



Rest for Growth

Annual Report 2020-21



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Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Rest is essential to life. Rest repairs and energises our body, improves concentration & boosts productivity. But most of all it helps us grow.

A good night sleep rejuvenates us and prepares us for another hard day at work. A well-rested body calms our mind, enabling it to unleash its potential and pursue dreams. It is in these blissful moments of comfort and rest that we refuel ourselves, find our true power and pave the way towards infinite growth.

At Sheela Foam, we have mastered the skills and technology for absolute comfort and sound sleep, thus offering our consumers ample rest for growth. With a wide-range of mattresses and home comfort products designed for long restful hours of sleep to various technical products that offer day-long support, we are committed to help our consumers to achieve their aspirations and build a better tomorrow.

Neem Fresche, My Mattress, Zero-turn Mattress and Memory Foam are some amongst our path-breaking innovations that have transformed people's experience of health, hygiene and comfort, enabling them to push their boundaries and soar high.

Rest for Growth

The Conglomerate

Sheela Foam, an ISO 9001 certified company, is committed to a one-point programme of bringing comfort, convenience and rest to enhance the lifestyle of a modern man.

Established in 1971, Sheela Foam is the leader in the mattress and foam industry with diversified offerings in home comfort, technical foam and institutional foam range of products. Accredited with avant-garde technology and ground-breaking innovations, we manufacture products that anticipate and change with our customers' evolving needs and provide them with absolute comfort, convenience, good health and growth.

We are strengthened by our visionary leadership; versatile product portfolio; state-of-the-art manufacturing facilities; a global footprint spanning India, Australia, Europe, Africa and America; widespread distribution network and robust research and development. The Company also enjoys a strong presence in Australia and Spain through its fully owned subsidiaries. With our flagship brand Sleepwell that provides thoughtful personalisation to pioneering Neem Fresche - the health boosting technology that keeps out products germ-free, we are driven by innovation and are perfectly positioned to create value for our customers.

The recent rise in consumer awareness about the significance of comfort and good sleep to maintain good health has played to our advantage. Portfolio expansion in new and adjacent categories in addition to higher engagement through digital channel has also been instrumental in deeper market penetration and growth. As always, we strive to fulfil our promise to deliver soulful rest to our consumers and serve as partners in their journey of growth.



VISION & MISSION

- ▶ We will continue the legacy of being recognised as a leader in premium comfort products.
- ▶ We will always reinforce our core values of integrity, reliability, pro-activity and transparency.
- ▶ Every customer will be served with a smile.
- ▶ We will remain committed to society.



QUALITY POLICY

We are committed to provide complete customer satisfaction through continual improvement by consistent adherence to our quality system and standards.

GROUP COMPANIES

▶ Joyce Foam, Australia

A 100% subsidiary of the Sheela Group, Joyce Foam is a leading manufacturer of flexible polyurethane foam with around 40% market share in Australia. It has state-of-the-art production centres at Adelaide, Canberra, Melbourne, Perth and Sydney with total installed capacity of 10,500 TPA of foam manufacturing.

▶ Interplasp S.L., Spain

Interplasp S.L., a subsidiary of Sheela Group, is backed by 30 years of operations and has a capacity to produce 22,000 tonnes of polyurethane foam. It has a modernised manufacturing facility at Yecla in Spain, one of the most cost-effective manufacturing locations in Europe, enabling us to enjoy a competitive edge and develop strong footprints in the region.



Portfolio expansion in new and adjacent categories in addition to higher engagement through digital channel has also been instrumental in deeper market penetration and growth.



AWARDS & RECOGNITION: 2020-21



KEY DIFFERENTIATORS



Leadership Position: Sleepwell, our flagship brand in mattress and home comfort range, has garnered leadership position and a strong brand recall through its superior quality, personalised approach and thoughtful innovations including Comfort Cells, My Pillow and Neem Fresche.



Research & Development: As technology leaders, we continuously add value to our existing products and formulate differentiated, more qualitative and comforting range through a dedicated team of Engineers & Scientists.



Product Innovation: From Neem Fresche that uses the disinfecting power of neem to help our customers stay healthier and fitter to industrial application of innovative PU Foam across several industries, we offer a wide range of innovative, technologically advanced products to enhance rest & support.



Multi-location Manufacturing: 10 strategically located manufacturing units across India, 5 production centres in Australia and 1 in Spain helps us to fulfil our promise for quality, speedy delivery and better serviceability.



Global Presence: With more than 2,800 employees, 10 manufacturing facilities, a nationwide network of over 100 distributors & 11,500 dealers and export relations with 25 countries, we have established a strong global presence and deep connect with our customers.



Strong Operations: Skilled team of foamers that enable round the clock processing of high-quality foam under stringent quality measures give us a competitive edge and help us to aim for customer delight.



Customer-oriented: Our dedicated customer care team guides our customers to choose a suitable products based on their needs; apprises them on the latest technology and benefits; and provides strong after-sales support, adding value to their lives and enhancing their experience.



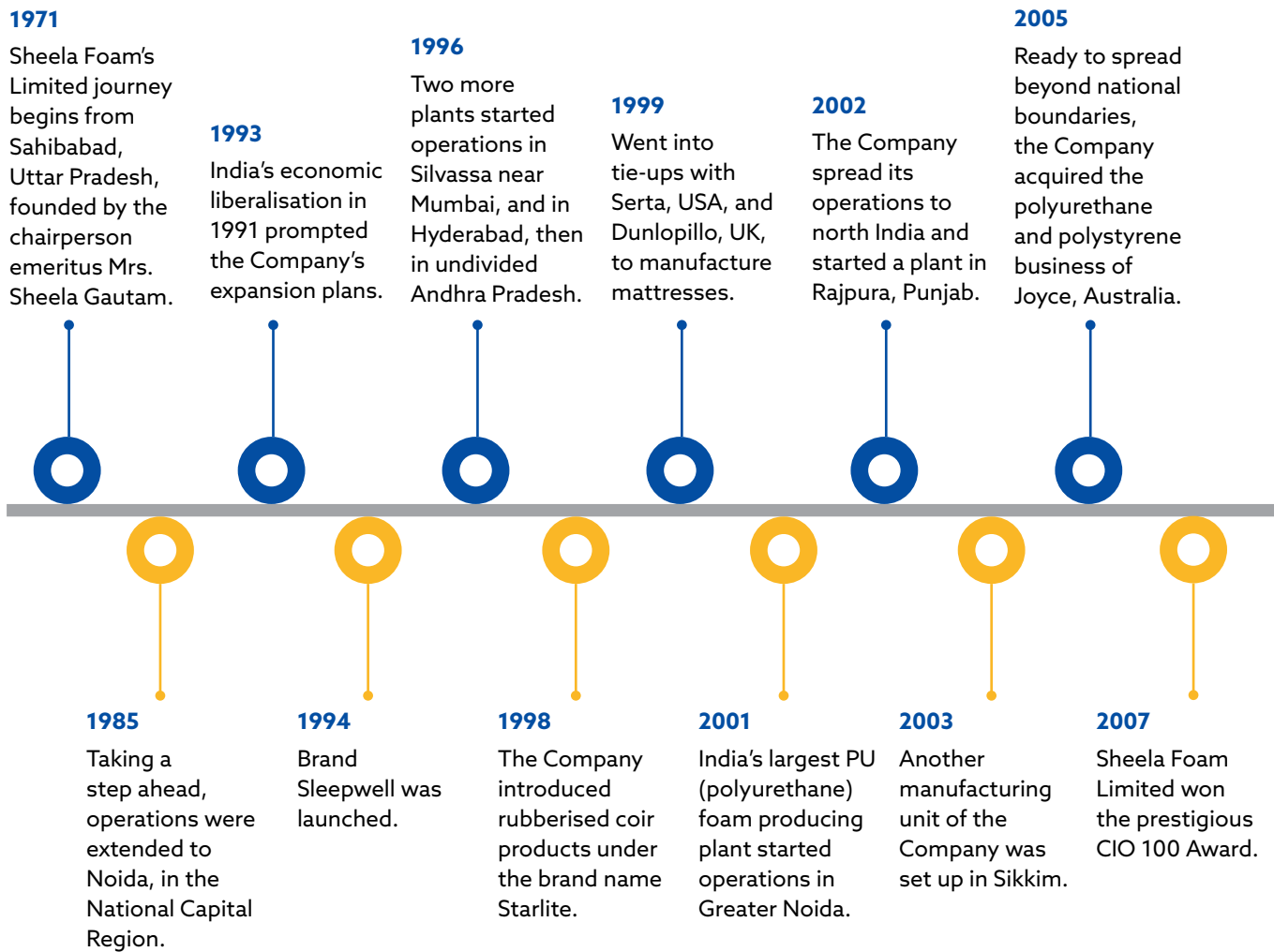
Joint Ventures & Subsidiaries: We leverage the manufacturing capabilities, innovative technologies and strong presence of our subsidiaries and joint venture, helping us secure a dominant position across various international locations.



