolidated Ind AS financial statements.

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

The Holding Company's board of directors is responsible for the other information. The other information comprises the information included in the management report, chairman's statement, director's report, business responsibility and sustainability reporting etc but does not include the consolidated financial statements and our auditor's report thereon. The management report, chairman's statement, director's report, business responsibility and sustainability reporting etc. is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the management report, chairman's statement, director's report, business responsibility and sustainability reporting etc, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 - The Auditor's responsibilities Relating to Other Information".

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Jointly controlled entity 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 and of its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its jointly controlled entity for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the 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 and of its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity 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 and of its jointly controlled entity 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. We did not audit the financial statements of 16 subsidiaries, whose financial statements reflect total assets of ₹ 1,155.89 crores as at March 31, 2024, total revenues of ₹ 846.16 crores and net cash flows amounting to ₹ 0.02 crores 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.

   Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

b. Attention is drawn to the fact that the auditors of one subsidiary has highlighted material uncertainty related to going concern/ emphasis of matter paragraph related to going concern in their respective audit report. However, the financial statements of this subsidiary company has been prepared on a going concern basis.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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 / Consolidated 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 maintained by the Group and jointly controlled entity, including relevant records 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(g)(vi) below on reporting under Rule 11(g).

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   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 incorporated in India 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 its jointly controlled entity incorporated in India 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 53 to the consolidated financial statements.

      ii. The Group, did not have any material foreseeable losses on long-term contracts including derivative contracts - Refer Note 76 to the consolidated financial statements.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.

      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 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 persons or entities, 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 persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

         (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint controlled entity which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

      v. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiary company which is Indian company under the Act, we report that the final dividend paid by the subsidiary company during the year in respect of same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

      vi. Based on our examination, and based on other auditor's report of its subsidiaries and jointly controlled entity incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the holding company, its subsidiaries and jointly controlled entity incorporated in India have used an accounting software for maintaining their respective books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in softwares. Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with, post enablement of the audit trail facility.

         - In respect of holding company, the audit trail feature was enabled at the database level only with effect from January 01, 2024 in respect of the database "Oracle" to log any direct data changes. Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded during the year ended March 31, 2024 in the accounting software, except at the database level as stated above, in respect of which the audit trail facility has not been operated throughout the year for all relevant transactions recorded in this accounting software as it was enabled only with effect from January 01, 2024.

- In respect to jointly controlled entity, the Company has upgraded to Edit Log version software from earlier version of application software on August 15, 2023. Based on our examination, we are unable to comment whether the audit trail facility was enabled in the earlier version of the application. However, the upgraded Edit Log version software has a feature of recording audit trail (edit log) facility, which was enabled in the software and the same has been operated effectively throughout the period from August 15, 2023, to March 31, 2024. Further, we did not come across any instance of the audit trail feature being tampered with during this period in the upgraded Edit Log version software.

- In respect to one of subsidiary of jointly controlled entity, the Company has upgraded to the Edit Log version software from an earlier version of the accounting software on August 05, 2023, and it is not possible to comment whether the audit trail facility was enabled in the earlier version of the application. Further, the upgraded Edit Log version software has a feature of recording audit trail (edit log) facility, which was enabled in the software and the same has been operated effectively only during the period from August 05, 2023, to March 31, 2024, as reported by the respective other auditors.

- In respect to one of subsidiary of jointly controlled entity, the accounting software used by the Company for maintaining its books of account did not have the audit trail feature enabled for direct changes to data when using certain access rights, as reported by the respective other auditors.

- In respect to one of subsidiary, 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.

2. As required by the Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group and its jointly controlled entity which are incorporated in India, to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

3. 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 to the extent applicable, issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No.	Name of the Company	CIN	Type of Company (Holding / Subsidiary/ Associate)	Clause number of the CARO Report which is qualified or Adverse
1.	Kurlon Enterprise Limited	U36101MH2011PLC222657	Subsidiary	3(i)(c) 3(ii)(b)
2.	Starship Value Chain & Manufacturing Private Limited	U36900KA2020PTC139535	Subsidiary	3(i)(a)(A) 3(i)(b)

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

Nipun Gupta
Partner
Membership No.502896
UDIN: 24502896BKGFLN4553

Place: Gurugram
Date: May 21, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 and its jointly controlled entity 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 and its jointly controlled entity 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 and its jointly controlled entity 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 or business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Nipun Gupta
Partner
Membership No.502896
UDIN: 24502896BKGFLN4553

Place: Gurugram
Date: May 21, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SHEELA FOAM LIMITED

Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" in the Independent Auditors" Report of even date to the Members of Sheela Foam Limited on the consolidated Financial Statements for the year ended March 31, 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 Sheela Foam Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company's, its subsidiary companies, to the extent applicable, (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled company, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its jointly controlled company, 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, its subsidiary companies, its jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, its jointly controlled company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, its jointly controlled company, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to four subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Nipun Gupta
Partner
Membership No.502896
UDIN: 24502896BKGFLN4553

Place: Gurugram
Date: May 21, 2024

Consolidated Balance Sheet

as at March 31, 2024

(₹ in Crores)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,159.56	429.04
Right-of-use assets	4	229.66	108.55
Capital work-in-progress	3	161.40	287.49
Intangible assets	5	1,688.91	274.02
Intangible assets under development	5	4.22	-
Investment property	6	50.46	53.39
Investments accounted for using the equity method	7A	350.16	-
Financial assets			
(i) Investments	7B	510.00	56.41
(ii) Loans	8	1.92	1.94
(iii) Other financial assets	9	21.33	5.19
Deferred tax asset	10	225.17	7.13
Non current tax assets (net)	11	54.74	17.21
Other non-current assets	12	7.21	35.42
Total non current assets		**4,464.74**	**1,275.79**
Current assets			
Inventories	13	339.37	331.33
Financial assets			
(i) Investments	14	17.82	711.95
(ii) Trade receivables	15	363.77	281.98
(iii) Cash and cash equivalents	16	44.02	42.27
(iv) Bank balances other than cash and cash equivalents	17	4.93	0.27
(v) Loans	18	1.14	0.67
(vi) Other financial assets	19	7.84	1.00
Current tax assets (net)		0.42	-
Other current assets	20	95.49	63.80
Total current assets		**874.80**	**1,433.27**
Total assets		**5,339.54**	**2,709.06**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	54.35	48.78
Other equity	22	2,865.84	1,549.40
Equity attributable to shareholders of the Holding Company		**2,920.19**	**1,598.18**
Non-controlling Interest		60.50	8.27
Total equity		**2,980.69**	**1,606.45**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	23	944.59	283.81
(ii) Lease liabilities	24	174.23	87.49
(iii) Other financial liabilities	25	71.58	25.94
Provisions	26	21.69	13.04
Other non current liabilities	27	0.17	0.20
Deferred tax liabilities	28	17.70	9.96
Total non current liabilities		**1,229.96**	**420.44**
Current liabilities			
Financial liabilities			
(i) Borrowings	29	336.74	183.82
(ii) Lease liabilities	24	37.55	15.98
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	30	22.28	7.22
- Total outstanding dues of creditors other than micro enterprises and small enterprises	30	365.25	252.14
(iv) Other financial liabilities	31	265.30	112.38
Provisions	26	29.12	20.51
Current tax liabilities (net)	32	0.89	0.02
Other current liabilities	33	71.76	90.10
Total current liabilities		**1,128.89**	**682.17**
Total liabilities		**2,358.85**	**1,102.61**
Total equity and liabilities		**5,339.54**	**2,709.06**

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

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Executive Chairman
DIN:00192999

Tushaar Gautam
Managing Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Place: Gurugram
Date: May 21, 2024

Place: Noida
Date: May 21, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(₹ in Crores)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	34	2,982.31	2,873.32
Other income	35	117.10	85.62
Total Income		**3,099.41**	**2,958.94**
Expenses			
Cost of materials consumed	36	1,582.32	1,661.90
Purchase of stock-in-trade	37	108.42	138.08
Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	59.41	(12.09)
Other manufacturing expenses	39	111.93	66.74
Employee benefits expense	40	344.11	282.90
Finance costs	41	68.62	21.07
Depreciation and amortisation expense	42	115.79	89.62
Other expenses	43	475.58	437.63
Total Expenses		**2,866.18**	**2,685.85**
Profit before tax and Exceptional Items		**233.23**	**273.09**
Exceptional items	73	(22.70)	-
Profit before tax		**255.93**	**273.09**
Income Tax expense	62		
Current tax		50.74	72.79
Tax expenses related to earlier years		-	1.67
Deferred tax (net)		10.68	(2.21)
Total Income tax expense		**61.42**	**72.25**
Profit for the year after tax and before share of profit/(loss) of Joint venture accounted for using equity method		**194.51**	**200.84**
Share in profit/(loss) of Joint venture accounted for using equity method		(10.58)	-
Profit for the year		**183.93**	**200.84**
Other Comprehensive Income/ (Loss) (net of tax)			
Items that will not be reclassified to profit or loss			
Remeasurements gain / (loss) of the net defined benefit plans		(2.62)	(1.81)
Income tax on above item	62	0.11	0.46
Share of Other Comprehensive Income in Joint venture to the extent not to be classified into profit or loss		0.03	-
Items that will be reclassified to profit or loss			
Fair value gain / (loss) on investments and other financial instruments		0.45	(3.48)
Income tax on above item	62	(0.11)	0.88
Share of Other Comprehensive Income in Joint venture to the extent to be classified into profit or loss		0.01	-
Exchange differences on translation of foreign operations		(0.57)	16.47
Total Other Comprehensive Income/ (Loss) (net of tax)		**(2.70)**	**12.52**
Total comprehensive income for the year		**181.23**	**213.36**
Profit for the year attributable to:			
Shareholders of the Holding Company		182.44	198.93
Non-controlling Interest		1.49	1.91
		183.93	**200.84**
Other Comprehensive Income for the year attributable to:			
Shareholders of the Holding Company		(2.70)	12.52
Non-controlling Interest		-	-
		(2.70)	**12.52**
Total Comprehensive Income for the year attributable to:			
Shareholders of the Holding Company		179.74	211.45
Non-controlling Interest		1.49	1.91
		181.23	**213.36**
Earnings per equity share (face value of ₹ 5/- each):	44		
Basic (₹)		17.66	20.39
Diluted (₹)		17.66	20.39

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

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Executive Chairman
DIN:00192999

Tushaar Gautam
Managing Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Place: Gurugram
Date: May 21, 2024

Place: Noida
Date: May 21, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

A. EQUITY SHARE CAPITAL

Particulars	₹ in Crores
Balance as at April 01, 2022	**24.39**
Add: Bonus shares issued during the year	24.39
Balance as at March 31, 2023	**48.78**
Add: Equity shares issued during the year	5.57
Balance as at March 31, 2024	**54.35**

B. OTHER EQUITY

(₹ in Crores)

Particulars	Reserves and surplus								Items of Other Comprehensive Income		Total equity attributable to equity holders of the Company	Non-controlling Interest	Total
	Retained earnings	Capital reserve	General reserve	Foreign currency translation reserve	Capital subsidy	Share based payment reserve	Securities premium	Statutory reserve	Debt instruments through OCI	Cash flow hedge reserve			
Balance as at April 01, 2022	**1,313.31**	**3.96**	**17.16**	**28.80**	**0.71**	**-**	**-**	**-**	**4.24**	**-**	**1,368.18**	**7.63**	**1,375.81**
Profit for the year	198.93	-	-	-	-	-	-	-	-	-	**198.93**	1.91	**200.84**
Bonus shares issued during the year	(3.94)	(3.29)	(17.16)	-	-	-	-	-	-	-	**(24.39)**	-	**(24.39)**
Expenses towards increase in authorised share capital	(0.50)	-	-	-	-	-	-	-	-	-	**(0.50)**	-	**(0.50)**
Dividend paid	(1.03)	-	-	-	-	-	-	-	-	-	**(1.03)**	-	**(1.03)**
Remeasurements of the net defined benefit plans (net of tax)	(1.35)	-	-	-	-	-	-	-	-	-	**(1.35)**	-	**(1.35)**
Other adjustments	-	-	-	-	(0.07)	-	-	-	-	-	**(0.07)**	(1.27)	**(1.34)**
Exchange gain/(loss) on translation (net)	-	-	-	16.47	-	-	-	-	-	-	**16.47**	-	**16.47**
Gain / (Loss) on Cash flow hedge reserve (net of tax)	-	-	-	-	-	-	-	-	-	(2.60)	**(2.60)**	-	**(2.60)**
Realised gain from debt instruments transferred to profit and loss (net of tax)	-	-	-	-	-	-	-	-	(4.24)	-	**(4.24)**	-	**(4.24)**
Total comprehensive income for the year	**192.11**	**(3.29)**	**(17.16)**	**16.47**	**(0.07)**	**-**	**-**	**-**	**(4.24)**	**(2.60)**	**181.22**	**0.64**	**181.86**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(₹ in Crores)

Particulars	Reserves and surplus								Items of Other Comprehensive Income		Total equity attributable to equity holders of the Company	Non-controlling Interest	Total
	Retained earnings	Capital reserve	General reserve	Foreign currency translation reserve	Capital subsidy	Share based payment reserve	Securities premium	Statutory reserve	Debt instruments through OCI	Cash flow hedge reserve			
Balance as at March 31, 2023	**1,505.42**	**0.67**	**-**	**45.27**	**0.64**	**-**	**-**	**-**	**-**	**(2.60)**	**1,549.40**	**8.27**	**1,557.67**
Profit for the year	182.44	-	-	-	-	-	-	-	-	-	**182.44**	1.49	**183.93**
Dividend paid	0.89	-	-	-	-	-	-	-	-	-	**0.89**	-	**0.89**
Remeasurements of the net defined benefit plans (net of tax)	(2.51)	-	-	-	-	-	-	-	-	-	**(2.51)**	-	**(2.51)**
Other adjustments	-	-	-	-	(0.25)	-	-	-	-	-	**(0.25)**	(1.85)	**(2.10)**
Exchange gain/(loss) on translation (net)	-	-	-	(0.57)	-	-	-	-	-	-	**(0.57)**	-	**(0.57)**
Gain / (Loss) on Cash flow hedge reserve (net of tax)	-	-	-	-	-	-	-	-	-	0.34	**0.34**	-	**0.34**
Employees share based payment expenses	-	-	-	-	-	2.42	-	-	-	-	**2.42**	-	**2.42**
Securities premium on issue of paid up share capital	-		-	-	-	-	1,194.43	-	-	-	**1,194.43**	-	**1,194.43**
Equity fund raising expenses	-	-	-	-	-	-	(58.47)	-	-	-	**(58.47)**	-	**(58.47)**
Impact of business combination on acquisition and further acquisition in subsidiary	(2.63)	0.31									**(2.32)**	52.59	**50.27**
Transferred to Statutory Reserve	(0.06)	-	-	-	-	-	-	0.06	-	-	**-**	-	**-**
Share of OCI in Joint venture	0.03	-	-	0.01	-	-	-	-	-	-	**0.04**	-	**0.04**
Total comprehensive income for the year	**178.16**	**0.31**	**-**	**(0.56)**	**(0.25)**	**2.42**	**1,135.96**	**0.06**	**-**	0.34	**1,316.44**	**52.23**	**1,368.67**
Balance as at March 31, 2024	**1,683.58**	**0.98**	**-**	**44.71**	**0.39**	**2.42**	**1,135.96**	**0.06**	**-**	**(2.26)**	**2,865.84**	**60.50**	**2,926.34**

The accompanying notes are an integral part of these consolidated financial statements.
As per our report of even date

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

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Nipun Gupta
Partner
Membership No.: 502896

Rahul Gautam
Executive Chairman
DIN:00192999

Tushaar Gautam
Managing Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Place: Gurugram
Date: May 21, 2024