Real-time Communication: The award-winning Great Plus real-time communication platform connects all our manufacturing units and Tier 1 and Tier 2 channel partners, optimising our partner-servicing capabilities & making us a partner of choice.

Milestones

From humble beginnings to market leadership, our journey spanning more than five decades has been of providing utmost comfort and support to our customers through premium quality, thoughtful innovation and superior technology.



2008

Won the Nasscom CNBC-TV18 IT user award; and changed the face of mattress retail with the launch of its exclusive stores, Sleepwell Worlds and Galleries.

2011

Received the prestigious Red Hat Asia Pacific Award and Indian Express Intelligent Enterprise Award. Also won the MIS Asia IT Excellence Award, one of Asia's top information technology awards.

2013

The Company expanded production capacities at Kala Amb in Himachal Pradesh to cater to the markets of northern India.

2016

Received the Computer World Premier Award. Company got listed on NSE and BSE.

2018

More awards were won by the Company. The included Star SME of the Year by Business Standard; Silver medal in the India Green Manufacturing Challenge 2017, presented by the International Research Institute for Manufacturing, India; 5 Awards for Excellence in IT.

2010

Won several awards: Information Week 'Silver Edge' Award; CIO Green Edge Special Award; CIO Asia Award; and the CIO 100 Award for the 2nd time. The Company also launched revolutionary technologies with products like Impressions, Latex Plus, Resitec Air, Duet Luxury, Durafirm, Serenity and Amity.

2012

Continued to win honours, such as the SKOCH Digital Inclusion Award; Dataquest Innovator Award; CIO Innovative - Special Award; Information Week Silver Edge Award; and the CIO 100 Award yet again. In the same year, the Company started a state-of-the-art unit in Erode, Tamil Nadu, to cater to southern India.

2014

More prestigious awards were received by the Company, such as the CIO 100-Hall of Fame; Information Week Silver Edge Award; and the CIO 100 Award once again.

2017

Awarded by PU Tech for Innovative Technology for Vertical Variable Pressure Foaming.

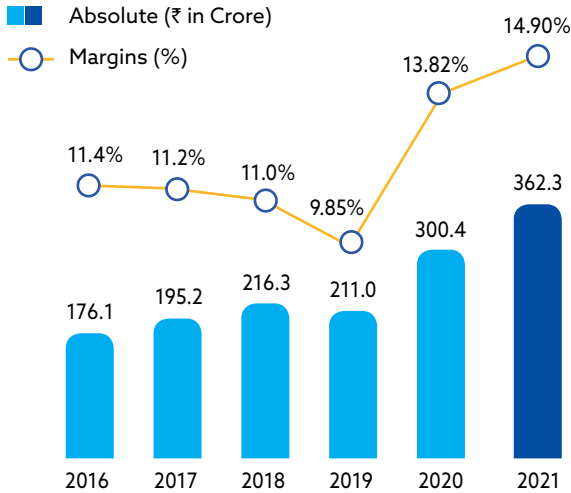
2019

Footprint in Europe, the Company acquired Interplasp S.L. in Spain

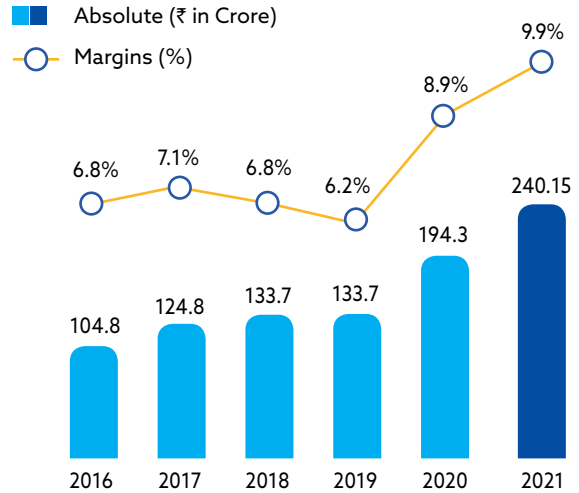
Performance Highlights

5-YEAR FINANCIAL GRAPHS ON

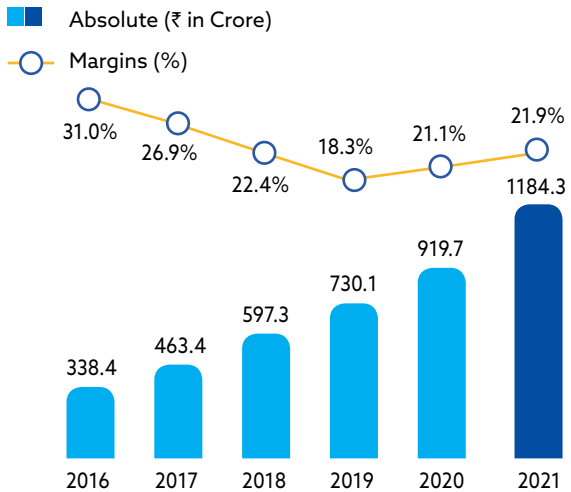
EBITDA



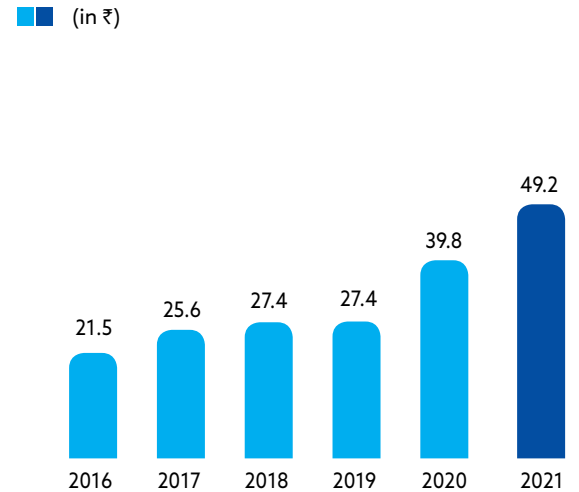
PAT



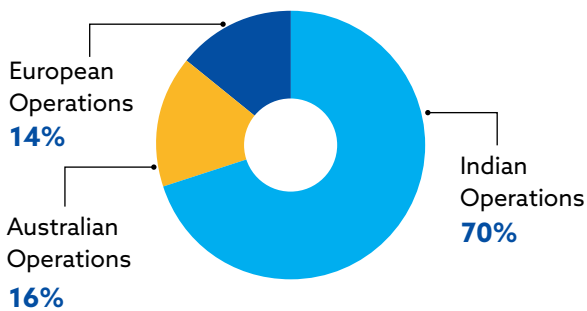
Net Worth



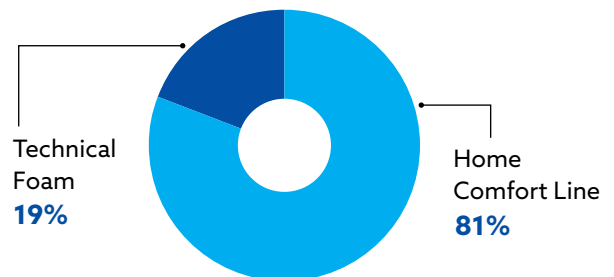
Earnings Per Share



SEGMENTAL BREAK-UP



BREAK-UP OF INDIAN OPERATIONS



₹2,435 Crore
Consolidated Turnover

9%
Revenue Growth - CAGR 2016-21

16%
EBITDA Growth - CAGR 2016-21

18%
PAT Growth - CAGR 2016-21

28%
Net Worth Growth - CAGR 2016-21



Sailing through the pandemic

Over past year, the COVID-19 pandemic has disrupted the lives and livelihood of people across the world and changed the functional aspect of organisations. As a responsible and people-friendly organisation, Sheela Foam has kept human safety above everything else. We have been pro-active in our measures to combat the challenge presented by the situation and acted in best interest of our people across all domestic and international locations.

The COVID-19 protocols as laid down by the authorities have been strictly followed across all our manufacturing units, offices, stores and distribution areas to safeguard human health. A hybrid working culture was also adopted early during the pandemic, work from home was encouraged, wherever possible, and virtual connect was established to enhance safety amongst our employees. All employees were also covered under medical and health insurance to lend them the required financial security during their hour of need. Knowing well the significance of vaccination in our fight against the pandemic, Sheela Foam also applied for vaccinations for its entire workforce, as and when available.

On the product front, the Company introduced Neem Fresche technology across Sleepwell home-comfort range which uses the power of neem to safeguard the health of its consumers and help them stay fitter. Environment-friendly and certified by U.S. Environmental Protection Agency, Neem Fresche is our humble contribution to a world free of germs. Sleepwell@home, a contactless delivery service was also introduced to prevent our customers from stepping into our stores and avail access to premium sleeping solutions from the safety of their own homes.



Restful Solutions for Accelerated Growth

With differentiated product offerings, we specialise in providing high quality rest to every individual - while they are sleeping, resting, at work, or on-the-go.



Pioneering the science of sleep and ease, Sleepwell is India's most trusted brand, comforting Indians and building a unique relationship with them for almost three decades. Fortified with advanced Neem Fresche technology that promotes health and hygiene across its range of mattresses, mattress protectors, bedsheets, pillows, comforters, and blankets, Sleepwell has transformed how people perceive rest and has become an important partner in their growth.

We believe that rest is not a privilege but a necessity and should not just be restricted to a limited few. Inspired by

this thought, a new range of mattresses in the low-price category was introduced for deeper rest and growth for all. The variant extends the same benefits and promise for comfort and durability at competitive price to a wider segment of consumers, helping us enter unorganised markets and expand our market share.

Our technical and institutional product range find diverse applications in home furnishings, car seats, clothes and accessories, auditoriums, hospital beds and various other industries, enhancing comfort and convenience in our surroundings.



PRODUCT PORTFOLIO

Mattresses

- My Mattress • Spring Range • Technology Range
- Custom Cell Range • Back Support Range • Flexi PUF Range
- Showroom Range • Economy Range • SleepX Online Brand

Technical Foam

- Automotive Foams • Reticulated Foams • Ultra-Violet Stable Foams
- Silentech Foams

Home Comfort

- Furniture Cushions • Pillows • Bedsheets • Comforters/Blankets
- Mattress Protectors • Sofa-cum-Beds

HOME COMFORT PRODUCTS

Product	Product lines
Mattresses	My Mattress, Spring Range, Technology Range, Back Support Range, Flexi PUF Range, Showroom Range, Economy Range, Comfort Cell Range
Furniture - cushioning material	Sleepwell Resitec, Sleepwell Cool Gel, Primo, Feather Foam
Pillow	Fibre Range, Flexi PUF Range, Premium Range
Bolsters cushions	-
Sofa-cum beds	Sofa and Bed
Other products	Comfort Range Accessories, Foam Cores

TECHNICAL FOAM PRODUCTS

Product	Product lines	End-use Industries
Automotive foams	Poly-ester foam, Poly-ether foam	Seat cover, Sound absorption systems, Sun visors, Headliners, Door trims, Lamination systems
Reticulated foam	Ester-based foam, Ether-based foam	Filtration systems, Ceramic foam filters, Outdoor furniture, Microphones and headphones, Safety fuel tanks, Ink cartridges
Ultra Violet Stable foam	-	Sportswear, Innerwear and lingerie, Clothing, Swimwear, Comfort accessories for shoes
Slientech foam	Ester-based PU Foam	Automotive, Diesel generator canopies, Theatres, auditoriums, indoor stadiums, Broadcasting rooms and recording studios, Industrial silencers, Acoustic enclosures, Engine testing rooms



Innovate. Evolve. Grow

Innovation and technology are at the core of every possibility that we create for you to slip into a state of deeper rest. As we understand the power of these refreshing moments and hours of comfort in energising you to optimise and succeed. From upgrading our existing products to designing new advanced solutions, we are in a constant endeavour to deliver superior support and resting solutions, multiplying your opportunities for growth.

Neem Fresche, a revolutionary germ-free technology, upholds our promise for sound sleep and good health by using the proven disinfecting properties of Neem to fight against dust mites, skin and breathing disorders. The technology withstands multiple washes and remains effective for years. Light on the environment and certified by U.S. Environmental Protection Agency, it is offered for the entire Sleepwell home-comfort range.