Place: Noida
Date: May 21, 2024

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax and exceptional items	**233.23**	**273.09**
Adjustments for:		
Depreciation and amortisation expense	115.79	89.62
Finance costs	68.62	21.07
Gain on termination of Lease	(1.92)	-
Advances/ balances written off (including bad debts)	0.88	5.11
Provision for doubtful receivables	-	3.60
Provision for warranty	10.38	11.76
Expenses on employees stock option schemes	2.42	-
Investment Subsidy income	(0.52)	(0.37)
Net loss on foreign currency forward contracts	0.44	13.22
Fair value gain on investments (net)	(29.27)	(8.99)
Profit on sale of investments (net)	(40.28)	(18.69)
Liabilities/provisions no longer required written back	(10.46)	(0.12)
Unrealised foreign exchange (gain) / loss (net)	(0.03)	4.05
Rental Income (Short term lease)	(13.58)	(12.57)
Interest Income	(9.13)	(32.76)
(Profit) / Loss on sale of property, plant and equipment (net)	3.55	(0.49)
Operating profit before working capital changes	**330.12**	**347.53**
Changes in working capital:		
(Increase) / Decrease in inventories	(18.74)	(11.85)
(Increase) / Decrease in loans and trade receivables	(83.43)	(18.61)
(Increase) / Decrease in other financial and non-financial assets	(58.29)	(19.54)
(Decrease) / Increase in trade payables	127.85	(29.25)
(Decrease) / Increase in other financial liabilities, non-financial liabilities and provisions	194.85	29.98
Cash generated from operations	**492.36**	**298.26**
Income tax paid (net of refunds)	(86.41)	(80.70)
Net cash flow from operating activities (A)	**405.95**	**217.56**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and change in capital work in progress	(705.36)	(211.62)
Intangible Assets acquired and expenditure on intangibles under development	(1,643.21)	-
Proceeds from Sale of property, plant and equipment	44.21	1.74
Increase / (Decrease) in creditors for capital goods (net of capital advances)	28.76	(5.55)
Payable against subsidiaries acquisition	52.59	-
(Investment in) / Proceeds from Bank deposits	(4.66)	0.05
Investment in bonds, debentures and mutual funds (net)	310.09	(126.70)
Investment made in Joint Venture	(363.33)	-
Loans and advances given	-	3.04
Rental income (short term lease)	13.58	12.57
Interest income received	8.84	52.51
Net cash flow (used in) investing activities (B)	**(2,258.49)**	**(273.96)**
C. Cash flow from financing activities		
Payment of dividend during the year	(0.96)	(2.80)
Fees paid for increase in authorised share capital	-	(0.50)
Net Proceeds from issue of Paid up share capital (including share Premium)	1,141.53	-
Net Proceeds from Non-convertible debentures (including interest and net of expenses)	719.87	-
Proceeds from long term borrowings	-	76.84
Repayment of long term borrowings	(83.17)	(37.60)
Net Proceeds from short term borrowings	144.92	64.82
Payment of lease liabilities (principal and interest)	(40.49)	(28.21)
Finance costs	(27.41)	(16.43)
Net cash flow from financing activities (C)	**1,854.29**	**56.12**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**1.75**	**(0.28)**
Effect of exchange differences on translation of foreign currency cash and cash equivalents	-	1.74
Cash and cash equivalents at the beginning of the year	42.27	40.81
Cash and cash equivalents at the end of the year	**44.02**	**42.27**

Consolidated Statement of Cash Flows

for the year ended March 31, 2024

Notes :

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
2. Figures in bracket represent cash outflow.
3. Components of cash and cash equivalents:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash on hand	0.21	0.13
Deposits having original maturity of less than 3 months	0.11	1.42
Balance with banks in current accounts	43.70	40.72
Balance as per Statement of Cash Flows	**44.02**	**42.27**

4. Changes in liabilities arising from financing activities

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Borrowings		
Borrowings at the beginning of the year	467.63	337.78
Interest charged on Non-convertible debentures	30.77	-
Proceeds from the borrowings	864.79	141.66
Repayment of borrowings	(83.17)	(37.60)
Foreign exchange (gain) / loss (net)	0.79	(4.89)
Exchange differences on translation of foreign operations	0.52	30.68
Borrowings as at year end	**1,281.33**	**467.63**

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease liabilities		
Lease liabilities at the beginning of the year	103.47	128.71
Addition during the year (including acquisition)	164.00	0.41
Accretion of Interest	10.60	4.64
Payment of lease liabilites	(40.49)	(28.21)
Cancellation / adjustments	(24.56)	(1.97)
Exchange differences on translation of foreign operations	(1.24)	(0.11)
Lease liabilites as at year end	**211.78**	**103.47**

The accompanying notes are an integral part of these consolidated financial statements.
As per our report of even date

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

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 21, 2024

For and on behalf of the Board of Directors of Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Executive Chairman
DIN:00192999

Tushaar Gautam
Managing Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iqubal Ahmad
Company Secretary
Membership No.: A20921

Place: Noida
Date: May 21, 2024

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

1. GROUP INFORMATION

Sheela Foam Limited ("the Holding Company") is a ISO 9001:2000 public limited Group incorporated in India with its registered office in New Delhi. The Holding Group is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Holding Company, pioneered in the manufacturing of polyurethane foams, has seventeen subsidiary companies including step down subsidiaries and one joint venture entity namely:

Subsidiaries including step down subsidiaries

- Joyce Foam PTY Ltd., Australia & its subsidiary- Joyce W C NSW Pty Limited
- International Foam Technologies Spain, S.L.U & its Controlled Entity- Interplasp S.L.
- Kurlon Enterprise Limited & its five subsidiaries- Kurlon Retail Limited, Belvedore International Limited, Komfort Universe Products & Services Limited, Starship Value Chain and Manufacturing Private Limited and Kanvas Concepts Private Limited
- Staqo World Private Limited and its three Controlled Foreign Entities- Staqo World Kft, Hungry, Staqo Incorporated, USA and Staqo Technologies L.L.C, Dubai
- Sheela Foam Trading LLC
- Staqo Software Private Limited (formerly known as Divya Software Solutions Private Limited)
- Sleepwell Enterprises Private Limited

Joint Venture entity

- House of Kieraya Private Limited (formerly known as Kieraya Furnishing Solutions Private Limited)

The accompanying Consolidated Financial Statements relate to Sheela Foam Limited ("the Holding Company") and its seventeen subsidiary companies including step down subsidiaries (together referred as "the Group") and one joint venture entity.

The consolidated financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorized for issue on May 21, 2024.

2. MATERIAL ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation:

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the `Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The consolidated financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), measured at fair value (refer accounting policy regarding financial instruments).
- defined benefit plans - plan asset measured at fair value.
- share based payments.
- purchase price allocation of business combination.

b. Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees (`₹'), which is the Holding Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest crores with two decimal places, unless stated otherwise.

c. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Group has identified twelve months as its operating cycle.

d. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

1. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on written down value basis, in case of Holding Group (Sheela Foam Limited) and Indian Subsidiaries and on a straight line basis, in the case of foreign Subsidiaries, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.3 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

2. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations.

The mortality rate is based on publically available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 45.

3. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

4. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5. Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

6. Impairment of Goodwill

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a Cash Generating Unit is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored for internal management purposes. The value in use calculation is based on a discounted future cash flows model. The recoverable amount is sensitive to the discount rate used for the discounted future cash flows model as well as the expected future cash-inflows.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. The recoverable amount of CGUs is determined based on higher of value-in-use and fair value less cost to sell.

Determination of Cash Generating Unit

While assessing impairment, the management has identified every company in which goodwill has generated on acquisition of its subsidiary as the cash generating unit for the purposes of determining the recoverable value.

Significant Cash Generating Units (CGUs)

The management has determined one of the foreign step down subsidiary company located in Spain that is Interplasp S.L. as the significant cash generating unit for the purposes of determining the recoverable value.

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Acquired Goodwill	265.46	263.66

Following key assumptions were considered while performing impairment testing:

Factors tested	March 31, 2024	March 31, 2023
Average Sales Growth rate for 5 years	15%	10%
Average terminal growth rate	1.5%	1.5%
Margin	10.5%	10.8%
Weighted Average Cost Capital % (WACC) post tax (Discount rate)	8.40%	8.25%

The projections cover a period of five years, as the Company believes this to be the most appropriate timescale over which to review and consider annual performances before applying a terminal value multiple to the final year cash flows. The growth rates and segmental margins used to estimate cash flows for the first five years are based on past performance, and on the Company's five-year strategic plan.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

Weighted Average Cost of Capital % (WACC) for the Company = Risk free return + (Market risk premium x Beta).

Impairment

As per the computation, the value in use exceeds the carrying value of subsidiary company and accordingly the management has concluded that no impairment needs to be recognised for the current year.

The Company has performed sensitivity analysis and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of a CGU to exceed its recoverable amount.

7. Consolidation decisions and classification of joint venture

Through the shareholder agreement, the Company has right to appoint the majority of the board of directors and participate and control all significant financial and operating decisions. The Company has therefore determined that it has joint control over the "House of Kieraya Private Limited (Furlenco)", even though the company only holds 17.70% of the voting rights.

2.2 BASIS OF CONSOLIDATION

Control is achieved when the group is exposed or has rights to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins with the group obtains control over the subsidiary and ceases when group losses control of the subsidiary. The Consolidated Financial Statements have been prepared on the following basis: -

Basis of Accounting:

i) The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding company, i.e., year ended on 31 March. When the end of the reporting period of the holding company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

ii) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rates prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.

iii) The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statements".

Principles of Consolidation:

The financial statements of subsidiary companies and joint venture entity are drawn up to the same reporting date as of the Company for the purpose of consolidation.

A. Subsidiaries

i) The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements". Non - controlling interests in the results and equity of subsidiaries are shown separately in the consolidated financials statement .

ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Group's separate financial statements except as otherwise stated in the Significant Accounting Policies.

iii) The difference between the costs of investments in the Subsidiaries over the net assets at the time of acquisition of shares in the Subsidiaries is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be.

B. Joint venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

Interests in joint venture is accounted for using the equity method, after initially being recognized at cost in the consolidated balance sheet.

Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income (OCI) of the investee in OCI.

Dividends received or receivable from joint venture is recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, which includes any long term interest that, in substance, form part of Group investment in joint venture, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Unrealized gains on transactions between the Group and its joint venture is eliminated to the extent of the Group's interest in this entity. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When necessary, adjustments are made to the financial statements of joint venture entity to bring their accounting policy into line with the Group's accounting policies.

The carrying amount of equity accounted as investments are tested for impairment in accordance with the policy described in note 2.7 below.

The Consolidated Financial Statements of the Holding Group includes the results of following entities:

Name of Company	Country of Incorporation	Proportion (%) of Shareholding as on 31.03.2024	Proportion (%) of Shareholding as on 31.03.2023
Subsidiary Companies			
Joyce Foam Pty. Limited and its Controlled Entity (Joyce W C NSW Pty Limited)	Australia	100%	100%
International Foam Technologies SL, Spain and its Controlled Entity (Interplasp S.L)	Spain	100%	100%
Staqo Software Private Limited (formerly known as Divya Software Solutions Private Limited)	India	100%	100%
Sleepwell Enterprises Private Limited	India	100%	100%
Staqo World Pvt. Ltd. and its three Controlled Entities (Staqo Technologies L.L.C. , Staqo World Kft and Staqo Incorporated)	India	100%	100%
Kurlon Enterprise Limited & its five Controlled Entities (Kurlon Retail Limited, Belvedore International Limited, Komfort Universe Products & Services Limited, Starship Value Chain and Manufacturing Private Limited and Kanvas Concepts Private Limited)	India	97.43%	--
Sheela Foam Trading LLC	Dubai	100%	--
Joint Venture			
House Of Kieraya Pvt Ltd (Formerly Kieraya Furnishing Solutions Private Limited)	India	17.70%	--

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

2.3 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till the date of commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under "Capital work-in-progress".

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

In the case of the Holding Company and Indian Subsidiaries (Kurlon Enterprise Limited, Staqo Software Private Limited, Sleepwell Enterprises Private Limited, Staqo World Private Limited and International Comfort Technologies Private Limited)

Freehold land is carried at historical cost and depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Group (No. of Years)
Buildings :		
- Factory (including roads & lanes)	30	29
- Office	60	4-59
- Residential	60	59
Plant & Equipment	15	20
Furniture & Fixtures	10	15
Vehicles :		
- Motor Cars	8	10
Office Equipment	5	20
Date Processing Equipment :		
- Computer Equipment	3	6
Electrical Fittings	10	20

Based on usage pattern, technical evaluation and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entities, International Foam Technologies SL, Spain and its Controlled Entities and Sheela Foam Trading LLC) the depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over the estimated useful lives to the Group commencing from time the assets is held ready for use. Freehold land is carried at historical cost and leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Asset	Useful Life range
Buildings	34 to 36 years
Technical Installations	10 to 20 years
Plant & Machinery	8 to 20 years
Furniture & Furnishings	3 to 7 years
Tooling & Other Facilities	10 years
Data Processing Equipment	4 to 6 years
Vehicles	6 to 7 years
Other Assets	8 to 9 years

Transition to Ind AS

On transition to Ind AS, the Group (in respect of companies incorporated in India) has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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2.4 Financial Instruments

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

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

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

a. at amortized cost;

b. at fair value through other comprehensive income (FVTOCI); and

c. at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- **Business Model Test:**

  The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and

- **Cash Flow Characteristics Test:**

  The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income is the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- **Business Model Test:**

  The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and

- **Cash Flow Characteristics Test:**

  The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss.

(c) Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Group follows "simplified approach" for recognition of impairment loss allowance on:

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments, and are measured at FVTOCI,

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when:

a. The rights to receive cash flows from the asset have been expired/transferred, or

b. The Group retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has not

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transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

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

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in Statement of profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Financial Guarantee Contract

Financial guarantee contracts issued by the Holding Group are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Group towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(iv) Derivative Financial Instruments :

Initial recognition and subsequent measurement

The Holding Company uses derivative financial instruments to hedge its foreign currency risk and interest rate risk. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Statement of Profit or Loss and Other Comprehensive Income. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Hedge Accounting

The Holding Company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as cash flow hedges.

To qualify for hedge accounting, the hedging relationship must meet all of the following requirements: -

There is an economic relationship between the hedged items and the hedging instruments,

- the effect of credit risk does not dominate the value changes that result from that economic relationship,

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- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Holding Company documents whether the hedging instrument is highly effective in offsetting changes in fair value or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The Holding Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit or Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit or Loss upon the occurrence of the underlying transaction.

2.5 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods comprises is determined on weighted average and its cost comprises of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods includes cost of purchase and such other costs.

In determining the cost of inventories, first-in-first-out cost method is used.

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

The comparison of cost and net realizable value is made on item-by-item basis.

2.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short- term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.7 Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets, other than deferred tax assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cashgenerating unit to which the asset belongs. Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income. Impairment loss recognised in respect of a CGU is allocated

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to reduce the carrying amounts of the assets of the CGU on a pro rata basis. Refer note 2.1(d)(6) for the use of estimates and judgments for assessing impairment of goodwill.

2.8 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.9 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

IND As 115 five step model is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligation in contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Sales are recognized at the fair value of the consideration that can be reliably measured and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

The Group provides various volume based rebates to certain customers once the goods are purchased by them above a certain threshold as specified in the scheme letter. Rebates outstanding at the balance sheet date are adjusted against the amount receivable from the customer. To estimate and recognise the liability for the incentives the Group used the methods which best predicts the amount of incentives and is primarily driven by the number of volume thresholds mentioned in the contracts.

i) Sale of goods – distributors

The Group operates via chain of distributors selling mattresses and home comfort products. Revenue from the such sales is recognised when control of the products being sold is transferred to distributor and when there are no longer any unfulfilled obligations. As per Group's policies the performance obligations are fulfilled at the time of dispatch from the factory or warehouse.

Group's contract with trade customers do not have financing component or non-cash consideration and the Group does not have any unbilled revenue or deferred revenue.

It is the Group's policy to sell its products to the end customer with a right of return within a stipulated time period. Therefore, a refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned, based on estimate. Historical data and past trends are used to estimate such returns. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

The Group's obligation to replace faulty products under the standard warranty terms is recognised as a provision (Refer Note 26).

ii) Sale of goods – B2B

The Group manufactures and sells a range of industrial foam and cushioning foam to B2B segment. Sales are recognised when control of the products has transferred, that is when the products are dispatched from the factory or the warehouse.

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iii) Sale of services

The IT consulting division provides business IT management, design, implementation and support services under fixed-price and variable-price contracts. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. However, the installation is simple, does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin. If contracts include the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware.

2.10 Employee Benefits

In the case of the Holding Company (Sheela Foam Limited) and Indian Subsidiaries (Kurlon Enterprise Limited, Staqo Software Private Limited, Sleepwell Enterprises Private Limited and Staqo World Private Limited)

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short-term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

b. Post-Employment Benefits

i. Defined contribution plan:

(A) Provident fund :

Contribution towards provident fund is made to the regulatory authorities, where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(B) Employee's State Insurance Scheme:

Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the group does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plan:

Gratuity

Gratuity, being a defined benefit plan (the 'Gratuity Plan") covers eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise. The Holding Company Liability is funded through a separate Gratuity Trust. The short/ excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

c. Other Long Term Benefits

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

In the case of foreign Subsidiaries (Sheela Foam Trading LLC, Joyce Foam Pty. Ltd. & its Controlled Entity and International Foam Technologies SL, Spain & its

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Controlled Entity), provision is made for the liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those of benefits.

d. Share based payments

Employee Options

The fair value of options granted by the Holding company is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions if any;
- excluding the impact of any service and non-market performance vesting conditions if any;
- including the impact of any non-vesting conditions if any.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Where shares are forfeited due to failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture.