Comfort Cells Mattress, another innovation, is designed with Integrated Core Technology for proper support and a bespoke sleep experience. It minimises partner

disturbance, maximises air flow and keeps the mattress fresh and last longer. My Pillow, a range of customised pillows with High-Rise or Low-Rise options make up for a perfect sleep partner giving you that extra comfort. Other innovations such as Zero Turn Mattress which eliminates the need to turn the mattress periodically to prevent sagging and Responsive Memory Foam which attunes to your resting needs by remembering and responding to how one sleeps takes convenience, comfort and growth to another level.

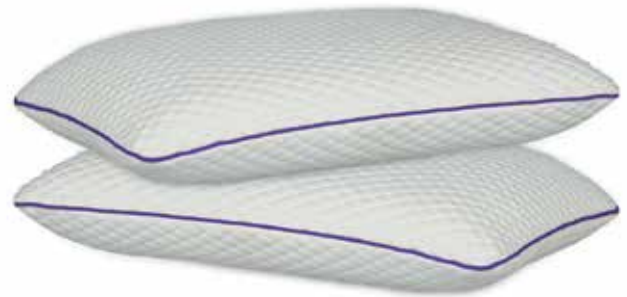
We have started exporting Bed-in-a-box from our Spain plant. This is a new opportunity in the US as the country imposes trade restrictions on other countries. We have also started exporting Spring Mattress to US from India. The use of virtual technology to enable our customers design their own personalised furniture will be a true game changer in the industry, tagged with best quality assurance and brand warranty.

Building Awareness on Rest. Creating Opportunities for Growth.

A good sleeping regime is important for energy, enthusiasm, good health and growth of every individual. As providers of high-quality sleeping solutions, we aim to communicate this and help maximum people avail its benefits.

Sleepedia is our initiative to raise awareness about the significance of sleep, sleep disorders and how to combat them, and methods to inculcate and promote healthy sleeping habits. It is a community of people joining hands to provide assistance, uplift each other and encourage rest for growth.

- ▶ **Sleep Talk:** Information and suggestions for a healthy sleep routine
- ▶ **Your Sleep Story:** Community engagement initiative for sharing sleep stories and experiences
- ▶ **Sleep Expert:** Sleep advice from experts with answers to Frequently Asked Questions



More Rest. More Growth.

The world is changing and changing extremely fast as health and safety has become the top-most priority for all. As an increasing number of people spend more time indoors and within their homes, they are placing greater importance on comfort and quality of sleep.

Today, consumers perceive home comfort products as a necessity and are willing to invest in ones that guarantee them best quality coupled with hygiene and deep rest. They are more interested in the science and technology that goes behind the product in enhancing its utility that makes it ideal for them and their families.

Sheela Foam, with its innovative products and health-boosting Neem Fresche technologically, has thus been at an advantageous position during these times. After the easing of curbs and broad-based economic recovery, we have experienced a surge in demand, both from organised and unorganised sector, backed by people's trust in our capabilities and quality assurance. Interestingly, this has led to a reciprocal relationship with our customers where our growth has been led by their enhanced focus on quality and sleep and their growth has been led by our comforting sleeping solutions.



Consumers perceive home comfort products as a necessity and are willing to invest in ones that guarantee them best quality coupled with hygiene and deep rest.

Chairman's Message



Dear Shareholders,

It is a pleasure to present to you the Annual Report for FY 2020-21 of your Company. Faced with once in a century pandemic, the year under review presented extraordinary challenges for your Company, India and world at large and we are proud to have successfully negotiated and kept pace with the changing environment, registering a positive growth in sales and business margins.

We were challenged by negative consumer sentiments, fluctuating raw material prices on the back of weak supply chain, temporary closure of outlets and many other pandemic-driven issues. In these uncertain times, we responded with better and tighter management, centralised decision-making, continuous communication with vendors and customers, virtual support at every level, strengthening our e-commerce sales through our brand SleepX and constant innovation for higher comfort across market segments.

While Indian sales were impacted by a country-wide lockdown in Q1, we saw a surge in numbers in the third quarter, especially in the mattress segment, mainly on account of the pent-up demand. The new work-from-home culture also prompted a shift in consumer behaviour as they spent more hours at home and longed for a comfortable setting, encouraging them to spend on good-quality mattresses and home comfort products.

Good health has been the mantra in the year gone by. Your Company, with its innovative Neem Fresche technology was well-positioned to capture and deliver on this trend. With a promise to keep consumers germ-free, stronger, healthier and fitter, our Neem-Fresche treated Sleepwell products soared high. We also earned a deeper share in the unorganised market and low price segment as consumers considered rest and comfort as significant factors to good health and growth.

Environmentally, our facility in Spain has been recently awarded for reducing its carbon footprints. In India, we have embarked on our project of reducing plastic wastage completely and are now moving towards the next level of sustainability.

ECONOMIC OUTLOOK

On the economic front, the Indian economic growth contracted to a nominal GDP growth of -23% at the end of Q1 FY2020-21. While the situation improved marginally in the second quarter on account of Unlock measures, the Q3 GDP reflected a broad-based economic recovery backed by pent-up demand and business reviving at a rapid pace in almost a V-shaped recovery. However, the organised mattress market registered de-growth of 7 basis points in this period. Our strategy to overcome these challenging times will be to tap new customers and expand our portfolio in other categories in high market share regions; improve our competitive-edge and win a higher market share in the low market-share region; and win cotton mattress users to increase penetration.

Indian Railways received a record outlay of ₹ 1,10,055 crore in the Union Budget 2021-22 which is expected to result in an incremental demand for our products and positively impact our growth. Enhanced focus on Affordable Housing sector is also likely to push demand for home comfort products, opening up bigger opportunities for us. We are also aligning ourselves with India's Atmanirbhar mission and looking at local replacement for imports, especially in the mattress segment.

PERFORMANCE REVIEW

Our net revenue from operations in FY 2020-21 on a consolidated basis increased to ₹ 2,435 crore from ₹ 2,174 crore. Consolidated net profit after tax increased to ₹ 240 crore from ₹ 194 crore in the previous year and on a standalone basis net revenue from operations stood at ₹ 1,690 crore as compared to ₹ 1,755 crore in FY 2019-20 on account of the disruptions caused by the COVID-19 pandemic. Profit after tax for the year increased to ₹ 181 crore from ₹ 166 crore. Net revenue from operations from Australia increased to AUD 81.08 million from AUD 66.1 million. Net profit after tax increased to AUD 4.84 million in FY 2020-21 from AUD 4.08 million in the previous year. The net revenue from operations from Spain increased from Euro 6.48 million to Euro 39.75 million, while net profit increased from Euro 0.69 million to Euro 4.09 million during the year.

We see a new trend as consumers in the unorganised segment are shifting from their cotton mattresses to branded products with an expectation of improved hygiene and comfort. Others are willing to look beyond the pricing and invest in premium comfort products in exchange of long-term benefits. Backed by these, we are witnessing a strong traction in the mattress segment. Business in Australia will remain stable and Spain will offer multiple growth opportunities.