2.11 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group's lease assets classes primarily consist of leases for Land & Buildings. The Group assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these short-term and leases of low value assets, the Group recognises the lease payments as an operating expense in the statement of profit and loss.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

Payments associated with short-term leases of warehouses are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group has applied the practical expedient wherein it relied on its assessment of whether leases are onerous immediately before the date of initial application.

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Group as a lessor

Lease income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as lease income.

2.12 Taxation

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

b) Deferred Tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.13 Dividend Distribution:

The group recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Entity and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.14 Earnings per Share:

Basic earnings per share is calculated by dividing net profit of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.15 Business Combination and Goodwill

Business Combinations are accounted for using the acquisition method of accounting, except for common control transactions which are accounted using the pooling of interest method that is accounted at carrying values.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities assumed at their acquisition date i.e. the date on which control is acquired and the amount of any non-controlling interests in the acquiree. Contingent consideration to be transferred is recognised at fair value and included as part of cost of acquisition. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction related costs are expensed in the period in which the costs are incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Goodwill arising on business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of net identifiable assets acquired and liabilities assumed. After initial recognition, Goodwill is tested for impairment annually and measured at cost less any accumulated impairment losses, if any.

Goodwill is not amortized; however, it is tested annually for impairment and whenever there is an indication that the unit may be impaired and carried at cost less any accumulated impairment losses.

For the purpose of impairment testing, the goodwill is allocated to a cash-generating-unit ("CGU") or group of CGUs ("CGUs"), which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, within an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying value of a CGU / CGUs including the goodwill, exceeds the estimated recoverable amount of the CGU / CGUs. The recoverable amount of a CGU / CGUs is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows expected to be derived from the CGU / CGUs.

The total impairment loss of a CGU / CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU / CGUs and then to the other assets of that CGU / CGUs - on pro-rata basis of the carrying value of each asset.

2.16 Transactions within Group

Transactions including expenses to be shared between the companies within the Group are initially recorded under operational heads by the respective Group, and reduced on actual or proportionate (where those are not directly attributable) basis during consolidation.

2.17 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction, net of tax, from the proceeds.

2.18 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

2.19 Standards (including amendments) issued but not yet effective.

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

2.20 Standards that became effective during the year

The Ministry of Corporate Affairs (MCA) has notified on 01 March 2023 Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments came into force with effect from 1 April 2023, i.e., Financial Year 2023-24. These amendments to Ind AS are made to align the recent amendments came in IFRS. The amendments were applicable for annual periods beginning on or after 1 April 2023.

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The amendment requires entities to disclose their material rather than their significant accounting policies. These amendments define what is 'material accounting policy information and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting

These amendments had an impact on the disclosure of accounting policies, but not on the measurement, recognition or presentation of any items in financials statements of the Company.

(ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

transactions and other past events (as well as the current period).

These amendments had no impact on the year-end financial statements of the Company as there were no changes in accounting policy or estimate.

(iii) Deferred tax related to assets and liabilities arising from a single transaction- Amendment to Ind AS 12

The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in the opening balance of retained eanings, or another component of equity, as appropriate.

Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements.

These amendments had no impact on the year-end financial statements of the Company as the Company is recognizing equal amounts of taxable and deductible temporary differences, separately.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

(₹ in Crores)

Particulars	Land - freehold	Buildings (Including Roads & Lanes)	Plant & Equipment Free Hold	Plant & Equipment Lease Hold	Furniture and fixtures	Vehicles	Office equipment	Electrical fittings	Total property, plant and equipment	Capital work-in-progress
At cost or deemed cost										
As at April 1, 2022	**18.44**	**240.79**	**410.18**	**1.15**	**13.97**	**12.29**	**23.58**	**15.12**	**735.52**	**119.89**
Additions	0.29	18.92	15.18	-	1.00	5.39	3.30	0.09	**44.17**	179.19
Disposals/transfer	-	(0.09)	(1.67)	-	(0.18)	(0.81)	(0.88)	-	**(3.63)**	(11.73)
Foreign Currency Translation Reserve	0.13	6.37	9.33	-	0.03	-	0.11	-	**15.97**	0.14
As at March 31, 2023	**18.86**	**265.99**	**433.02**	**1.15**	**14.82**	**16.87**	**26.11**	**15.21**	**792.03**	**287.49**
Assets acquired during acquisition	19.77	103.87	183.15	-	30.41	2.86	12.93	-	**352.99**	3.39
Additions	71.76	194.38	275.07	-	17.65	6.07	21.83	23.00	**609.76**	207.25
Disposals/transfer	(0.06)	(1.33)	(18.29)	-	(0.46)	(1.98)	(0.65)	(0.30)	**(23.07)**	(336.32)
Foreign Currency Translation Reserve	0.01	(0.03)	(1.58)	(0.01)	-	(0.03)	(0.01)	-	**(1.65)**	(0.41)
As at March 31, 2024	**110.34**	**562.88**	**871.37**	**1.14**	**62.42**	**23.79**	**60.21**	**37.91**	**1,730.06**	**161.40**
Accumulated depreciation										
As at April 1, 2022	**-**	**69.53**	**198.22**	**0.12**	**6.64**	**6.20**	**13.08**	**6.24**	**300.03**	**-**
Charge for the year	-	18.16	30.68	0.06	1.53	2.33	3.43	1.31	**57.50**	-
Disposals/transfer	-	(0.03)	(1.05)	-	(0.09)	(0.45)	(0.74)	-	**(2.36)**	-
Foreign Currency Translation Reserve	-	1.53	6.18	-	0.02	-	0.09	-	**7.82**	
As at March 31, 2023	**-**	**89.19**	**234.03**	**0.18**	**8.10**	**8.08**	**15.86**	**7.55**	**362.99**	**-**
Accumulated depreciation on assets acquired	-	14.89	101.30	-	14.28	0.30	9.71	-	**140.48**	
Charge for the year	-	28.71	39.60	0.06	1.96	3.15	3.92	1.88	**79.28**	-
Disposals/transfer	-	(0.56)	(8.74)	-	0.11	(0.37)	(1.19)	(0.16)	**(10.91)**	-
Foreign Currency Translation Reserve	-	0.05	(1.36)	-	-	(0.02)	(0.01)	-	**(1.34)**	
As at March 31, 2024	**-**	**132.28**	**364.83**	**0.24**	**24.45**	**11.14**	**28.29**	**9.27**	**570.50**	**-**
Net carrying amount										
As at March 31, 2023	**18.86**	**176.80**	**198.99**	**0.97**	**6.72**	**8.79**	**10.25**	**7.66**	**429.04**	**287.49**
As at March 31, 2024	**110.34**	**430.60**	**506.54**	**0.90**	**37.97**	**12.65**	**31.92**	**28.64**	**1,159.56**	**161.40**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

Notes:

a. The property, plant and equipment costing upto ₹ 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value.

b. Property, plant and equipment and capital work-in-progress has been pledged as security amounted ₹ 782.37 Crores (March 31, 2023 ₹ 417.79 Crores) and for detailed disclosure of charge created on aforesaid assets, refer note no. 54.

c. Refer note no. 52 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.

d. There are no title deeds of Immovable Properties, which are not held in name of the Group.

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

(₹ in Crores)

Particulars	March 31, 2024					March 31, 2023				
	Amount in Capital Work-in-progress for a period of				Total	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	132.29	29.11	-	-	**161.40**	255.81	31.68	-	-	**287.49**

f. Schedule for Capital work-in-progress whose completion is overdue compared to its original plan : -

(₹ in Crores)

Projects in progress	March 31, 2024					March 31, 2023				
	Amount in Capital work-in-progress to be completed in				Total	Amount in Capital work-in-progress to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Jabalpur Plant	63.26	-	-	-	**63.26**	103.40	-	-	-	**103.40**

g. The Group does not have any project temporary suspended.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 4 : RIGHT-OF-USE ASSETS

(₹ in Crores)

Particulars	Leasehold land	Buildings	Plant & Equipment	Total
Cost				
As at April 1, 2022	**41.68**	**151.27**	**1.72**	**194.67**
Additions	-	0.41	-	0.41
Disposal/Transfer	(0.06)	(2.95)	-	(3.01)
Foreign currency translation reserve	-	(0.10)	-	(0.10)
As at March 31, 2023	**41.62**	**148.63**	**1.72**	**191.97**
Assets acquired during acquisition	11.45	69.33	-	80.78
Additions	25.44	99.68	-	125.12
Disposal/Transfer	(16.01)	(13.65)	-	(29.66)
Foreign currency translation reserve	-	(2.24)	(0.03)	(2.27)
As at March 31, 2024	**62.50**	**301.75**	**1.69**	**365.94**
Accumulated depreciation				
As at April 1, 2022	**2.28**	**51.94**	**1.09**	**55.31**
Charge for the year	2.03	26.92	0.37	29.32
Disposal/Transfer	-	(1.17)	-	(1.17)
Foreign currency translation reserve	-	(0.05)	0.01	(0.04)
As at March 31, 2023	**4.31**	**77.64**	**1.47**	**83.42**
Accumulated depreciation on assets acquired	0.88	29.06	-	29.94
Charge for the year	4.91	25.46	0.17	30.54
Disposal/Transfer	(4.27)	(2.17)	-	(6.44)
Foreign currency translation reserve	-	(1.15)	(0.03)	(1.18)
As at March 31, 2024	**5.83**	**128.84**	**1.61**	**136.28**
As at March 31, 2023	**37.31**	**70.99**	**0.25**	**108.55**
As at March 31, 2024	**56.67**	**172.91**	**0.08**	**229.66**

(i) Refer note no. 47 for detailed disclosures as per IND AS 116 "Leases".

(ii) Leasehold land has been pledged as security amounted ₹ 10.57 Crores (March 31, 2023: ₹ 7.30 Crores).

NOTE 5 : INTANGIBLE ASSETS

(₹ in Crores)

Particulars	Goodwill	Other Intangible assets	Total Intangible Assets	Intangible assets under development
Cost				
As at April 1, 2022	**251.99**	**2.85**	**254.84**	**-**
Additions	-	-	**-**	-
Foreign currency translation reserve	22.00	0.26	**22.26**	-
As at March 31, 2023	**273.99**	**3.11**	**277.10**	**-**
Assets acquired during acquisition	376.80	1,039.66	**1,416.46**	-
Additions	-	-	**-**	4.22
Foreign currency translation reserve	1.79	0.02	**1.81**	-
As at March 31, 2024	**652.58**	**1,042.79**	**1,695.37**	**4.22**
Accumulated amortisation				
As at April 1, 2022	**-**	**2.80**	**2.80**	**-**
Charge for the year	-	0.02	**0.02**	-
Foreign currency translation reserve	-	0.26	**0.26**	-
As at March 31, 2023	**-**	**3.08**	**3.08**	**-**
Charge for the year	-	3.36	**3.36**	-
Foreign currency translation reserve	-	0.02	**0.02**	-
As at March 31, 2024	**-**	**6.46**	**6.46**	**-**
As at March 31, 2023	**273.99**	**0.03**	**274.02**	**-**
As at March 31, 2024	**652.58**	**1,036.33**	**1,688.91**	**4.22**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 6 : INVESTMENT PROPERTY

(₹ in Crores)

Particulars	Freehold land	Leasehold land	Buildings	Total
Cost				
As at April 1, 2022	**0.11**	**0.68**	**63.29**	**64.08**
Additions	-	-	-	-
Disposal/Transfer	-	-	-	-
As at March 31, 2023	**0.11**	**0.68**	**63.29**	**64.08**
Additions	-	-	-	-
Disposal/Transfer	(0.11)	-	(0.47)	(0.58)
As at March 31, 2024	**-**	**0.68**	**62.82**	**63.50**
Accumulated depreciation				
As at April 1, 2022	**-**	**0.05**	**7.86**	**7.91**
Charge for the year	-	0.01	2.77	2.78
Disposal/Transfer	-	-	-	-
As at March 31, 2023	**-**	**0.06**	**10.63**	**10.69**
Charge for the year	-	0.01	2.60	2.61
Disposal/Transfer	-	-	(0.26)	(0.26)
As at March 31, 2024	**-**	**0.07**	**12.97**	**13.04**
As at March 31, 2023	**0.11**	**0.62**	**52.66**	**53.39**
As at March 31, 2024	**-**	**0.61**	**49.85**	**50.46**

Notes:

a. Property that is held for long- term rental yields or for capital appreciation or both and that is not occupied by the Group, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of profit and loss during the year in which they are incurred. Though the Group measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

b. Depreciation on investment property, is provided on a pro-rata basis on a written down value basis, over the useful life of the property estimated by management, in the manner prescribed in Schedule II of the Act. The property's residual value, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Act.

Asset	Useful life as per Schedule II of the Companies Act, 2013	Useful life as assessed / estimated by the Company
	No. of Years	No. of Years
Buildings:		
- Factory	30	29
- Office	60	59
- Residential	60	59

Based on usage pattern, technical evaluation and internal assessment, management believes the useful lives, as given above best represent the period over which the management expects to use the properties. Hence, the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

c. The leasehold land has been amortised during the year by ₹ 0.01 Crores (March 31, 2023 : ₹ 0.01 Crores) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.

d. Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss. Transfers are made to/from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred. On transition to Ind AS, since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 01, 2016.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

e. Income from investment property:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Rental Income derived from investment property	1.96	2.17
Profit arising from investment property before depreciation	1.96	2.17
(Less): Depreciation for the year	(2.61)	(2.78)
Net profit arising from investment property	**(0.65)**	**(0.61)**

f. The Group has obtained independent valuation for its investment properties at ₹ 115.38 Crores as on March 31, 2024 and ₹ 114.32 Crores as on March 31, 2023. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence.

Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.

g. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.

h. The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.

i. The Group's Investment Properties are given on cancellable lease for a period 1-10 years.

NOTE 7A : INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (NON CURRENT)

Particulars	As at March 31, 2024		As at March 31, 2023	
	No.	₹ in Crores	No.	₹ in Crores
Joint Venture				
House Of Kieraya Private Limited -				
Investment in Compulsory Convertible Preference Shares - Face value per share of ₹ 10/- each	1,80,52,759	**248.79**	-	-
Investment in Equity shares* - Face value per share of ₹ 1/- each	18,57,500	**15.06**	-	-
Investment in Share warrants - Face value per share of ₹ 52.35/- (approx.) each	56,00,995	**86.31**	-	-
	2,55,11,254	**350.16**	-	-
Aggregate amount of Unquoted Investments		**350.16**		-
Aggregate amount of impairment in value of investments		-		-

*During the year, the Holding Company has acquired 17.70 % equity stake of House of Kieraya Private Limited and Investment in equity shares is netted off with share of (loss) for the jointly controlled entity of (₹ 10.58 Crores), refer note no. 71.

NOTE : INFORMATION ABOUT JOINT VENTURE

(%) of Shareholding

Name of the Company and Country of Incorporation	Principal Activities	As at March 31, 2024	As at March 31, 2023
House Of Kieraya Private Limited, India	Engaged in the business of providing furnishings solutions by purchasing and letting on rent furniture and fixtures, domestic equipments, home appliances, and other electronic equipments and sale of refurbished and new furniture and fixtures and other electronic equipments.	**17.70**	-

The country of incorporation or registration for above subsidiaries and joint venture is also their principal place of business.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 7B : OTHER INVESTMENTS (NON CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
In Debentures - fully paid up		
Carried at fair value through Profit & Loss - Unquoted	510.00	56.41
Total Investments	**510.00**	**56.41**
Aggregate amount of Unquoted investment	**510.00**	**56.41**
Aggregate amount of impairment in value of investments	-	-

NOTE 8 : LOANS (NON CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
At amortised cost		
Loans to employees	0.27	0.11
Other Loans	1.65	1.83
Total	**1.92**	**1.94**

NOTE 9 : OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	19.77	5.18
Deposits with Banks:		
- Fixed deposits account with an original maturity of more than 12 months	1.55	-
- held as margin money	0.01	0.01
	21.33	**5.19**

NOTE 10 : DEFERRED TAX ASSETS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	225.17	7.13
Total	**225.17**	**7.13**

Movement of deferred tax assets

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets in relation to		
Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes	0.03	0.01
Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis	0.47	0.35
Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net)	(0.01)	(0.09)
Deferred tax asset on Intangible asset acquired in acquisition	215.96	-
Others	8.72	6.86
Total	**225.17**	**7.13**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 11 : NON CURRENT TAX ASSETS (NET)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provision of ₹ 216.08 Crores (March 31, 2023: ₹ 134.60 Crores))	54.74	17.21
Total	**54.74**	**17.21**

NOTE 12 : OTHER NON CURRENT ASSETS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Capital advances*	5.83	33.57
Prepaid rent	0.38	0.38
Loan and advances	1.00	1.47
Total	**7.21**	**35.42**

*For value of Contracts in capital account remaining to be executed (refer note no. 52).

NOTE 13 : INVENTORIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials	185.52	179.07
Raw materials (In transit)	16.45	19.14
Work-in-progress	39.34	53.97
Finished goods	59.41	34.30
Stock-in-trade	11.57	25.90
Packing materials	6.66	5.93
Packing materials (In transit)	0.45	0.41
Stores and spares	19.46	12.37
Stores & spares (In transit)	0.51	0.24
Total	**339.37**	**331.33**

(i) Value of inventories above is net of provision for slow moving/ obsolete inventories amounting to ₹ 4.21 Crores (March 31, 2023: ₹ 6.56 Crores) for write-down to net realisable value and provision for slow-moving and obsolete items.

(ii) Inventories held by the group are subject to hypothecation by bankers towards working capital limits obtained by the group (refer note no. 54).

NOTE 14 : INVESTMENTS (CURRENT)

(₹ in Crores)

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	17.55	711.68
In Debentures - fully paid up		
Carried at amortised cost - Unquoted	0.27	0.27
Total Investments	**17.82**	**711.95**
Aggregate amount of Quoted Investments	**17.55**	**711.68**
Aggregate market value of Quoted Investments	**17.55**	**711.68**
Aggregate amount of Unquoted investments	**0.27**	**0.27**
Aggregate amount of impairment in value of investment	**-**	**-**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 15 : TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(At amortised cost)		
Unsecured		
Trade receivables - considered good (refer note below)	363.77	281.98
Trade receivables - considered doubtful	36.13	25.54
Trade receivables (gross)	**399.90**	**307.52**
(Less): Impairment allowance for trade receivables considered doubtful	(36.13)	(25.54)
Total	**363.77**	**281.98**

Notes :

a. No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.

b. Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.

c. For trade receivables, the Group has applied the simplified approach permitted by Ind AS 109 "Financial Instruments", which requires expected lifetime losses to be recognized from initial recognition of the receivables.

d. **Movement in the expected credit loss allowance**

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	25.54	21.94
Impact of Business combination	22.31	-
Charge / (reversal) in allowance during the year (net)	(11.72)	3.60
Balance at the end of the year	**36.13**	**25.54**

e. The carrying amounts of the trade receivables include receivables of Holding Company which are subject to a factoring arrangement. Under this arrangement, the Holding Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Holding Company has retained late payment and credit risk. The Holding Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The Holding Company considers that the held to collect business model remains appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total transferred receivables	26.32	-
Associated secured borrowings (refer note no. 29)	26.32	-

Presenting Cash flows

Management considers that in substance the factor collects the amounts receivable on the entity's behalf and retains the cash in settlement of the separate financing transaction. The company therefore presents the cash inflows received from the bank as financing cash inflows and the subsequent payments by the debtor as both operating cash inflows and financing cash outflows.

f. Refer note no. 50 for information about credit and market risk of trade receivables.

g. Realization from trade receivables held by Group are subject to hypothecation by bankers towards working capital limits obtained by the Group.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

h. Below is the ageing analysis of trade receivables :

As on March 31, 2024

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) Undisputed trade receivables							
- considered good	203.56	132.72	13.63	11.05	0.31	2.39	**363.66**
- which have significant increase in credit risk	0.53	0.35	0.32	6.29	2.47	19.91	**29.87**
- credit impaired	-	-	-	-	-	-	**-**
(ii) Disputed trade receivables							
- considered good	-	0.03	0.08	-	-	-	**0.11**
- which have significant increase in credit risk	-	0.95	0.22	0.78	2.04	2.27	**6.26**
- credit impaired	-	-	-	-	-	-	**-**
(iii) Impairment allowance for trade receivables considered doubtful (Disputed and Non Disputed)	(0.53)	(1.30)	(0.54)	(7.07)	(4.51)	(22.18)	**(36.13)**
Total	**203.56**	**132.75**	**13.71**	**11.05**	**0.31**	**2.39**	**363.77**

As on March 31, 2023

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) Undisputed trade receivables							
- considered good	98.20	181.65	1.15	0.71	0.06	0.21	**281.98**
- which have significant increase in credit risk	-	-	-	-	-	-	**-**
- credit impaired	-	-	-	-	-	-	**-**
(ii) Disputed trade receivables							
- considered good	-	-	-	-	-	-	**-**
- which have significant increase in credit risk	-	2.85	4.64	7.02	0.84	10.19	**25.54**
- credit impaired	-	-	-	-	-	-	**-**
(iii) Impairment allowance for trade receivables considered doubtful (Disputed and Non Disputed)	-	(2.85)	(4.64)	(7.02)	(0.84)	(10.19)	**(25.54)**
Total	**98.20**	**181.65**	**1.15**	**0.71**	**0.06**	**0.21**	**281.98**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 16 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks :		
Current accounts	43.70	40.72
Fixed deposits account with an original maturity of less than three months	0.11	1.42
Cash on hand	0.21	0.13
Total	**44.02**	**42.27**

Notes:

a. There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior years.

b. Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

NOTE 17 : BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits having original maturity more than 3 months but less than 12 months	4.35	0.27
Unpaid Dividend Account (refer note (b) below)	0.58	-
Total	**4.93**	**0.27**

Notes:

a. Other bank balances represents fixed deposits with banks.

b. These balances are exclusive of disputed unpaid dividend and are not available for use by the Group. The corresponding balance is disclosed as liability for unclaimed dividend in note no. 33.

NOTE 18 : LOANS (CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
(At amortised cost)		
Loans to employees	0.87	0.67
Other Loans	0.27	-
Total	**1.14**	**0.67**

Note:

In the above, no loans or advances are granted to promoters, directors, KMPs and related parties.

NOTE 19 : OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Interest accrued but not due on deposits with Banks and debentures	0.37	0.08
Other Receivables	5.83	-
Rodtep incentive receivable	-	0.15
Other loans and advances	1.64	0.77
Total	**7.84**	**1.00**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 20 : OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advance to contractors/suppliers	16.71	18.74
Balances with Statutory/Government authorities:		
- Excise & Custom	1.19	2.51
- GST	38.04	28.04
- VAT/Sales Tax	5.03	4.88
Prepaid expenses (refer note (a))	20.94	6.25
Lease equalisation	0.54	0.68
Other loans and advances	10.64	1.24
Right to recover return goods (refer note (b))	2.40	1.46
Total	**95.49**	**63.80**

Notes:

a. Prepaid expenses includes amount of ₹ 0.24 Crores (March 31, 2023: ₹ 0.47 Crores) towards amount available for set off in pursuant of sub-rule(3) of rule 7 of the Companies (Corporate social responsibility policy) rules, 2014 (refer note no. 58).

b. In certain cases, the Company provides its customers right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises Liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).

NOTE 21 : EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Authorised share capital:		
26,00,00,000 fully paid equity shares of ₹ 5/- each	130.00	130.00
(March 31, 2023 : 26,00,00,000 fully paid equity shares of ₹ 5/- each)		
	130.00	**130.00**
Issued, subscribed & paid up share capital:		
10,86,97,341 fully paid equity shares of ₹ 5/- each	54.35	48.78
(March 31, 2023 : 9,75,65,616 equity shares of ₹ 5/- each)		
Total	**54.35**	**48.78**

(b) 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	₹ in Crores	Number of shares	₹ in Crores
At the beginning of the year	9,75,65,616	48.78	4,87,82,808	24.39
Bonus shares issued during the year (refer note no. 21(e))	-	-	4,87,82,808	24.39
Fully paid up equity shares issued during the year*	1,11,31,725	5.57	-	-
Outstanding at the end of the year	**10,86,97,341**	**54.35**	**9,75,65,616**	**48.78**

*During the year, the Holding Company raised money by the way of Qualified Institutions Placement ("QIP") and allotted 1,11,31,725 equity shares of face value ₹ 5/- each to the eligible qualified institutional buyers (QIB) at a price of ₹ 1,078/- per equity share (including a premium of ₹ 1,073 per equity share) aggregating to ₹ 1,200.00 Crores on September 26, 2023. The issue was made in accordance SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Expenses incurred in relation to QIP includes ₹ 58.47 Crores which has been adjusted from Securities Premium Account (refer note no.22).

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(c) Terms and rights attached to equity shares

The Holding Company has one class of equity shares having a par value of ₹ 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Holding Company in proportion of their shareholding.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	% of holding	Number of shares	% of holding
Sh. Rahul Gautam	1,24,18,970	11.43%	1,24,18,970	12.73%
Smt. Namita Gautam	1,14,31,758	10.52%	1,14,31,758	11.72%
Sh. Tushaar Gautam	3,41,72,628	31.44%	3,41,72,628	35.03%
Rangoli Resorts Private Limited	1,31,50,818	12.10%	1,31,50,818	13.47%
SBI Magnum Midcap Fund	1,06,25,381	9.78%	84,70,282	8.68%
Kotak Emerging Equity Scheme	58,02,172	5.34%	63,00,647	6.46%

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

During the year ended March 31, 2024, no shares were allotted as fully paid up by way of bonus shares. While during the year ended March 31, 2023, 4,87,82,808 fully paid up equity shares of ₹ 5/- each were allotted by way of bonus shares to all the shareholders of Holding Company in the ratio of 1:1.

(f) Shareholding of promoters & promoter group

Shares held by promoters at the end of the year	As at March 31, 2024			As at March 31, 2023		
Promotor name	Number of Shares	% of holding	% Change during the year	Number of shares	% of holding	% Change during the year
Sh. Rahul Gautam	1,24,18,970	11.43%	-1.30%	1,24,18,970	12.73%	-
Smt. Namita Gautam	1,14,31,758	10.52%	-1.20%	1,14,31,758	11.72%	-
Sh. Tushaar Gautam	3,41,72,628	31.44%	-3.59%	3,41,72,628	35.03%	-
Rangoli Resorts Private Limited	1,31,50,818	12.10%	-1.37%	1,31,50,818	13.47%	-
Total		**65.49%**			**72.95%**	

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Holding Company during the period of five years immediately preceding the current year end. However, certain bonus shares has been issued during the previous year, refer (e) above.

NOTE 22 : OTHER EQUITY

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve (refer note (a) below)	0.98	0.67
General reserve (refer note (b) below)	-	-
Retained earnings (refer note (c) below)	1,683.58	1,505.42
Other comprehensive income (refer note (d) below)	-	-
Cash flow hedge reserve (refer note (e) below)	(2.26)	(2.60)
Share based payment reserve (refer note (f) below)	2.42	-
Foreign currency translation reserve (refer note (g) below)	44.71	45.27
Security premium (refer note (h) below)	1,135.96	-
Capital Subsidy (refer note (i) below)	0.39	0.64
Statutory Reserve (refer note (j) below)	0.06	-
Total	**2,865.84**	**1,549.40**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve		
Opening balance	0.67	3.96
Impact of Business combination	0.31	-
Bonus Shares issued during the year	-	(3.29)
Closing balance	**0.98**	**0.67**
General Reserve		
Opening balance	-	17.16
Bonus Shares issued during the year	-	(17.16)
Closing balance	**-**	**-**
Retained earnings		
Opening balance	1,505.42	1,313.31
Net profit for the year	182.44	198.93
Share of OCI in Joint venture	0.03	-
Transferred to Statutory Reserve	(0.06)	-
Bonus shares issued during the year	-	(3.94)
Expenses towards increase in authorised capital	-	(0.50)
Dividend paid	0.89	(1.03)
Remeasurements of the net defined benefit plans (net of tax)	(2.51)	(1.35)
Impact of further acquisition in subsidiary	(2.63)	-
Closing balance	**1,683.58**	**1,505.42**
Other Comprehensive Income		
Opening balance	-	4.24
Fair value gain/(loss) on debt instruments (net of tax)	-	-
Realised gain from debt instruments transferred to profit and loss (net of tax)	-	(4.24)
Closing balance	**-**	**-**
Cash flow hedge reserve		
Opening balance	(2.60)	-
Gain / (Loss) on Cash flow hedge reserve (net of tax)	0.34	(2.60)
Closing balance	**(2.26)**	**(2.60)**
Share based payment reserve		
Opening balance	-	-
Employees share based payment expenses	2.42	-
Closing balance	**2.42**	**-**
Foreign currency translation reserve		
Opening balance	45.27	28.80
Share of OCI in Joint Venture	0.01	
Exchange (loss) / gain on translation (net) during the year	(0.57)	16.47
Closing balance	**44.71**	**45.27**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium		
Opening balance	-	-
On issuance of Equity shares (refer note no. 21(b))	1,194.43	-
Equity Fund raising expenses	(58.47)	-
Closing balance	**1,135.96**	**-**
Capital Subsidy		
Opening balance	0.64	0.71
Amortizations/repayments	(0.25)	(0.07)
Closing balance	**0.39**	**0.64**
Statutory Reserve		
Opening balance	-	-
Transferred during the year	0.06	-
Closing balance	**0.06**	**-**

Notes:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve. During the previous year, Holding company had issued bonus shares in the ratio of 1:1 out of capital reserve of ₹ 3.29 Crores.

(b) General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. During the previous year, Holding company had issued bonus shares in the ratio of 1:1 out of general reserve of ₹ 17.16 Crores.

(c) Retained Earnings

Retained earnings are the profits that the Group has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

Remeasurement of net defined benefit plans: Differences between the interest income on plan assets and the return actually achieved and any changes in liabilities over the year due to changes in actuarial assumption on experience adjustment with in the plan, are recognised in other comprehensive income and are adjusted to retained earning.

(d) Other Comprehensive Income

The fair value change of debt instruments measured at fair value through other comprehensive income is recognised in Other comprehensive income. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the consolidated statement of profit and loss.

(e) Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognised and accumulated under the heading of cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.

(f) Share based payment reserve

The fair value of the equity-settled share based payment transaction is recognised in consolidated statement of profit and loss with corresponding credit to Share based payment reserve.

(g) Foreign currency translation reserve

The amount represents reserve arising from gain/loss on translation of the financial statements of foreign subsidiaries in the presentation currency of the Holding Company.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(h) Securities Premium

The amount received in excess of face value of equity shares is recognised in Securities premium.

(i) Capital Subsidy

The amount represents capital subsidy received by the foreign subsidiary from Spanish Government for the acquisition of assets or inventories which is imputed to result in proportion to the amortization or, where appropriate, when their disposal occurs, valuation correction due to impairment or loss in the balance sheet.

(j) Statutory Reserve

In case of LLC incorporated in Dubai, the statutory reserve are required to be maintained and such deduction to be discontinued if the reserve reaches half the capital subject to the partners' discretion.

NOTE 23 : NON CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Term Loans from Banks (refer note (A) below)		
- ₹ Bank loan	27.15	40.73
- $ Bank loan	39.23	58.02
- AUD Term Loan	41.11	60.46
- EURO Term Loan	116.09	124.60
	223.58	**283.81**
Unsecured		
Non-convertible Debentures (refer note (B) below)		
	721.01	**-**
Total	**944.59**	**283.81**
Reconciliation of carrying value of Unsecured Non-Current Borrowings:		
Gross carrying value of Unsecured Borrowings	725.00	-
(Less): Unamortised cost netted off in Borrowings	(3.99)	-
Total	**721.01**	**-**

Notes:

A. Term Loans from Banks

a. ₹ & $ Term loans have been taken from JPMorgan Chase Bank, N.A., India & Kotak Mahindra Bank respectively during the year ended 31st March, 2022 for purchase of capital equipment's for its Nandigram manufacturing unit and towards construction of Mandla (Jabalpur) manufacturing facility.

b. ₹ Term Loan carries interest to be charged on loan linked to 1.37% over 3M T- Bill. Rates as applicable on the date of agreement shall be revised at interval of every 3 months. The loan is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.

c. $ Term Loan carries interest of 2.25% p.a. and is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period from the first disbursement.

d. $ & ₹ Term loans has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets) (refer note no. 54).

e. EURO Term Loan from CITI Bank is taken by International Foam Technologies Spain S.L based on Stand by Letter of Credit from Citi Bank, India secured by exclusive charge on certain fixed assets of the Holding Company.