The momentum in automobile sector has also been a positive contributor to our growth and helped us restore high-market share in the sector. Factors that played in our favour in the B2B segment included focus on large customers with changes in B2B sale structure; increase in demand for mattress and other products from Automobile, Furniture and White Goods industry; reasonable progress in pilot projects including supply

of foam to Indian Railways; successful introduction of Low Burn Foam for Auto Lamination and Peeling Industry; and catering to Bata's pan-India vendor requirements.

As a top foam producer in India and technology leader, we are creating new opportunities through development of innovative low-cost high-durability products that shall help us target a new segment of consumers. Starlite and Feather Foam have been some of the recent innovation in our competitive categories and address the large economy segment dominated by un-organised players. We also offer best-in-class innovation to upgrade our existing products; Neem Fresche, Comfort Cells, and My Pillow bearing testament to our capabilities.

SLEEPX GROWTH STORY

The online Indian mattress market in FY 2022 is estimated to be about ₹ 1,000 crore and is projected to reach ₹ 1,500 crore in FY 2023 and ₹ 6,000 crore by turn of the decade. User penetration is growing at a similar rate and is expected to hit 65.6% by 2025. The pandemic has resulted in a watershed moment where consumers are more comfortable ordering from the safety of their homes. Conscious buying based on health and hygiene has also increased in the pocket-friendly mid segment. Going by these, our E-commerce business are well poised to capture the uptrend and have registered a sale of over a lakh mattresses and more than ₹ 55 crore revenue, demonstrating 74% growth than the previous year. Innovative products such as Personal Protector coupled with regionalisation of communication will further boost growth. Backed by the solid reputation of Sleepwell and offering its own unique advantages, SleepX is bound to ride the e-Commerce storm, break all records and take us towards a new high.

STRATEGIC WAY FORWARD

Moving forward, our strategy is to channelise our wide range of offering across different market segment to capture maximum consumer attention and deepen our penetration. We shall continue to leverage the popularity of our flagship brand Sleepwell, reinforcing its benefits offered by Neem Fresche and combine it with diversification of portfolio in other categories.

Our six point strategy will be to differentiate the Sleepwell brand and bring the comfort positioning alive for each category; follow a segmented approach to tap into white spaces in the market and support all-round growth; regionalise communication to strengthen consumer connect; digitise platforms to generate higher engagement and business; improve consumer experience and complement it with store level experience for better conversions; and build a bouquet of services in a phased manner leading to increase in consumer connect and growth.

As PE Foam finds a place for itself in mattress, we have decided to focus on improving the sales of PE Foam which will also help us to retain our comfort foam customers. Other than this we have initiated various projects in Manufacturing, Supply Chain Management and



With a promise to keep consumers germ-free, stronger, healthier and fitter, our Neem-Fresche treated Sleepwell products soared high.

New Product Development with an objective of quality improvement, operational excellence, higher productivity and cost reduction.

The new bed-in-box concept also offers an effective opportunity for your Company as we see a rise in India's market share in this segment. The product saves both on middle-channel and transportation cost and is a valuable addition to our offerings. In parallel, we are looking at providing our customers with an opportunity to design their own furniture through virtual technology and support their dream for creating personalised living spaces. Other than this, we have explored the possibility of offering Beds, Bedside Tables, Sofa Sets and corner elements of mid-price segments with best-in-class product quality and finish for fine living & comfort of consumers.

GROWTH OUTLOOK

With diversified product offerings and multiple consumer touchpoints coupled with world-class quality at competitive prices, your Company has an unmatched capability to serve the varying and evolving needs of customers from all walks of life. The Neem Fresche technology along with others that support good health and facilitates deeper rest add value to our consumer's lives, boosting their trust and loyalty and reinforcing our position as leaders in foam and mattress industry.

Our strategies will accelerate sales in Metropolitan and Tier 1 cities while capitalise on the growth potential offered by Tier 2-6 cities. The paradigm shift of people's perception about comfort - be it at home, work or on the go - will be the key driver to our growth. The Indian furniture market is expected to grow at 13% YoY for the next 5 years, providing ample thrust to our new wing. In the B2B segment, growth will be led by long-term economic recovery.

I would like to conclude by reiterating that we remain positive about the market sentiments in our core business segment and are well-prepared for the challenges and opportunities alike. I would like to thank my shareholders, partners, customers and employees for their continued support and contribution in our journey and look forward to another year of accelerated comfort and growth.

With best regards

Rahul Gautam
Chairman & Managing Director, Sheela Foam Limited

Board of Directors

Rahul Gautam
Chairman &
Managing Director



He has been associated with our Company since 1971 and been our Managing Director since 1 April, 1996. He holds a Bachelor's degree in Technology - Chemical Engineering from the Indian Institute of Technology, Kanpur, and a Master's degree in Science -Chemical Engineering from the Polytechnic Institute of New York. He has over 44 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 32 years and been a Whole-Time Director of our Company since 14 November, 2003. During her tenure, she has headed the Human Resource, Marketing and Projects departments of the Company. She currently heads 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.

Rakesh Chahar
Whole-Time
Director



He has been associated with our Company since 1 November, 1990 and been a Whole-Time Director since 14 November, 2003. He has more than 29 years of experience in the business of selling and marketing of bedding products and polyurethane foam. He heads the Sales and Marketing function.

Tushaar Gautam
Whole-Time
Director



He has been associated with our Company since 7 January, 2002 and been a Whole-Time Director since 1 April, 2007. He holds a Bachelor's degree from Purdue University, USA, where his courses of study included Financial, Marketing and Operations Management. He oversees the Operations of the Company and our subsidiary Joyce Foam Pty Ltd and interplasp Spain and serves on their Board of Directors. He has more than 18 years of experience in heading Production, Research and Development.

Vijay Kumar Chopra
Independent
Director



He has been associated with our company since 7 June, 2016. He is a fellow member of the Institute of Chartered Accountants of India. In the past, he has held senior managerial positions in various banking organisations such as Central Bank of India and has been the Chairman and Managing Director of Corporation Bank and SIDBI. He has also served as a Whole-time Member of SEBI from 6 June, 2006 to 5 March, 2008. He has several years of experience in the banking and finance sector and vast knowledge of financial matters.

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 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 post graduate 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.

Lt Gen (Dr.) Vijay Kumar Ahluwalia
Independent
Director



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

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 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 Limited, a leading organisation in the field of fastening products. He has several years of national and international experience in the zip fastening products sector.

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 - world's leading search firm before taking her role as an Independent Advisor.

EMOTIONAL WELLNESS

SKILL DEVELOPMENT

SDC KHURJA

ACT CLEAN

SOCIAL CHANGE IN THE NEW NORMAL

At Sleepwell Foundation, the new normal due to the on-going pandemic gave us a bigger thrust to integrate digital means and social media along with our on-ground activities to intensify our initiatives—empowering the marginalized and underprivileged youth and women.