The term loan carry the arithmetic sum of the reference Interest rate viz. 1.25% over 3 month EURIBOR communicated by the Bank for the period and accepted by the borrower. The principal amount of Loan will be repaid by the Company in 20 quarterly equated installments as per predefined schedule and with first installement started from October, 2020 and last installement due in October, 2025.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

Subsequently, the repayment schedule was revised during the year and the outstanding principal amount of the Loan on the date of revision has been converted into further twenty equal quarterly installments, according to the revised schedule, being the first installment started September, 2023 which coincides with the commencement of the first interest period and last installment due in June, 2028.

f. AUD Term Loan from Citi Bank, Australia is taken by Joyce Foam PTY Limited secured by a first registered mortgage over the freehold property and by a fixed and floating charge over all the assets and undertaking of the consolidated group including plant & machinery . The term loans carry an interest rate which is aggregate of the applicable Margin and BBSY Bid communicated by the Bank for the interest period and accepted by the borrower. The principal amount of the loan will be repaid in 60 monthly installments as per predefined schedule with the first installment started from July 2021 and the last installment due in June 2026. The facility agreement with Citi Bank requires the following covenants to be maintained at a group and a company level mention below:-

i. Gross Leverage ratio (Group) less than 2.5

ii. Debt service coverage ratio (Group) greater than 1.4

iii. Debt to tangible Net Worth (Group) less than 2.0

iv Fixed asset coverage ratio (Company) greater than 1.25

As at the end of the reporting year, the above ratios has been complied with.

g. Purpose of loan and its utilization

Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement	If no, mention the purpose for which it is utilised
JP Morgan (₹ Loan)	The facility shall be used by the borrower towards Capex at their new plants in Nandigram and Jabalpur.	Yes	Not Applicable
Kotak Mahindra ($ Loan)	For capex at Maneri, Medhi Niwas, Jabalpur, Madhya Pradesh and Nandigram, Umbergaon, Valsad, Gujrat.	Yes	Not Applicable
Citi Bank Loan (EURO Loan)	The purpose of the loan is the acquistion of the shares of the target company.	Yes	Not Applicable
Citi Bank Loan (AUD Loan)	The facility shall be used for capital expenditure for acquisition of Plant, Machinery and equipment.	Yes	Not Applicable

h. Repayment schedule for secured loan outstanding

Particulars	Citi Bank Australia (AUD Loan)	Citi Bank Spain (EURO Loan)	JP Morgan (₹ Loan)	Kotak Mahindra ($ Loan)
Number of Installments due (Nos)	27	18	12	12
Frequency of Installments	Monthly	Quarterly	Quarterly	Quarterly
Rate of Interest (%)	BBSY+ Applicable Margin	1.25% over 3 Month EURIBOR	1.37% over 3 Month T - Bill rates	2.25%
Within one year (₹ in Crores) (refer note no. 29)	18.64	37.71	13.58	19.61
After one year but not more than 5 years (₹ in Crores)	41.11	116.09	27.15	39.23
More than 5 years (₹ in Crores)	-	-	-	-

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

B. Non-Convertible Debentures

a. Rated, Listed, Unsecured, 8.45% Coupon, Non-Convertible Debentures amounting to ₹ 29.63 Crores (March 31, 2023: NIL) included within Current maturities of Non-Convertible Debentures in note no. 29 and ₹ 721.01 crores (March 31, 2023: NIL) included within Non-Convertible Debentures in note no. 23. It bears Interest rate of 8.45% and maturity ranges from April 2025 to October 2026.

b. Terms of Debentures

Particulars of Debentures	STRPP - I	STRPP - II	STRPP - III	STRPP - IV
Face value per debenture (₹)	1,00,000	1,00,000	1,00,000	1,00,000
Date of allotment	October 06, 2023	October 06, 2023	October 06, 2023	October 06, 2023
As at 31st March, 2024 (₹ in Crores)	187.78	187.67	187.61	187.58
As at 31st March, 2023 (₹ in Crores)	NIL	NIL	NIL	NIL
Interest	8.45% p.a payable annually	8.45% p.a payable annually	8.45% p.a payable annually	8.45% p.a payable annually
Terms of Repayment	Due for Redemption on April 04, 2025	Due for Redemption on October 06, 2025	Due for Redemption on April 04, 2026	Due for Redemption on October 06, 2026

c. Funds raised from Non-Convertible Debentures were utilised for the purpose it were obtained.

d. The Holding Company agrees, confirms and undertakes to comply with and maintain the following Financial covenants at a group level, at all times till the final settlement date:-

i. Interest service coverage ratio not less than 2.5 times

ii. Total Net debt / EBITDA less than 3.5 times

iii. Total Debt / Tangible net worth less than 2 times

As at the end of the reporting year, the above financial covenants has been complied with.

NOTE 24 : LEASE LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liabilities (refer note no. 47)	211.78	103.47
Total	**211.78**	**103.47**
Current	37.55	15.98
Non current	174.23	87.49

NOTE 25 : OTHER FINANCIAL LIABILITIES (NON CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits from dealers and others	70.53	25.28
Unearned Rent Income	0.13	0.20
Others	0.92	0.46
Total	**71.58**	**25.94**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 26 : PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Long term provisions:		
Provision for employee benefits:		
- Compensated absences	9.54	6.72
- Gratuity	5.26	1.49
Other provisions:		
- Provision for warranty (refer note below)	6.89	4.83
Total	**21.69**	**13.04**
Short term provisions:		
Provision for employee benefits:		
- Compensated absences	13.04	9.69
- Gratuity	5.44	4.42
Other provisions:		
- Provision for warranty (refer note below)	10.64	6.40
Total	**29.12**	**20.51**

Note:

Provision for warranty:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns and in accordance with the Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets". Assumptions used for the said provision are sales return trend based on past warranty sales. The table below gives information about movement in warranty provision:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	11.23	6.79
Add : Created during the year	10.38	11.76
(Less) : Utilised during the year	(4.08)	(7.32)
At the end of the year	**17.53**	**11.23**

NOTE 27 : OTHER NON CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred capital grant	0.17	0.20
Total	**0.17**	**0.20**

The table below gives information about movement in deferred capital grant:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	0.23	0.26
(Less) : Realised to statement of profit and loss	(0.03)	(0.03)
At the end of the year	**0.20**	**0.23**
Non Current	0.17	0.20
Current	0.03	0.03

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 28 : DEFERRED TAX LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	17.70	9.96
Total	**17.70**	**9.96**

Movement of deferred tax liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities in relation to		
Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes	21.87	6.12
Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis	(13.71)	(1.10)
Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net)	9.45	2.21
Remeasurements gain / (loss) of the net defined benefit plans	(2.13)	(0.53)
MTM loss on forward currency swap contract	(3.44)	(4.20)
Impact of Leases	1.59	1.71
Others	4.07	5.75
Total	**17.70**	**9.96**

NOTE 29 : BORROWINGS (CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Term Loans from Banks		
- ₹ Bank Loan	13.58	13.58
- $ Bank Loan	19.61	19.34
- AUD Term Loan	18.64	18.87
- EURO Term Loan	37.71	59.61
Working capital Loans from Banks (refer note (a) below)	107.11	19.26
Factored Receivables (refer note (c) below)	26.32	-
	222.97	**130.66**
Unsecured		
Loan from financial credit institutions (refer note (b) below)	84.02	53.16
Current Maturities of Non-Convertible Debentures (including interest)	29.63	-
Bank Overdraft	0.12	-
	113.77	**53.16**
Total	**336.74**	**183.82**

Notes:

a. The Joyce Foam PTY Limited, Australia has taken working capital facility to meet day to day funds requirement with interest rate for this facilities @ 5.64% approx (March 31, 2023: 5.64%). Working capital facility has also been taken by Holding company to meet day to day funds requirement with interest rate for this facilities ranging from 7.32% to 7.45% (March 31, 2023 : Nil) (refer note no. 54 for assets pledged as security).

b. The Interplasp S.L, Spain has taken discounting and foreign trade facilities to meet day to day working capital requirement with interest rate for these facilities ranging from 0.81% to 4.92% (March 31, 2023 : 0.90% to 1.10%).

c. Factored receivables of Holding company are secured by first charge on trade receivables subject to factoring arrangements.

d. Refer note no. 23 for the purpose, interest rate and repayment term for Term Loans from Banks.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 30 : TRADE PAYABLES

(₹ in Crores)

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 (refer note no. 57)	22.28	7.22
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	365.25	252.14
Total	**387.53**	**259.36**

Notes:

a. Trade payables for micro and small enterprises are non interest bearing and are normally settled on 7 days to 30 days credit terms.

b. Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.

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

As on March 31, 2024

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Payables not due	Less than 1 Year	1-2 years	2-3 years	more than 3 years	
(i) MSME	0.13	22.15	-	-	-	-	**22.28**
(ii) Others	27.60	175.23	134.92	26.31	0.63	0.56	**365.25**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**27.73**	**197.38**	**134.92**	**26.31**	**0.63**	**0.56**	**387.53**

As on March 31, 2023

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Payables not due	Less than 1 Year	1-2 years	2-3 years	more than 3 years	
(i) MSME	-	7.20	0.02	-	-	-	**7.22**
(ii) Others	12.17	178.10	61.68	0.19	-	-	**252.14**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**12.17**	**185.30**	**61.70**	**0.19**	**-**	**-**	**259.36**

NOTE 31 : OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deposits from dealers and others	71.51	62.84
Creditors for capital goods	6.90	5.88
Liability against foreign currency swap contracts	22.25	22.68
Liability towards exercise of shares warrants	55.85	-
Interest accrued but not due on borrowings	-	0.16
Empoyee Liabilities	36.66	20.67
Other liabilities	72.06	0.08
Unearned Rent Income	0.07	0.07
Total	**265.30**	**112.38**

NOTE 32 : CURRENT TAX LIABILITIES (NET)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for income tax (net of advance tax of ₹ 0.35 Crores (March 31, 2023 ₹ Nil))	0.89	0.02
Total	**0.89**	**0.02**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 33 : OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Refund liabilities	3.88	2.36
Deferred capital grant (refer note (a) below)	0.03	0.03
Contract liabilities (refer note (b) below)	44.46	37.75
Statutory dues payable	18.20	23.91
Unclaimed Dividend Account (refer note (c) below)	0.58	-
Other Liabilities	4.61	26.05
Total	**71.76**	**90.10**

Notes:

a) Refer note no. 27 for the movement in deferred capital grant.

b) Consists of advances received from customers towards supply of products.

c) Not due for deposit to the Investor Education and Protection Fund (refer note no. 17).

NOTE 34 : REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products	2,961.58	2,860.11
Sale of services	16.46	8.25
	2,978.04	**2,868.36**
Other operating revenue		
- Rodtep scheme subsidy	0.08	0.14
- Income from sale of scrap	4.19	4.82
Total	**2,982.31**	**2,873.32**

NOTE 34.1 : DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Group's revenue from contracts with customers:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Geographical Revenue		
Type of goods		
Revenue from external customers	2,961.58	2,860.11
Total revenue from contracts with customers		
India	2,207.07	1,988.76
Outside India	754.51	871.35
	2,961.58	**2,860.11**
Type of services (IT Support Services)		
Revenue from external customers	16.46	8.25
Total revenue from contracts with customers		
India	11.57	4.50
Outside India	4.89	3.75
	16.46	**8.25**
Total revenue from contracts with customers	**2,978.04**	**2,868.36**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 34.2 : CONTRACT BALANCES

The following table provides information about receivables and contract liabilites from contract with customers.

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Contract Liabilites		
Advance from customers (refer note no. 33)	44.46	37.75
Receivables		
Trade Receivables (refer note no. 15)	363.77	281.98

Note:

Receivables is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer in advance.

Note 34.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price (goods and services)	3,287.04	3,076.16
Less: Adjustments		
Sales return	(20.92)	(11.18)
Rebate and discount	(288.08)	(196.62)
Revenue from contracts with customers	**2,978.04**	**2,868.36**

NOTE 34.4 : PERFORMANCE OBLIGATIONS

The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer.

The performance obligation for sale of services is satisfied over the period of time as per contract with customers.

NOTE 35 : OTHER INCOME

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income from:		
Financial assets at amortised cost		
Bank deposits	0.29	0.16
Inter-corporate-deposit	-	0.28
Currency Swap Forward contract	4.94	3.35
Security deposits	-	0.02
Others	3.12	1.07
Financial assets at fair value		
Bonds (refer note (a) below)	-	26.47
Unwinding of discount of deposits	0.78	1.40
On income tax refund	0.31	1.76
Other non operating income		
Gain on Termination of Lease	1.92	-
Rental income (refer note (b) below)	13.58	12.58
Gain on sale/disposal of fixed assets	-	0.49
Liabilities/provisions no longer required written back	10.46	0.12

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income from sale of Investments (refer note (c) below)	40.28	18.69
Fair valuation adjustments of Investments through profit and loss (refer note (d) below)	29.27	8.99
Subsidy income (refer note (e) below)	0.03	0.03
Grant income (refer note (e) below)	0.49	0.35
Sale of non-processed scrap	6.04	6.76
Net gain on foreign currency transactions and translations (refer note (f) below)	3.23	0.99
Other miscellaneous income	2.36	2.11
Total	**117.10**	**85.62**

Notes:

a) Interest income from Bonds

Interest income from bonds at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

b) Rental income

Rental income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature. It Includes rental income of ₹ 1.96 Crores (March 31, 2023: ₹ 2.17 Crores) from Investment property (refer note no. 6).

c) Income from sale of investments

The Group earns profit/loss on sale of mutual funds, bonds, AIF and MLD. When these investments are sold, the cumulative gain or loss previously recognised in statement of profit or loss and recognised in Other Income. Interest income from these financial assets is included in other income using the effective interest rate method .

d) Fair valuation adjustments of Investments

Fair value through profit and loss of Investments represent fair valuation changes in mutual funds & MLD which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

e) Government Grants / Subsidy

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

f) Foreign Currency Transactions

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount, the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 36 : COST OF MATERIALS CONSUMED

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw material		
Opening inventory	198.21	193.93
Add: Purchases	1,593.54	1,631.66
(Less): Sales/adjustments	(60.17)	(42.55)
(Less): Closing inventory (including goods in transit of ₹ 16.45 Crores (March 31, 2023: ₹ 19.14 Crores))	(201.97)	(198.21)
Raw materials consumed (A)	**1,529.61**	**1,584.83**
Packing Material		
Opening inventory	6.34	8.95
Add: Purchases	61.89	79.74
(Less): Sales/adjustments	(8.41)	(5.28)
(Less): Closing inventory (including goods in transit of ₹ 0.45 Crores (March 31, 2023: ₹ 0.41 Crores))	(7.11)	(6.34)
Packing materials consumed (B)	**52.71**	**77.07**
Cost of materials consumed (A+B)	**1,582.32**	**1,661.90**

NOTE 37 : PURCHASE OF STOCK-IN-TRADE

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Traded Goods -Bed sheets/comforters/PU foam/ spring/coir mattresses	108.42	138.08
Total	**108.42**	**138.08**

NOTE 38 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock:		
Finished Goods	34.30	40.17
Stock in trade	25.90	8.40
Work-in-progress	53.97	53.31
Right to recover return goods	1.46	1.66
Total (A)	**115.63**	**103.54**
Impact of Business Combination:		
Finished Goods	35.78	-
Stock in trade	7.71	-
Work-in-progress	13.01	-
Total (B)	**56.50**	**-**
Closing stock:		
Finished Goods	59.41	34.30
Stock in trade	11.57	25.90
Work-in-progress	39.34	53.97
Right to recover return goods	2.40	1.46
Total (C)	**112.72**	**115.63**
Changes in Inventories of Finished goods, Stock-in-trade and Work-in-progress (A+B-C)	**59.41**	**(12.09)**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 39 : OTHER MANUFACTURING EXPENSES

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Power and fuel	22.62	17.67
Repair and maintenance:		
- Buildings	2.13	2.41
- Plant and equipment	31.15	20.49
Processing and other charges	57.27	26.54
	113.17	**67.11**
(Less): Transfer to Capital work-in-progress / Capitalised	(1.24)	(0.37)
Total	**111.93**	**66.74**

NOTE 40 : EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages, allowance, and other benefits	309.32	252.15
Contribution to gratuity (refer note no. 45)	3.86	3.08
Contribution to provident and other funds	18.98	15.03
Employees share based payment expenses (refer note no. 45)	2.42	-
Workmen and staff welfare expenses	14.69	13.25
	349.27	**283.51**
(Less): Transfer to Capital work-in-progress / Capitalised	(5.16)	(0.61)
Total	**344.11**	**282.90**

NOTE 41 : FINANCE COSTS

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense (on financial liabilities measured at amortised cost) :		
- On borrowings from banks	21.07	11.72
- On borrowings from Group Company	-	-
- On non-convertible debentures	30.77	-
- On security deposits	5.29	5.27
- On lease liabilities	10.60	4.64
- Others	4.11	1.12
Bank Charges	0.82	0.87
	72.66	**23.62**
(Less): Transfer to Capital work-in-progress / Capitalised	(4.04)	(2.55)
Total	**68.62**	**21.07**

NOTE 42 : DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (refer note no. 3)	79.28	57.50
Depreciation on right-of-use assets (refer note no. 4)	30.54	29.32
Amortisation of intangible assets (refer note no. 5)	3.36	0.02
Depreciation on investment property (refer note no. 6)	2.61	2.78
Total	**115.79**	**89.62**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 43 : OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Freight and forwarding	158.72	136.26
Rent and hire	10.55	8.35
Insurance	23.23	15.38
Rates and taxes	6.65	4.17
Legal and professional	25.69	16.78
Other Maintenance	11.10	13.50
Selling and promotion	45.65	80.65
Travelling and conveyance	25.21	17.43
Advertisement	117.40	74.52
Warranty	10.38	11.76
Net Loss on Foreign Currency Forward Contracts	0.44	13.22
Contribution towards corporate social responsibility expenditure (refer note no. 58)	4.51	4.76
Net loss on foreign currency transactions and translations	-	3.53
IT Support services	2.05	2.18
Bad debts	0.88	5.11
Provision for Bad debts	-	3.60
Loss on sale/disposal of fixed assets	3.55	-
Miscellaneous	32.70	27.96
	478.71	**439.16**
(Less): Transfer to Capital work-in-progress / Capitalised	(3.13)	(1.53)
Total	**475.58**	**437.63**