SLEEPWELL FOUNDATION LEVERAGED SOCIAL MEDIA TO CREATE SOCIAL CHANGE BY BUILDING MASS AWARENESS AND ENGAGEMENT.

NUMBER OF PEOPLE REACHED

18.7 MILLION

ADDITIONAL REACH: **6.6 MILLION**
THROUGH ZINDAGI WITH RICHA YOUTUBE CHANNEL



In association with Sanjivini Society for Mental Health

BAATEIN DIL KI FILM SERIES

29,51,262 BENEFICIARIES

A series of 13 films were made for helping youth in coping with difficult situations. Experienced Counsellors from Sanjivini gave advise and shared indepth information on all aspects of Emotional Wellness.

RAAHAT: ONLINE THERAPY FOR YOUTH: 8 EPISODES

1,37,608 BENEFICIARIES

A ready reckoner advisory toolkit for Emotional Wellness made by young counsellors from "Children First"— helping youth to deal with emotional distress in the Covid-19 lockdown times.



Sleepwell Foundation Presents

ZINDAGI with RICHA

SEASON 5 9 EPISODES

9,25,259 BENEFICIARIES

Films of inspirational **Real Life Stories** of ordinary people doing extraordinary things, streaming on our social media platforms enhancing emotional wellness of people throughout the world.



SOCIAL CHANGE through SKILL DEVELOPMENT

“HOW TO START A BUSINESS”

Online Workshops

14 WORKSHOPS CONDUCTED SO FAR AND CONTINUING

Mentoring Youth towards Self Employment

3,656 BENEFICIARIES



Sleepwell Foundation conducts workshops for youth who have ideas but not the know-how to set up their business. The workshops give a clear perspective and detailed guidance for getting started.

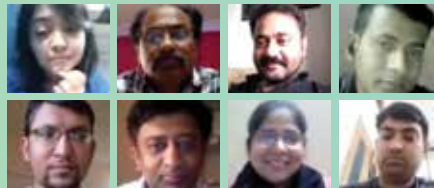
“ENHANCE YOUR PROFESSIONAL EFFECTIVENESS”

Online Workshops

5 WORKSHOPS DONE SO FAR AND CONTINUING

Learning to Boost Performance at Work

1,223 BENEFICIARIES



In association with CII, Sleepwell Foundation conducts workshops for Industry personnel, from semi-skilled to managerial level, training them on enhancing their personal and professional skills.

छोटी सीख बड़ी जीत

5 EPISODES



13,77,550 BENEFICIARIES

An educational film series to skill rural youth with soft skills to enhance their professional & personal development.



SOCIAL CHANGE through ACT CLEAN

WASTE TO MANURE

A waste management project in Trilokpuri and Mayur Vihar in East Delhi in participation with EDMC and CII (PPP model.)

SEGREGATING DRY AND WET WASTE AT SOURCE. IMPACTING MORE THAN 8,000 HOUSEHOLDS



RESTORATION OF POND

MIRPUR POND, KHURJA

The Mirpur pond of roughly 6000 sq. m. has been brought to life from its almost dead state since 2017. Renovation work has been completed and now the pond is brimming with water.



2,500 PEOPLE BENEFITED

GHAZIPUR POND

Restoration work in Ghazipur pond has already started. The scope of work includes De-Weeding, De-Watering, De-Silting, Construction of Ramp, Stone Pitching, constructing Collection Chambers at Inlets & Plantation, Cleaning and Maintenance.

SDC KHURJA



SLEEPWELL FOUNDATION SKILL DEVELOPMENT CENTRE

2,230 BENEFICIARIES

SKILLING THE RURAL YOUTH OF KHURJA

SDC Khurja provides a wide range of vocational and soft skills training apart from IT and English, the basic subjects with application across all industries. Women centric courses are conducted to improve financial & economic status of rural women.

SDC REOPENS AFTER MONTHS OF CORONA VIRUS SHUTDOWN



122 Students Enrolled in New Batch for **NIIT Certified** Computer & English Course at the Centre.

Col Gautam Academy for Armed Forces



NEW BATCH STARTED

30 Girls and **125 Boys** are currently undergoing Physical & Theory Training at the Academy.

CONSTRUCTION OF NEW BUILDING, SDC PHASE-2



Our success with SDC encouraged us for expansion, both in terms of courses & curriculum and in intake capacity.

SDC Phase-2 has 570 sq. mtrs. built-up area to accommodate 5 Training Rooms, Office, Library and a Toilet block for female trainees.

Job Oriented Courses for Employment and for Self Employment are being finalised in consultation with Industry Experts. The course will start at the earliest, post Covid Lockdown.



CONSTRUCTION OF BUS SHELTER OUTSIDE OUR SKILL DEVELOPMENT CENTRE AND ACADEMY AT NH-91 FOR THE CONVENIENCE OF THE TRAINEES, ESPECIALLY WOMEN AND GIRLS



This Bus Stop will connect the centre with places all around Khurja and adjoining places.

FASHION SHOW AT SDC KHURJA

1st Passing Out Ceremony of MasterG Fashion Designing Course

The first batch of 17 trainees successfully completed the 'One-Year MasterG Fashion Designing Course' in March 2021. Ms. Gayatri Jolly, Founder of MasterG programme handed over certificates to the trainees.

During the event a fashion show was organised where the Graduates modelled and proudly walked the ramp showcasing their creations.

Despite pandemic & lockdown during the event, the 2nd batch has begun.



ROZGAR MELA

Job Fair at SDC Khurja

GRAND SUCCESS – HUGE TURNOUT OF 1,700

In enhancing life and livelihood of rural India, Sleepwell Foundation, in partnership with CII Model Career Centre (CII MCC), organised a Job Fair at Sleepwell Foundation Skill Development Centre, Khurja on 20th March 2021. **20 Renowned companies from different sectors participated in the fair.**

450 CANDIDATES GOT ON-THE-SPOT JOBS. MANY MORE WERE SHORTLISTED.

IMPACT OUR HALL OF FAME

Our trainees of SDC Khurja & Col Gautam Academy got well-placed with decent jobs. They made themselves worthy and they made us proud. Many more will follow them.



Deepak Chauhan
Indian Navy



Mohit Kumar
Indian Navy



Yatendra Chauhan
U.P Police



Naveen Kumar
Railway



Mohd. Anas
Accountants



Kajal Sharma
Running



Amit Kumar
Group Media



Punit
RPF



Bhupendra
Airforce



Sagar
SSC GD /UPP

Donation made to Sardar Patel COVID Care Centre



Press Coverages

మేము సైతం

వైద్య పోరులో జాతీయ కార్పొరేట్లు ఆంద... దేశంలో ఆక్సిజన్ కొరతను అధిగమించేందుకు, మొదలైన వైద్య సదుపాయాలకు చేయూత... కోల్ ఐండియా, ఎస్ఎఫ్ఎల్ ఆక్సిజన్ ప్రాంట్లు

కోల్ ఐండియాలో కొంతమంది ప్రజలకు మందులను అందించడానికి కోల్ ఐండియా ప్రాంట్లు... ఆక్సిజన్ ప్రాంట్లు... కోల్ ఐండియా... ఎస్ఎఫ్ఎల్ ఆక్సిజన్ ప్రాంట్లు... కోల్ ఐండియా... ఎస్ఎఫ్ఎల్ ఆక్సిజన్ ప్రాంట్లు...