NOTE 43.1 : AUDITOR'S REMUNERATION INCLUDED IN LEGAL AND PROFESSIONAL CHARGES (EXCLUDING GST)

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit (including limited review)	0.78	0.38
Certification	0.17	0.03
Out of pocket expenses	0.02	0.02
Total	**0.97**	**0.43**

NOTE 44 : EARNINGS PER SHARE

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year attributable to Equity shareholders	182.44	198.93
Earnings used in the calculation of basic earnings per share	182.44	198.93
Earnings used in the calculation of diluted earnings per share	182.44	198.93

(In Numbers)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Weighted average number of equity shares for the purposes of basic earnings per share	10,32,83,551	9,75,65,616
Weighted average number of equity shares for the purposes of diluted earnings per share	10,33,29,194	9,75,65,616

(₹ per share)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Basic earnings per share	17.66	20.39
Diluted earnings per share	17.66	20.39

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 45 : EMPLOYEE BENEFITS (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

A. Defined contribution plans

Employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which companies makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 10.73 Crores (Previous Year: ₹ 7.75 Crores) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's contribution towards Provident Fund (PF)	9.40	6.82
Employer's contribution towards Employees State Insurance (ESI)	0.70	0.48
Employer's contribution towards National Pension Scheme (NPS)	0.63	0.45
Total	**10.73**	**7.75**

B. Post employment benefits

Defined benefit plans

Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 and is being maintained by SFL Employees Gratuity Trust. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

This plan is governed by the Payment of Gratuity Act 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate	7.09%	7.36%
Future salary increase/salary escalation	7.00%	7.00%
Retirement age (years)	60	60
Mortality Tables		
Employee turnover		
18 to 30 years	3.59%	3.40%
From 31 to 45 years	4.29%	3.70%
Above 45 years	1.47%	0.80%

Notes:

i. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii. Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

Quantitative sensitivity analysis for significant assumptions as at March 31, 2024 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
Discount rate		
Increase by 1.00%	(4.19)	(3.16)
Decrease by 1.00%	4.72	3.61
Salary increase		
Increase by 1.00%	4.57	3.58
Decrease by 1.00%	(4.15)	(3.20)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Service cost:		
Current service cost	3.40	2.41
Net interest expense	0.46	0.67
Components of defined benefit costs recognised in profit or loss	**3.86**	**3.08**
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	(0.02)	0.53
Actuarial (gains) / losses arising from changes in demographic assumptions	(0.03)	0.01
Actuarial (gains) / losses arising from experience adjustments	1.18	1.48
Actuarial (gains) / losses on Curtailments / settlements	2.40	-
Return on Plan Asset	(0.91)	(0.21)
Components of defined benefit costs recognised in other comprehensive income	**2.62**	**1.81**
Total	**6.48**	**4.89**

The current service cost and the net interest expense for the year are included in the 'Employee benefit expense' line item in the consolidated Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of funded defined benefit obligation	46.14	30.61
Fair value of plan assets	(35.44)	(24.70)
Net liability arising from defined benefit obligation (refer note no. 26)	**10.70**	**5.91**

Movements in the present value of the defined benefit obligation are as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening defined benefit obligation	30.61	25.45
Defined benefit obligation on acquisition	8.65	-
Current service cost	3.40	2.41
Interest cost	2.39	1.91
Remeasurement (gains)/losses:		
Actuarial (gains) / losses arising from changes in financial assumptions	(0.02)	0.53
Actuarial (gains) / losses arising from changes in in demographic assumptions	(0.03)	0.01
Actuarial (gains) / losses arising from experience adjustments	1.18	1.48
Actuarial (gains)/losses arising from curtailments/settlements	2.38	
Benefits paid	(2.42)	(1.18)
Closing defined benefit obligation	**46.14**	**30.61**

Change in plan assets are as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of plan assets	24.70	18.39
Fair value of plan assets on acquisition	5.31	-
Return on plan assets	1.94	1.25
Fund management charges	-	-
Employer contribution	4.94	6.03
Actuarial (Gain)/Loss on Asset	0.91	0.21
Benefits paid	(2.36)	(1.18)
Closing fair value of plan assets	**35.44**	**24.70**

The major categories of plan assets:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Insurance products	35.44	24.70
Total	**35.44**	**24.70**

Maturity profile of gratuity liability is as follows:

(₹ in Crores)

Year	For the year ended March 31, 2024	For the year ended March 31, 2023
0 to 1 year	3.29	1.28
1 to 2 Year	3.05	1.08
2 to 3 Year	2.52	1.36
3 to 4 Year	2.22	1.59
4 to 5 Year	2.28	1.29
5 Year onwards	32.78	24.01
Expected contribution to the fund in next year (₹ in Crores)	**8.46**	**6.89**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

a. Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yields; 1b plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. A portion of the funds are invested in equity securities. The Group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the continuing years.

b. Changes in discount rate:

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets holdings.

c. Inflation risks:

Gratuity payments are not linked to inflation, so this is a less material risk.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. The Group uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of unit linked group insurance plan which further invests in government and corporate bonds, equities, money market instruments & public deposits. The plan asset mix is in compliance with the requirements of the respective local regulations.

C. Share based payments

a) Employee option plan

The establishment of the SHEELA FOAM - Employees Stock Option Plan 2022- ('SF ESOP - 2022") was approved by shareholders of the Holding Company at the 2022 annual general meeting of the Holding Company. The Employee Option Plan is designed to provide long term incentive for people who are in the employment of the Holding Company, whether working in India or outside India, including Director of the Holding Company, whether Wholetime director or not, including a non-executive director, but excluding Promoter, Promoter group and independent Directors, a director who, either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Holding Company to deliver long-term shareholder returns. Under the plan, participants are granted options which vest upon completion of upto three years or on satisfaction of market conditions. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Grant date	As at March 31, 2024		As at March 31, 2023	
	Average exercise price per share option (₹)	Number of options	Average exercise price per share option (₹)	Number of options
Opening balance	-	-	-	-
Granted during the year	5	2,59,852	-	-
Exercised/forfeited during the year	-	-	-	-
Closing balance	**5**	**2,59,852**	**-**	**-**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

No options expired during the periods covered in the above tables.

Share options outstanding at the end of the year have the following expiry date having exercise price of ₹ 5 each:

Grant date	Expiry Date	Number of options As at March 31, 2024	As at March 31, 2023
02-11-2023	01-11-2027	17,827	-
02-11-2023	01-11-2029	84,765	-
06-02-2024	05-02-2030	7,260	-
06-02-2024	06-12-2028	1,50,000	-
	Total	**2,59,852**	**-**

(i) Fair value of options granted basis service vesting period

The fair value at the grant date of options granted during the year ended March 31, 2024 ranges from ₹ 1081.02 to ₹ 1081.63.

The fair value at grant date is independently determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The following table lists the inputs to the Black Scholes Model used:

Particulars	Model Inputs		
Grant Date	02-11-2023	02-11-2023	06-02-2024
Expiry Date	01-11-2027	01-11-2029	05-02-2030
Risk free rate (%)	7.29	7.309	7.309
Expected life of options (no. of years)	1.5	3.5	3.5
Expected volatility (%)	26.81	26.81	26.81
Dividend yield (%)	0	0	0
Exercise price (₹)	5	5	5
Fair value of the option (₹)	1081.02	1081.63	1081.63

The expected price volatility is based on the historic volatility (based on the remaining life of options), adjusted for any expected changes to future volatility due to publicly available information.

(ii) Fair value of options granted basis satisfaction of market conditions

The fair value at the grant date of options granted during the year ended March 31, 2024 was ₹ 2347.47.

The fair value at grant date is independently determined using the Monte Carlo Simulations (MCS), which is used to model the probabilities of different outcomes in a process that cannot easily be predicted due to the intervention of random variables. It is a technique used to understand the impact of risk and uncertainty in prediction and forecasting models. We have forecasted the multiple possibilities of change in share price by using the MCS method for calculating the expected market capitalization.

The following table lists the inputs to the Monte Carlo Simulation Model used :

Particulars	Model Inputs
Grant Date	06-02-2024
Expiry Date	06-12-2028
Risk free rate (%)	7.01
Expected life of options (no. of years)	2.83
Expected volatility (%)	31.04
Dividend yield (%)	0
Exercise price (₹)	5
Fair value of the option (₹)	2347.47

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The expected price volatility is based on the historic volatility (based on the remaining life of options), adjusted for any expected changes to future volatility due to publicly available information.

b) Expense arising from Share Based Payment transactions

Total expense arising from share-based payment transactions recognised in profit & loss as a part of employee benefit expense were as follows :

(₹ in Crores)

Year	For the year ended March 31, 2024	For the year ended March 31, 2023
Employee Option Plan (refer note no. 40)	2.42	-
Total	**2.42**	**-**

NOTE 46 : RELATED PARTY TRANSACTIONS

(A) Names of related parties and nature of relationship are given below :

Relationship	Name of the party
a. Enterprises exercising control (Parent Company)	Sheela Foam Limited
b. Entities in which Key Management Personnel or their Relatives have significance influence	Rangoli Resorts Private Limited Sleepwell Foundation (Trust)
c. Key management personnel (Executive Directors)	Mr. Tushaar Gautam (Managing Director) Mr. Rakesh Chahar (Wholetime Director) Mrs. Namita Gautam (Wholetime Director) Mr. Rahul Gautam (Executive Chairman) Mr. Amit Kumar Gupta (Group Chief Financial Officer w.e.f. 03.05.2023) Mr. Nilesh Sevabrata Mazumdar (Chief Executive Officer w.e.f. 01.04.2023) Mr. Edward John Dodds (Director) Mr. Kevin James Graham (Director) Mr. Rajiv Dhar (Director) Mr. D. Alejandro Juan Palao Serrano (Director) Ms. Jyoti Pradhan (Director w.ef October 20,2023) Md. Iquebal Ahmad (Company Secretary)
d. Joint Venture	House Of Kieraya Private Limited (formerly known as Kieraya Furnishing Solutions Private Limited) (w.e.f. 29.08.2023)

(B) Disclosure of transactions between the Company and related parties during the year:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Sale of material/ capital goods		
Joint Venture		
House Of Kieraya Private Limited	5.86	
Related entities		
Sleepwell Foundation (Trust)	0.07	-
	5.93	**-**
(ii) Investment made		
Joint Venture		
House Of Kieraya Private Limited	0.10	
	0.10	**-**
(iii) Key management personnel		
Compensation of Key management personnel		
Short-term Employee Benefits	16.53	14.32
Post Employement Benefits	0.62	0.25
	17.15	**14.57**
(iv) Contributions for CSR expenses		
Sleepwell Foundation (Trust)	4.66	2.75
	4.66	**2.75**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(C) Disclosure of balances outstanding at the end of the reporting year:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Trade receivables		
Joint Venture		
House Of Kieraya Private Limited	2.60	-
	2.60	**-**
Investments		
Joint Venture		
House Of Kieraya Private Limited	360.70	-
	360.70	**-**
Post employee benefit plan for the benefitted employees		
SFL Employee Gratuity Trust	3.99	4.39
Payable to key managerial personnel	4.21	6.93

Note:

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end for trade payables/receivables are unsecured and interest free and loan balances carry interest, further settlements occurs in cash. For the year ended March 31, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 47 : DISCLOSURES AS PER IND AS 116 'LEASES'

(A) Group as lessee

(i) The Group's significant leasing arrangements are in respect of the following assets:

The Group has lease of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 10 years and lease hold lands range between 2 to 97 years.

(ii) The carrying amounts of lease liabilities and the movements during the year:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening Liabilities	**103.47**	**128.71**
Addition during the year (including acquisition)	164.00	0.41
Accretion of interest	10.60	4.64
Repayment of Lease liabilities	(40.49)	(28.21)
Cancellation / adjustments	(24.56)	(1.97)
Exchange differences on translation of foreign operations	(1.24)	(0.11)
Closing liabilities	**211.78**	**103.47**
Current	37.55	15.98
Non current	174.23	87.49
	211.78	**103.47**

(iii) Maturity analysis of the lease liabilities:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
3 months or less	12.88	5.54
3-12 months	36.51	14.59
1-2 years	48.02	15.76
2-5 years	96.80	30.87
More than 5 years	80.34	75.69
Total undiscounted lease liability	**274.55**	**142.45**
Less: Impact of discounting and other adjustments	62.77	38.98
Lease liabilities	**211.78**	**103.47**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Finance cost	10.60	4.64
Depreciation and amortisation expense	30.54	29.32
Expenses relating to short term leases	10.55	8.35

(v) The following are the amounts disclosed in the Statement of Cash Flows:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash outflow from leases	40.49	28.21

(vi) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

(vii) Extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.

(B) Group as lessor

(i) The Group has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

Land & Factory Building situated at Sikkim	The lease agreement was executed on 1st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 year The total rent recognized as income during the year is ₹ 1.74 Crores (Previous year: ₹ 1.61 Crores).
Residential Flat situated at Greater Noida	The lease agreement was executed w.e.f. 15th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is ₹ 0.10 Crores (Previous year: ₹ 0.09 Crores).
Land & Factory Building situated at Silvassa	The lease agreement was executed w.e.f. 31st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is ₹ 0.12 Crores (Previous year: ₹0.47 Crores).The said property has been disposed off during the year.

NOTE 48 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Group has disclosed financial instruments such as loans, 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.

Notes to Consolidated Financial Statements

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NOTE 49 : FAIR VALUE HIERARCHY

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- **Level 1 -** The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.
- **Level 2 -** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3 -** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for 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 Group 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, 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:

Fair Value measurement hierarchy of Assets:

(₹ in Crores)

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
Financial Assets measured at fair value though profit and loss					
Other Investments	March 31, 2024	527.55	17.55	510.00	-
Financial Assets measured at amortized cost					
Other Investments	March 31, 2024	0.27	-	-	0.27
Loans	March 31, 2024	3.06	-	-	3.06
Trade receivables	March 31, 2024	363.77			363.77
Cash and cash equivalents	March 31, 2024	44.02			44.02
Bank balances other than cash and cash equivalents	March 31, 2024	4.93	-	-	4.93
Other financial assets	March 31, 2024	29.17	-	-	29.17

(₹ in Crores)

Particulars	March 31,2024	March 31,2023
Assets for which Fair Values are disclosed:		
Investment Property	115.38	114.32

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For the year ended March 31, 2024

Fair Value measurement hierarchy of Liabilities:

(₹ in Crores)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortized cost					
Borrowings	March 31, 2024	1,281.33	-	-	1,281.33
Lease liabilities	March 31, 2024	211.78		-	211.78
Trade payables	March 31, 2024	387.53	-	-	387.53
Other financial liabilities	March 31, 2024	336.88	-	-	336.88

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2023:

Fair Value measurement hierarchy of Assets:

(₹ in Crores)

Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets measured at fair value though profit and loss					
Other Investments	March 31, 2023	768.09	711.68	56.41	-
Financial Assets measured at amortized cost					
Other Investments	March 31, 2023	0.27	-	-	0.27
Loans	March 31, 2023	2.61	-	-	2.61
Trade receivables	March 31, 2023	281.98	-	-	281.98
Cash and cash equivalents	March 31, 2023	42.27	-	-	42.27
Bank balances other than cash and cash equivalents	March 31, 2023	0.27	-	-	0.27
Other financial assets	March 31, 2023	6.19	-	-	6.19

Fair Value measurement hierarchy of Liabilities:

(₹ in Crores)

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
Financial liabilities measured at amortized cost					
Borrowings	March 31, 2023	467.63	-	-	467.63
Lease liabilities	March 31, 2023	103.47		-	103.47
Trade payables	March 31, 2023	259.36	-	-	259.36
Other financial liabilities	March 31, 2023	138.32	-	-	138.32

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NOTE 50 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities comprises of Borrowings, Lease Liabilities, deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at March 31, 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.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Group is exposed to foreign currencies such as "USD", "AED", "GBP" and "EURO".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(₹ in Crores)

Particulars	Currency	As at March 31, 2024	As at March 31, 2023
Financial assets:			
Trade receivables	USD	2.43	8.18
Trade receivables	AED	5.51	2.06
Financial liabilities:			
Trade payables	USD	(12.16)	(23.58)
Trade payables	EURO	(0.60)	(0.33)
Trade payables	GBP	(2.22)	(0.20)
Trade payables	AED	(0.37)	-
Creditors for Capital Goods	EURO	-	(0.59)
Term Loan (including Interest accrued)	USD	(59.11)	(77.36)

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

Foreign currency sensitivity analysis

The Group is mainly exposed to USD, EURO, GBP, AED and AUD . The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Foreign currency sensitivity

(₹ in Crores)

Particulars	%	As at March 31, 2024	%	As at March 31, 2023
USD	2%	(1.38)	2%	(1.86)
USD	-2%	1.38	-2%	1.86
EURO	3%	(0.02)	3%	(0.03)
EURO	-3%	0.02	-3%	0.03
GBP	2%	(0.04)	2%	(0.00)
GBP	-2%	0.04	-2%	0.00
AED	2%	0.10	2%	0.04
AED	-2%	(0.10)	-2%	(0.04)

(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 deposits with dealers, however, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Group has entered into various purchase contracts for these material for which there is an active market. The Group's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Group increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factor.