शीला फोम ने सरदार पटेल कोविड- केयर सेंटर को 500 बिस्तरों दिये

By वास | Follow | Published: April 27, 2021 07:36 PM | Updated: April 27, 2021 07:36 PM

शीला फोम ने सरदार पटेल कोविड- केयर सेंटर को 500 बिस्तरों दिये

नयी दिल्ली, 27 अप्रैल (निरंता क्षेत्र की कंपनी शीला फोम लिमिटेड ने योगांधार को बड़ा कि उसने राष्ट्रीय राजधानी क्षेत्र में तैयार किए गये सरदार पटेल कोविड केयर सेंटर को 500 बिस्तरों और इससे जुड़ा पूरा सामान उपलब्ध कराया है।

कोरोना वायरस संक्रमण के बढ़ते मामलों के बीच आवश्यक सुविधा करने बिस्तरों की धारी कमी के बीच कंपनी ने यह कदम उठाया है।

CSR: Sleepwell Donates 500 Bedding-units to Support the Acute Shortage of Oxygen Beds in the Capital

by India CSR Network - April 27, 2021. Reading Time: 2 mins read



NEW DELHI: As COVID-19 cases surge in India, the demand for hospital beds and oxygen cylinders are rapidly rising. While the healthcare community and government are doing everything possible to fight the pandemic, it is imperative that corporates come forward and support the nation. Sleepwell, India's leading mattress brand from Sheela Foam Ltd., has once again risen to the occasion to support healthcare efforts across the country.

Continuing its partnership with the Government, Sleepwell has donated 500 bedding units to India's largest COVID-19 facility. The bedding units comprise of mattresses, pillows and beds with a back-rest that is especially designed for patients that require oxygen. Currently, 300 such bedding units have been set-up and are ready-to-use while the remaining 300 will be added as per requirement. The company had helped set up the facility last year with a donation of 10,000 bedding units.

Owing to Sleepwell's rich legacy and expertise in manufacturing, the company has been able to turn-around the production, delivery and assembly of the mattresses in record time. Operated by Indo-Tibetan Border Police (ITBP), The Sardar Patel COVID Care Centre is now open for COVID-19 affected patients.

11 APRIL 2021, Last Updated on 28 APRIL 2021 10:00:00 PM

Sheela Foam donates 500 bedding units to Sardar Patel COVID Care Centre

New Delhi, Apr 27 (PTI) Sheela Foam Ltd, maker of popular mattress brand Sleepwell, on Tuesday said it has donated 500 bedding units to Sardar Patel COVID Care Centre in the national capital to help overcome the acute shortage of oxygen beds amid a surge in coronavirus infections.

The 500 bedding units comprise mattresses, pillows and beds with a back-rest that is especially designed for patients who require oxygen, Sheela Foam said in a statement.

Last year, the company had played its part in setting up the facility and donated 10,000 bedding units.

Operated by Indo-Tibetan Border Police (ITBP), Sardar Patel COVID Care Centre is now open for COVID-19 affected patients, the company said.

"As the COVID-19 situation worsens in India, it is upon each and everyone of us to step up and support the healthcare infrastructure and the system workers in our own small ways," Sheela Foam Managing Director Rahul Gattam said.

At Sleepwell, he added, "We have been committed to ensuring that every COVID-19 patient receives a safe and hygienic bed to recover and facilitate his journey to be a limited patient. Currently we have added 500 bedding units at the Sardar Patel COVID Care Centre and will continue to support with any further requirements."

The company said the mattresses and beds have been specially treated for the purpose of sanitizing, making it comfortable for patients to sleep and for long durations. The mattresses have been made using a proprietary foam core for comfort and support with a special cover for easy wiping and sanitation. PTI KOL/ANU/ANU

Disclaimer : This story has not been edited by Outlook staff and is auto-generated from news agency feeds. Source: PTI

Sleepwell donates 500 bedding-units to support the acute shortage of oxygen beds in the capital

Corporate Information

BOARD OF DIRECTORS



Executive Directors

Rahul Gautam
Namita Gautam
Rakesh Chahar
Tushaar Gautam



Non-Executive Independent Directors

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

CFO

Dhruv Chandra Mathur

Company Secretary

Md Iqbal Ahmad

Auditors

S. P. Chopra and Company



BANKERS

Yes Bank Limited
Citi Bank
Kotak Mahindra Bank



REGISTERED OFFICE

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Telephone - +91 11 22026875



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Uttar Pradesh, India
E-mail - iqbal.ahmad@sheelafoam.com



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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 & Analysis

ECONOMIC OVERVIEW

Global Economy

The global economy witnessed an unprecedented crisis in 2020 as the outbreak of the novel coronavirus (COVID-19) in China towards the end of 2019 spread rapidly across the globe. While ensuing lockdowns announced by all major economies played a critical role in saving lives, they resulted in severe damage to economic activities, thereby plunging the world economy into a recession. As per the International Monetary Fund (IMF), the global economy contracted by 3.3% vis-à-vis 2.8% growth registered in 2019. Substantial fiscal and monetary stimulus packages enforced by the governments and central banks across the globe have been playing a pivotal role in the economic recovery. Successful vaccination programmes will boost investor sentiment and will lead to kickstart private capital inflows and fixed capital formation.

(Source: IMF World Economic Outlook, April 2021)

COVID-19 Impact

The speed and strength with which COVID-19 has struck the global economies is unprecedented, posing a threat of a deep recession to most of the economies. Although vaccination drives have raised hopes of a turnaround in the pandemic, renewed waves and new variants of the virus pose concerns for the outlook. With China's quick recovery and better than expected GDP outturns in advanced economies, the global contraction for 2020 is estimated at 3.3%.

The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spill overs and structural characteristics entering the crisis. Strong multilateral cooperation is required to bring the pandemic under control everywhere. Massive vaccination drives and additional policy support in few large economies have raised hopes of a turnaround in 2021 with growth expectations of 6.0% followed 4.4% in 2022.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update#:~:text=The%20global%20growth%20contraction%20for,the%20second%20half%20of%202020>).

Region-wise growth

As per the International Monetary Fund (IMF), Advanced Economies (AEs) declined by 4.7%, with the USA and Europe contracting by 3.5% and 6.6%, respectively, Emerging Markets and Developing Economies (EMDEs) clocked a relatively less contraction of 2.2%, the improvement largely reflects the rebound in the Chinese economy in the second half of CY 2020 post successful containment of virus spread in the country.

The sizeable fiscal support announced for 2021 in some countries, including most recently in the United States and Japan, together with the unlocking of Next Generation EU funds, will help lift economic activity among advanced economies with favourable drivers to trading partners. With growing vaccine availability, improved therapies, testing, and tracing, local transmission of the virus is expected to be brought to low levels everywhere by the end of 2022.