(i) Trade receivables

Customer credit risk is managed by the Group through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit limits, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. In accordance with Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or reversal thereof. Concentration of credit risk with respect to trade receivables are limited, due to Group's customer base being large and diverse. All trade receivables are reviewed and assessed for default on monthly basis.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 and March 31, 2023 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current assets		
- Investments	510.00	56.41
- Loans	1.92	1.94
- Other financial assets	21.33	5.19
Current assets		
- Investments	17.82	711.95
- Trade receivables	363.77	281.98
- Cash and cash equivalents	44.02	42.27
- Bank balances other than cash and cash equivalents	4.93	0.27
- Loans	1.14	0.67
- Other financial assets	7.84	1.00
Total	**972.77**	**1,101.68**

(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 and short term investments. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be very low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

(₹ in Crores)

Particulars	Less than 1 Year	More than 1 Year	Total
As at March 31, 2024			
Trade payables	387.53	-	387.53
Other financial liabilities	265.30	71.58	336.88
Borrowings	336.74	944.59	1,281.33
Lease Liability	37.55	174.23	211.78
	1,027.12	**1,190.40**	**2,217.52**
As at March 31, 2023			
Trade payables	259.36	-	259.36
Other financial liabilities	112.38	25.94	138.32
Borrowings	183.82	283.81	467.63
Lease Liability	15.98	87.49	103.47
	571.54	**397.24**	**968.78**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 51 : CAPITAL MANAGEMENT

The Group's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders The Group considers the following components of its Balance Sheet to be managed capital:

1) Share Capital and

2) Other Reserves comprising of General Reserve and Retained Earnings.

The Group's capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities.

(₹ in Crores)

Particulars		As at March 31, 2024	As at March 31, 2023
Equity		54.35	48.78
Other Equity		2,926.34	1,557.67
Total equity	(i)	**2,980.69**	**1,606.45**
Borrowings (including lease liabilities)		1,493.11	571.10
(Less) cash and cash equivalents		(44.02)	(42.27)
Total debt	(ii)	**1,449.09**	**528.83**
Overall financing	(iii) = (i) + (ii)	**4,429.78**	**2,135.28**
Gearing ratio (in %)	(ii)/ (iii)	**33%**	**25%**

The Holding Company has not distributed any dividend to its Shareholder. 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 52 : COMMITMENTS FOR EXPENDITURE

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹ 5.83 Crores (March 31, 2023: ₹ 33.57 Crores))	35.94	65.38
	35.94	**65.38**

NOTE 53 : CONTINGENT LIABILITIES

(₹ in Crores)

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	6.98	4.40
- Entry tax	1.94	1.94
- Income tax	16.12	5.65
- Excise Duty	2.89	4.11
- Goods & Service Tax	17.08	-

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

Note:

The Group is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the holding company's financial position and results of operations. The Holding Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

NOTE 54 : ASSET PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Current Asset		
Inventories	293.29	64.58
Trade receivables	311.32	63.55
Other current financial assets	0.58	0.29
Other current assets	37.69	5.52
	642.88	**133.94**
Non-Current assets		
Leasehold land	10.57	7.30
Property, plant and equipment	714.97	171.56
Capital work in progress	67.40	246.23
	792.94	**425.09**
Total Assets pledged as security	**1435.82**	**559.03**

Note based on the terms and conditions written on sanction letters by bank:

1. Term loan with JP Morgan & Kotak Mahindra Bank in the Company has been secured by hypothecation of first charge on entire fixed assets (Movable fixed assets and immovable fixed assets for Nandigram and Jabalpur Plant.

2. Holding Comapny owned fixed assets (movable & immovable) at manufacturing plants located in Jabalpur (West Bengal), Sahibabad (Uttar Pradesh), Rajpura (Punjab) and Erode (Tamil Nadu) has been pledged as security against the financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary company International Foam Technologies S.L, Spain and the same was reduced to EURO 10.75 million at the year ending March 31, 2024.

3 AUD Term Loan with Citi Bank Australia in Joyce Foam Pty Limited having fixed charge over present & future interest in Non -Disposable Property (which include both Movable & Immovable property) & floating charge on all other assets which does not subject to fixed charge.

4 Working capital loan with Citi Bank Australia in Joyce foam PTY Ltd., has been secured by hypothecation of first charge on entire current assets.

5. Working capital loan and factored receivables of Holding company are secured by first charge on inventories and trade receivables subject to factory arrangements.

NOTE 55 : SEGMENT INFORMATION

Operating segment information

The Group is majorly engaged in the manufacturing of the products of same type/class and as such there is no reportable segment. As per Indian Accounting Standard (Ind AS-108) dealing with the operating segments, Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors of the Holding Company.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

Geographical information

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from external customers		
Within India	2,222.91	1,998.22
Outside India	759.40	875.10
Total revenue	**2,982.31**	**2,873.32**
Assets		
Within India	2,935.77	528.23
Outside India	770.55	676.89
Unallocated	1,633.22	1,503.94
Total assets	**5,339.54**	**2,709.06**

The revenue information is based on location of customers and excluding other operating revenue.

NOTE 56 : TRANSFER PRICING

The Group has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the financial year ended March 31, 2024 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2023 has been obtained and there are no adverse comments requiring adjustments.

NOTE 57 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Group are as under:		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier		
Principal amount:	22.28	7.22
Interest:	-	-
(ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	-	-
(iv) The amount of interest accrued and remaining unpaid for the year ended	-	-
(v) The amount of further interest remaining due and payable for the earlier years	-	-

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Group. Further, the amount payable to these parties is not overdue hence no interest is required to provided/accrued as at March 31, 2024 and March 31, 2023.

II The credit period for purchase of goods and services are from up to 30 days. No interest is chargeable on trade payables.

NOTE 58 : CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per provisions of Section 135 of the Companies Act, 2013, the Holding Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed by the Holding Company for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Gross amount required to be spent as per section 135 of the Act	4.82	4.76
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	**4.82**	**4.76**
b) Amount approved by the Board to be spent during the year	4.82	5.23
c) Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (includes ₹ 0.66 Crores prior to acquisition of subsidiary)	4.72	5.23
d) Details related to amount spent		
Contribution to Sleepwell Foundation Trust (includes ₹ 0.66 Crores provided prior to acquisition of subsidiary but contributed post acquisition)	4.66	2.75
Spent on Health Support , Promoting education including employment enhancing vocational skills.	0.06	2.48
	4.72	**5.23**
e) Details of CSR expenditure in respect of other than ongoing projects		
Balance (Short) / Excess as at opening	0.47	-
Balance acquired during acquisition	0.24	-
Amount required to be spent during the year	(4.82)	(4.76)
Expense provided prior to acquisition of subsidiary but contributed post acquisition	(0.66)	-
Amount spent during the year (includes ₹ 0.66 Crores prior to acquisition of subsidiary)	4.72	5.23
Balance (Short) / Excess Spent at end of the year*	**(0.05)**	**0.47**
f) Reason for shortfall	Pertains to ongoing projects	Not applicable

g) Corporate social responsibility expenses of Company are managed by related party -Sleepwell foundation (refer note no. 46).

*The Holding Company has transferred unspent CSR amount of ₹ 0.29 Crores, in respect of ongoing projects, as at the end of the financial year, to a special bank account within a period of thirty days from the end of the financial year in compliance with provision of Section 135(6) of the Companies Act, 2013.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

Note 59: STATUTORY GROUP INFORMATION

(₹ in Crores, unless otherwise stated)

Name of the entity in The Group	Net Assets, i.e., Total assets minus Total liabilities		Share in Profit and loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Sheela Foam Limited								
Balance as at 31 March, 2024	89%	2,663.09	86%	158.46	0%	-	87%	158.46
Balance as at 31 March, 2023	85%	1,373.08	91%	181.93	-31%	(3.94)	83%	177.99
Subsidiaries								
Indian								
1 Staqo Software Private Limited, India (formerly known as Divya Software Solution's Private Limited)								
Balance as at 31 March, 2024	-1%	(16.52)	-2%	(3.47)	0%	-	-2%	(3.47)
Balance as at 31 March, 2023	-1%	(14.99)	-2%	(3.92)	0%	-	-2%	(3.92)
2 Sleepwell Enterprises Private Limited								
Balance as at 31 March, 2024	0%	2.99	0%	0.25	0%	-	0%	0.25
Balance as at 31 March, 2023	0%	2.30	0%	(0.20)	0%	-	0%	(0.20)
3 Staqo World Private Limited								
Balance as at 31 March, 2024	0%	(4.80)	-7%	(12.02)	1%	(0.02)	-7%	(12.04)
Balance as at 31 March, 2023	-1%	(9.04)	-7%	(13.97)	0%	(0.06)	-7%	(14.03)
4 Kurlon Enterprise Limited								
Balance as at 31 March, 2024	1%	36.51	21%	38.35	80%	(2.15)	20%	36.20
Balance as at 31 March, 2023	0%	-	0%	-	0%	-	0%	-

Notes to Consolidated Financial Statements
For the year ended March 31, 2024

Note 59: STATUTORY GROUP INFORMATION (Contd..)

(₹ in Crores, 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
Foreign								
1 Joyce Foam Pty Limited								
Balance as at 31 March, 2024	5%	139.06	2%	3.79	74%	(1.99)	1%	1.80
Balance as at 31 March, 2023	9%	142.98	5%	10.88	-1%	(0.11)	5%	10.77
2 International Foam Technologies Spain SL								
Balance as at 31 March, 2024	4%	117.19	7%	12.49	-53%	1.42	8%	13.91
Balance as at 31 March, 2023	6%	103.19	12%	24.21	133%	16.63	19%	40.84
3 Sheela Foam Trading L.L.C								
Balance as at 31 March, 2024	0%	(1.27)	-1%	(1.27)	0%	-	-1%	(1.27)
Balance as at 31 March, 2023	0%	-	0%	-	0%	-	0%	-
Non-controlling interests in all subsidiaries								
Balance as at 31 March, 2024	2%	60.50	1%	1.49	0%	-	1%	1.49
Balance as at 31 March, 2023	1%	8.26	1%	1.91	0%	-	1%	1.91
House of Kieraya Private Limited								
Balance as at 31 March, 2024	0%	(10.54)	-5%	(10.58)	-1%	0.04	-6%	(10.54)
Balance as at 31 March, 2023	0%	-	0%	-	0%	-	0%	-
Consol Adjustments								
Balance as at 31 March, 2024	0%	(5.52)	-2%	(3.56)	0%	-	-2%	(3.56)
Balance as at 31 March, 2023	0%	0.67	0%	-	0%	-	0%	-
Total Balance as at 31 March, 2024	**100%**	**2,980.69**	**100%**	**183.93**	**100%**	**(2.70)**	**100%**	**181.23**
Total Balance as at 31 March, 2023	**100%**	**1,606.45**	**100%**	**200.84**	**100%**	**12.52**	**100%**	**213.36**

Notes to Consolidated Financial Statements
For the year ended March 31, 2024

NOTE 60 : INTEREST IN OTHER ENTITIES

Subsidiaries

The Group's subsidiaries as at 31 March, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling inetrests		Principal activities
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	
Joyce Foam Pty. Limited, Australia	Australia	100%	100%	0%	0%	Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers)
Staqo Software Private Limited, India (formerly known as Divya Software Solutions Private Limited), India	India	100%	100%	0%	0%	Software development and related ancillary activities
Sleepwell Enterprises Private Limited, India	India	100%	100%	0%	0%	Providing trademarks, Patents, Logos etc. and earning royalty thereon
International Foam Technologies SL, Spain	Spain	100%	100%	0%	0%	To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam
Staqo World Private Limited, India	India	100%	100%	0%	0%	Information technology and related ancillary activities
Interplasp, SL, Spain (Subsidiary of International Foam Technologies SL, Spain)	Spain	93.66%	93.66%	6.34%	6.34%	Engaged in manufacturing of Polyurethane Foam
Joyce WC NSW PTY Limited (Subsidiary of Joyce Foam Pty Ltd., Australia)	Australia	100%	100%	0%	0%	Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers)
Staqo World Kft. (Subsidiary of Staqo World Private Limited)	Hungary	100%	100%	0%	0%	Information technology and related ancillary activities
Staqo Incorporated (Subsidiary of Staqo World Private Limited)	U.S.	100%	100%	0%	0%	Information technology and related ancillary activities
Staqo Technologies L.L.C (Subsidiary of Staqo World Private Limited)	Dubai	99	99	0%	0%	Information technology and related ancillary activities
Sheela Foam Trading L.L.C, Dubai (w.e.f 25.09.2023)	Dubai	100%	100%	0%	0%	Home Furniture and Mattresses trading

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 60 : INTEREST IN OTHER ENTITIES (Contd..)

Name of entity	Place of business/ Country of Incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling inetrests		Principal activities
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	
Kurlon Enterprise Limited, India (w.e.f 20.10.2023)	India	97.43%	-	2.57%	-	Enagaged in the business of Manufacturing/ trading in rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.
Kurlon Retail Limited (Subsidiary of Kurlon Enterprise Limited, India (w.e.f 20.10.2023))	India	97.43%	-	2.57%	-	Retail Trading of mattresses
Belvedore International Limited (Subsidiary of Kurlon Enterprise Limited, India (w.e.f 20.10.2023))	India	97.43%	-	2.57%	-	Trading of mattresses and other related products
Komfort Universe Products & Services Limited (Subsidiary of Kurlon Enterprise Limited, India (w.e.f 20.10.2023))	India	97.43%	-	2.57%	-	Trading of foam products, RC Pads, EPE Products etc.
Starship Value Chain and Manufacturing Private Limited (Subsidiary of Kurlon Enterprise Limited, India (w.e.f 20.10.2023))	India	97.43%	-	2.57%	-	Business of logistics
Kanvas Concepts Private Limited (Subsidiary of Kurlon Enterprise Limited, India (w.e.f 20.10.2023))	India	97.43%	-	2.57%	0%	Business of interiors & exteriors of Homes, stage designer, furnishing, designing, decorating etc.

Joint Venture

Name of entity	Place of business/ Country of Incorporation	Ownership interest held by The Group		Principal activities
		As at March 31, 2024	As at March 31, 2023	
House Of Kieraya Private Limited, India	India	17.70%	0%	Engaged in the business of providing furnishings solutions by purchasing and letting on rent furniture and fixtures, domestic equipments, home appliances, and other electronic equipments and sale of refurbished and new furniture and fixtures and other electronic equipments.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 61 : DERIVATIVES AND HEDGING

(i) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are accounted for at fair value through profit or loss. Information about the derivatives used by the Holding Company and outstanding as at the end of the financial year is provided below:

(₹ in Crores)

Particulars	Financial Assets		Financial liabilities	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Derivatives designated as Hedging Instruments:				
Cross currency interest rate swap	-	-	8.38	9.46
Principal and Interest Swap	-	-	0.21	-
Derivatives not designated as Hedging Instruments:				
Principal Only Swap	-	-	13.66	13.22

(ii) Hedging activities

Foreign Currency Risk

The Holding Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions.

Derivatives designated as hedging instruments are accounted for as cash flow hedges.

(iii) Hedge Effectiveness

For derivatives designated as hedging instruments, there is an economic relationship between the hedged items and the hedging instruments as the terms of the hedge contracts match the terms of hedge items. The Holding Company has established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the foreign exchange and interest rate are identical to the hedged risk components. To test the hedge effectiveness, the Holding Company compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

(iv) Source of Hedge ineffectiveness

For derivatives designated as hedging instruments, in case of foreign currency risk and interest rate risk, the main source of hedge ineffectiveness is the effect of the counterparty's credit risk on the fair value of hedge contracts, which is not reflected in the fair value of the hedged items. The effect of this is not expected to be material.

(v) Disclosures of effects of Cash Flow Hedge Accounting:

Hedging instruments

The Holding Company has taken derivatives to hedge its loan given to its related party.

(₹ in Crores)

Particulars	Less than 1 Year	1 to 5 year	More than 5 Years
As at March 31, 2024			
Cross currency interest rate swap			
Nominal Amount (on financial asset)	-	64.17	-
Principal and Interest Swap			
Nominal Amount (on financial liability)	-	72.39	-
As at March 31, 2023			
Cross currency interest rate swap			
Nominal Amount (on financial asset)	-	64.17	-

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(vi) The effect of the cash flow hedge in the Statement of Profit or Loss and Other Comprehensive Income is as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash flow Hedge Reserve at the beginning of the year	(2.60)	-
Total hedging gain/(loss) recognised in Other Comprehensive Income	0.45	(3.48)
Income tax on above	(0.11)	0.88
Ineffectiveness recognised in statement of profit or loss	(0.44)	(13.22)
Line item in the statement of profit or loss that includes the recognised ineffectiveness	Net Loss on Foreign Currency Forward Contracts in "other expenses"	
Amount reclassified from OCI to profit or loss	-	-
Income tax on above	-	-
Cash flow Hedge Reserve at the end of the year	(2.26)	(2.60)
Line item in the statement of profit or loss that includes the reclassification adjustments	Not Applicable	Not Applicable

(vii) The outstanding position of derivative instrument is as under:

Nature	Currency	Purpose	As at March 31, 2024		As at March 31, 2023	
			(₹in crores) (nominal value)	Foreign Currency (in crores) (notional value)	(₹in crores) (nominal value)	Foreign Currency (in crores) (notional value)
Cross currency interest rate swap	EURO	Hedging of Foreign Currency Loans given	64.17	0.80	64.17	0.80
Cross currency interest rate swap	USD	Hedging of Foreign Currency Term Loan taken (Principal & Interest)	57.91	0.71	-	-
Principal Only Swap	EURO	Hedging of equity investment in foreign subsidiary	93.90	1.20	93.90	1.20

Exchange rates used for conversion of foreign currency exposure:

(₹ in Crores)

Currency	As at March 31, 2024	As at March 31, 2023
EUR	90.22	89.61
USD	83.37	NA

(viii) The impact of the hedging instruments on the statement of financial position is as under:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Nominal Amount (on financials Asset)	64.17	64.17
Nominal Amount (on financials Liability)	72.39	-
Carrying Amount (financials assets)	72.17	71.69
Carrying Amount (financials liabilities)	59.11	-
Line item in the statement of financial position that's includes Hedging Instruments	Other Current Financial Liabilities	
Change in fair value of the hedge item used as the basis for recognising hedge ineffectiveness for the year - Gain / (Loss)	0.34	(2.60)

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

(ix) Hedge Items

The impact of the Hedged Items on the statement of financial position is as follows:

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	(2.26)	(2.60)
Change in value of the hedged item used for measuring ineffectiveness for the year	0.34	(2.60)

(x) Particulars of unhedged foreign currency exposure as at balance sheet date:

Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
		FC in Crores	₹ in Crores	FC in Crores	₹ in Crores
Trade payables	USD	(0.15)	(12.16)	(0.29)	(23.58)
	EURO	(0.01)	(0.60)	-	(0.33)
	GBP	(0.02)	(2.22)	-	(0.20)
	AED	(0.02)	(0.37)	-	-
Creditors for Capital Goods	EURO	-	-	(0.01)	(0.59)
Term Loan	USD	-	-	(0.94)	(77.36)
Trade receivables	USD	0.03	2.43	0.10	8.18
	AED	0.24	5.51	0.09	2.06

NOTE 62 : INCOME TAX RECOGNISED IN PROFIT OR LOSS

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax		
In respect of current year	50.74	72.79
Tax expenses related to earlier years	-	1.67
	50.74	**74.46**
Deferred tax		
Origination and reversal of temporary differences including Tax impact on Other Comprehensive Income	10.68	(3.55)
	10.68	**(3.55)**
Total income tax expense recognised in the current year including tax impact on Other Comprehensive Income	**61.42**	**70.91**

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax (Including Other comprehensive income)	**243.22**	**267.80**
Income tax expense calculated at 25.168%	61.21	67.40
Effect of income that is exempt from taxation	(2.09)	(0.31)
Effect of expenses that are not deductible in determining taxable profit	3.78	4.07
Effect of difference in tax rates	(0.97)	(0.32)
Others	(0.51)	(1.60)
	61.42	**69.24**
Adjustments recognised in the current year in relation to tax of prior years	-	1.67
Income tax expense recognised in the Statement of Profit and Loss	**61.42**	**70.91**
Effective Tax Rate	**25.25%**	**26.48%**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 63 : THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ("the Code") relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 64: UTILISATION OF BORROWED FUNDS

(i) The Group has not advanced or loaned or invested funds to any otherperson(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 65 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

NOTE 66 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

NOTE 67 : UNDISCLOSED INCOME (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

NOTE 68: DETAILS OF BENAMI PROPERTY HELD (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

NOTE 69: RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956 (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The Group does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 70 : ACQUISTION OF KURLON ENTERPRISE LIMITED

The Holding Company has entered into a business transfer agreement dated July 17, 2023 for the acquisition of the 'Kurlon Enterprise Limited' (KEL). In terms of the business transfer agreement, the business has been acquired by the Holding Company with effect from October 20, 2023 (date of acquisition) and the fair value of assets and liabilities acquired have been determined by the Holding Company and accounted for in accordance with IND AS 103-'Business Combination. Subsequently, the Holding Company gained control of Kurlon Enterprise Limited ("KEL") as a subsidiary for a consideration of ₹ 1,940.78 Crore.

a. Details of purchase consideration, net assets acquired and goodwill

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

(₹ in Crores)

Purchase Consideration	Amount
Cash Paid	1,869.78
Holdback amount	71.00
Total Purchase Consideration	**1,940.78**

The following table summaries the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

(₹ in Crores)

Particulars	Amount
ASSETS	
Non-current assets	
Property, plant and equipment	376.64
Right-of-use assets	50.84
Capital work-in-progress	3.39
Other intangible assets	1,039.35
Financial assets	
(i) Loans	6.09
(iii) Other financial assets	166.35
Non current tax assets (net)	20.55
Other non-current assets	14.73
Total non current assets	**1,677.94**
Current assets	
Inventories	90.42
Financial assets	
(i) Trade receivables	48.80
(ii) Cash and cash equivalents	1.52
(iii) Bank balances other than cash and cash equivalents	2.11
(iv) Loans	0.02
(v) Other financial assets	0.50
Other current assets	50.79
Total current assets	**194.16**
Fair value of assets acquired (A)	**1,872.10**
Deferred tax on acquistion (B)	**222.51**
Liabilities	
Non-current liabilities	
Financial liabilities	
(i) Borrowings	1.53
(i) Lease liabilities	21.23
(ii) Other non current financial liabilities	52.65
Provisions	6.01
Total non current liabilities	**81.42**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 70 : ACQUISTION OF KURLON ENTERPRISE LIMITED (Contd..)

(₹ in Crores)

Particulars	Amount
Current liabilities	
Financial liabilities	
(i) Borrowings	20.84
(i) Lease liabilities	21.93
(ii) Trade payables	
- Total outstanding dues of micro enterprises and small enterprises	2.37
- Total outstanding dues of creditors other than micro enterprises and small enterprises	123.18
(iii) Other financial liabilities	2.09
Provisions	9.54
Current tax liabilities (net)	5.23
Other current liabilities	11.29
Total current liabilities	**196.47**
Fair value of liabilities acquired (C)	**277.89**
Total Identifiable net assets / (liabilities) acquired (A+B-C)	**1,816.72**

Goodwill

(₹ in Crores)

Particulars	Amount
Consideration transferred	1,940.78
Adjustment subsequent to Business Combination	143.53
Non-controlled interest in the acquired entity, based on their proportionate interest in the recognised amounts of identifiable net assets of KEL	109.21
(Less): Net identifiable assets acquired	(1,816.72)
Goodwill	**376.80**

The goodwill is mainly attributable to the synergies expected to be achieved from integrating the Kurlon Enterprise Limited business into the Group's existing business. The goodwill is not expected to be deductible for tax purposes.

b. Disclosure of the revenue and profit for current reporting period

From the date of acquisition, KEL has contributed revenue of ₹ 391.29 Crores and profit before exceptional items and tax of ₹ 22.60 Crores to the Group. If the Business combination had taken place at the beginning of the year, then, KEL contribution in revenue and (loss) before exceptional items and tax in the group would have been ₹ 819.86 Crores and (₹ 33.64 Crores) respectively. Hence, the figures for the year ended March 31, 2024 are not comparable to the previous year presented.

c. (i) Accounting policy for non-controlling interest

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For, the non-controlling interest in Kurlon Enterprise Limited, the group has elected to recognise the non-controlling interests at its fair value on the date of acquisition.

(ii) Transactions with Non-controlling interest

During the year ended March 31, 2024, the Company had acquired additional 2.76% stake in Kurlon Enterprise Limited ("KEL"), a subsidiary of the Company, for a total consideration of ₹ 59.25 Crores pursuant to a share purchase agreement. Post this acquisition, the Company's shareholding in KEL has increased from 94.67 % to 97.43%.

d. Purchase consideration - Cash outflow

(₹in Crores)

Particulars	Amount
Outflow of cash to acquire subsidiaries, net of cash acquired	
Cash Consideration	1,869.78
(Less): Balance acquired (Cash and cash equivalents)	(3.62)
Net outflow of cash	**1,866.16**

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 70 : ACQUISTION OF KURLON ENTERPRISE LIMITED (Contd..)

e. There were no acquisitions in the year ended March 31, 2023.

f. The Scheme of Amalgamation of the subsidiary of the Holding Company, i.e., Kurlon Enterprise Limited ("KEL" or "Transferor Company") with Sheela Foam Limited ("SFL" or "Transferee Company") and their respective Shareholders and Creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme") is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Mumbai ("NCLT"). The same will be accounted for in the books of accounts, in accordance with Appendix C to Ind AS-103 on the approval from NCLT.

NOTE 71: INTEREST IN JOINT VENTURE

During the year, the Holding Company has entered into an agreement with shareholders of 'House of Kieraya Private Limited (Furlenco)' to acquire 35% stake on fully diluted basis w.e.f. August 29, 2023. Accordingly, the holding company has invested ₹ 360.70 Crores (including acquisiton cost of ₹ 4.75 Crores) to acquire equity stake of 17.70%. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Crores)

Name of the entity	Place of Business	% of ownership interest	Relationship	Accounting method	Carrying Amount	
					March 31, 2024	March 31, 2023
House of Keiraya Private Limited ("HOK")	India	17.70	Joint Venture	Equity Method	350.16	-
Total equity accounted investments					**350.16**	**-**

a. Liabilities recognized in respect of Joint venture

Pursuant to shareholder agreement, the Group has recognized liability against uncalled capital on share warrants (payable in 12 months from the date of acquisition i.e. August 29, 2023) amounting to ₹ 55.85 Crores (refer note no. 31).

b. Summarized information of Joint Venture

The tables below provide summarised financial information. The information disclosed reflects the amounts presented in the financial statements of HOK and not Holding company's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies. The entity is considered immaterial to the group.

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Carrying amount of joint venture	350.16	-
Amount of the group's share of:		
Profit/(loss) from continuing operations	(10.58)	-
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	0.04	-
Total comprehensive income	**(10.54)**	**-**

NOTE 72: SCHEME OF AMALGAMATION BETWEEN THE HOLDING COMPANY AND INTERNATIONAL COMFORT TECHNOLOGIES PRIVATE LIMITED (ICTPL)

The Board of Directors of the Holding Company and its wholly owned subsidiary, International Comfort Technologies Private Limited (ICTPL) (Transferor Company") have in their respective board meetings held on November 08, 2022 have considered and approved the Scheme of Amalgamation of ICTPL with the Holding Company, subject to all the necessary statutory / regulatory approvals. As per the said scheme, the undertaking of the transferor company shall stand transferred and vested in the Holding Company (transferee company) on a going concern basis without and further act, deed of matter. As a result, the transaction has been accounted in accordance with "Pooling of Interest Method" laid down by Appendix C (Business Combinations of Entities under Common Control) of Indian Accounting Standard 103 (Ind AS 103), notified under the Companies' Act, 2013.

The scheme envisages transfer of all properties, rights, assets, interests and claim of the Transferor Company to the Transferee Company. Pursuant to the scheme coming into effect, all the equity shares held by the Transferee Company in the Transferor Company shall stand cancelled automatically. Hon'ble National Company Law Tribunal (NCLT), New Delhi bench vide its order dated February 09, 2024 approved the Scheme of Amalgamation of ICTPL with the Company under Section 230 and 232 of Companies Act, 2013. The Scheme

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

became effective upon filing of the aforesaid order with Registrar of Companies (ROC) on January 01, 2022. The amalgamation has been accounted for under section 133 of the Companies act 2013, read together with paragraph 7 of the Companies (Accounts) rules, 2014.

In accordance with Appendix C of Ind AS 103, the difference between the carrying value of the Investment in the books of transferee company and the amount of net assets of the transferor company has been adjusted in capital reserves as per the scheme. The current accounting period and comparative accounting period presented in the financial statements of the Holding Company and accompanying Notes have been prepared by including the accounting effects of the acquisition of the business, as stated above, as if the purchase had occurred from the beginning of the comparative period in the financial statements, i.e. April 01, 2022.

NOTE 73: EXCEPTIONAL ITEMS

(a) During the year, a fire broke out at the Silvassa location of Holding company on June 28, 2023, resulting in the loss of inventory and fixed assets (including dismantling costs) amounting to ₹ 11.56 crores. The Company has recognized this loss as an 'Exceptional item' in the statement of profit and loss. The Company has filed an insurance claim; however, due to the absence of reasonable certainty regarding its collection, the potential recovery has not been accounted for in these financial statements.

(b) During the year, the Holding Company has executed the sale deeds in respect of certain land and building for a consideration of ₹ 29.90 Crores and has recognised gain of ₹ 29.38 Crores as exceptional item.

(c) Prior to acquisition, the subsidiary has accounted loss due to assets written off under 'exceptional items' amounting ₹ 25.99 crores. However, post acquisition, the subsidiary company has reclassified the 'loss due to fixed assets written off' amounting ₹ 4.88 crores from exceptional items to 'Other expenses'.

NOTE 74: RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

As at March 31, 2024

Holding Company - Sheela Foam Limited

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (₹ in Crores)	Amount as reported in the Quarterly statement (₹ in Crores)	Amount of difference	Reason for material discrepancies
Jun-23	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	248.17	248.17	-	-
Sep-23	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	280.58	280.58	-	-
Dec-23	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	234.61	234.61	-	-
Mar-24	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	229.08	229.08	-	-

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 74: RECONCILIATION OF QUARTERLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS (Contd..)

Subsidiary - Kurlon Enterprise Limited (w.e.f. 20.10.2023)

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (₹ in Crores)	Amount as reported in the quarterly statement (₹ in Crores)	Amount of difference	Reason for material discrepancies
Dec-23	AXIS BANK LTD., KOTAK MAHINDRA BANK LTD, IDBI BANK LTD.	Book Debts (Net of advances from customers) & Inventories	168.84	178.00	(9.16)	The book debts submitted to the bank by the 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.
Mar-24	AXIS BANK LTD., KOTAK MAHINDRA BANK LTD, IDBI BANK LTD.	Book Debts (Net of advances from customers) & Inventories	174.21	185.69	(11.48)	The book debts submitted to the bank by the 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 quarter end not considered in return submitted to bank.

As at March 31, 2023

Holding Company - Sheela Foam Limited

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account (₹ in Crores)	Amount as reported in the Quarterly statement (₹ in Crores)	Amount of difference	Reason for material discrepancies
Jun-22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	287.47	287.47	-	-
Sep-22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	313.59	313.59	-	-
Dec-22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	244.90	244.90	-	-
Mar-23	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts (Net of advances from customers) & Inventories	292.74	292.74	-	-

Notes to Consolidated Financial Statements

For the year ended March 31, 2024

NOTE 75 : 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 76

The Group did not have any material foreseeable losses on long term contracts including derivative contracts.

Note 77

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

NOTE 78: REGROUPING/ RECLASSIFICATION

Previous years figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

The accompanying notes are an integral part of these consolidated financial statements.
As per our report of even date

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

Nipun Gupta
Partner
Membership No.: 502896

Place: Gurugram
Date: May 21, 2024

For and on behalf of the Board of Directors of
Sheela Foam Limited
CIN: L74899DL1971PLC005679

Rahul Gautam
Executive Chairman
DIN:00192999

Tushaar Gautam
Managing Director
DIN:01646487

Amit Kumar Gupta
Group Chief Financial Officer

Md. Iquebal Ahmad
Company Secretary
Membership No.: A20921

Place: Noida
Date: May 21, 2024

SheelaFoam
INDIA · AUSTRALIA · EUROPE
50 YEARS OF EXCELLENCE

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