(Source: IMF World Economic Outlook, April 2021)

Indian Economy

In line with the global economy, India witnessed major economic disruptions in Financial Year (FY) 2020-21, as the outbreak of COVID-19 perversely impacted human health and safety of the country's inhabitants. This prompted the government to undertake one of the world's tightest lockdowns, bringing manufacturing and trade activities to a screeching halt. Prolonged lowdown exacerbated existing vulnerabilities of the country including the weakened financial sector, private investments, liquidity constraints and consumption demand. Mobility restrictions and social distancing led to unparalleled supply-chain disruptions and consumer demand fallout. This forced the Indian GDP to contract by 8.0% in FY 2020-21 as against a growth of 4.0% in FY 2019-20, marking a recession since 1980.

(Source: IMF World Economic Outlook, April 2021)

The government re-opened the economy in a phased manner since June 2020 with strict standard operating procedures. Despite the challenges posed by the pandemic in FY 2020-21, the outlook for FY 2021-22 seems promising. This is largely attributed to mass vaccination drives, normalising business activities, the government's thrust on reviving infrastructure sector, revival in housing demand backed by historically low-interest rates, improving banking balance sheet and India's increasing prominence in the global supply chain.

(Source: <https://www.businesstoday.in/current/economy-politics/india-steps-out-of-recession---gdp-grows-xx-in-dec-quarter/story/432461.html>)

Policy Reforms

The government announced a special comprehensive package of ₹ 20 lakh crore, equivalent to 10% of India's GDP under 'Self-reliant India' movement to revive the country's languishing economic activity. The Union Budget 2021-22 has focussed on several investments focussed spending programmes like the National Infrastructure Pipeline, demand-driven capex, and the Centre's Production-Linked Incentive (PLI) scheme.

On the monetary side, the Reserve Bank of India (RBI) continued with the accommodative monetary stance by bringing key repo rate and reverse repo rate to 4% and 3.35% respectively to provide monetary stimulus and trigger economic growth back to the earlier trajectory. Backed by strong fiscal and quasi-fiscal measures, India's GDP growth is likely to rebound sharply to 12.5% in FY 2021-22.

(Source: World Bank, IMF World Economic Outlook, April 2021)

INDUSTRY OVERVIEW

Health & Wellness Industry

The health and wellness industry in India has become mainstream in recent years. The societal and lifestyle changes due to increased globalisation have created greater awareness on the need of wellness. Growing prevalence of chronic lifestyle diseases is one of the key factors driving the growth of the market. Factors like rapid urbanisation and rising disposable incomes, along with the increase in the number of health-conscious consumers, changing millennial preferences over 'material things', are projected to drive the industry growth. Furthermore, the emerging trend of using wearable devices, such as fitness bands and trackers, is also providing a boost to the growth of the industry.

Health and wellness refer to the state of complete wellbeing of the body, mind and spirit. The sedentary lifestyles and hectic schedules, have encouraged the masses to adopt various healthcare activities, including yoga, meditation and athletics. The health and wellness industry is expected to see a positive growth in the near future owing to increased consumer demand for quality offerings to match their changing lifestyles.

(Source: <https://www.wellnesscreatives.com/wellness-industry-statistics/>)

Indian mattress industry

The Domestic mattress industry, which is heavily dependent on retail business, has been facing a subdued demand due to the screeching halt in the business because of the COVID-19 pandemic. While the actual sales of the retail establishments might be impacted, the online channel is seen bringing optimism. Since people have been confined to their homes because of the lockdown, they are looking at ways and means to make their stay comfortable. Of the many things that could come up for an upgrade is a mattress. And this could be an opportunity for the industry. The gradual recovery in the economic factors such as increased income levels and infrastructural developments, in terms of the increased number of residential units and hotels in the country have led to substantial growth of the mattress industry.

The India mattress market is segmented into PU Foam, Rubberised Coir, Spring Mattresses and others.

The unorganised sector, primarily dominates the Indian mattress market; however, with growing awareness and an increase in the earning capability of consumers, the organised sector has gained prominence in recent years. A visible shift has been observed over a period of time in the consumers' perspective, where the main focus is on the comfort and functionality of the product. The demand for customised and luxury mattresses has been increasing, making the companies to leverage new techniques to utilise their resources and technologies. Mattresses are no longer considered as mere consumer durables; they are an indicator of the quality of life.

(Source: <https://www.thehindubusinessline.com/economy/why-indias-mattress-industry-is-having-sleepless-nights/article31572798.ece>)

Growth Facilitator of India's Mattress Industry:

- 1. Shift in product preferences:** Increasing awareness among people about the benefits of purchasing a better-quality product is augmenting the demand for comfortable products that align to health benefits.
- 2. Increased awareness of quality mattresses:** Increased awareness of the benefits acquired from using the right quality mattresses for enhancing sleep experience is fuelling the demand for quality mattresses.
- 3. Demand for innovative products:** Increasing disposable incomes, rapid urbanisation, growing numbers of millennials have been augmenting the demand for quality and customised products.
- 4. Growing awareness of branded products:** Branded mattresses have been witnessing growing demand owing to the boost in the housing and institutional sector.
- 5. Shift to the organised market:** A major shift from unorganised to the organised players has been largely seen with the implementation of GST norms and formalisation of the economy.

These factors are expected to boost the growth of the organised mattress industry, with a market share of 42% by the fiscal year 2022.

A shift in consumer choices:

- Quality:** Traditionally, in India cotton mattresses are used which are highly susceptible to germs, dust mite attacks. Their low quality and sagging issues require increased maintenance.
- Comfort:** Consumers' preferences are changing towards good quality mattresses that provides comfort and quality sleep as sleeping disorder cases are increasing.

- **Changing preferences:** Consumer preferences have shifted towards premium quality customised products from traditionally used cotton mattresses.
- **Research:** Development in technology has helped in thorough research and development of a wide range of personalised products as per evolving customer demands.
- **Technology:** The advancement of technology has helped in keeping the mattresses, fresh, durable, lightweight and breathable by using anti-bacterial treatments and new foaming technology. This technology is helping manufacturers to produce a wide range of tech-driven products to cater to consumer demands.

Organised Mattress Market

The organised mattress market is classified into three categories, PU Foam with approximately market share of 50%, Rubberised Coir constituting 30% and Spring Mattresses constituting 20%. Indian consumers largely prefer the PU foam mattresses as they are durable, comfortable and relatively reasonable. The growing end-user industries such as bedding & furniture, electronics, automotive, and building & construction are further augmenting the growth of PU Foam. Rubberised coir mattress market witnessed a contraction in demand due to the rising price of rubber combined with sagging and quality issues. Spring mattresses, on the other hand, are seeing a surge in demand due to urbanisation and increasing spending power. Being on the premium price side, it also provides quality and comfort.

Residential and institutional users are prime consumers of branded mattresses in India. The residential sector is the major contributor in the mattress market in comparison to the institutional sector.

Distribution Platforms

The organised mattress market considers sales from both online and offline distribution channels. The offline market has a significant share of sales largely dominated by retail sales through distributors/dealers or own franchised stores. One of the advantages of offline distribution channels is that an end-user can get advice from professional sales personnel. This factor plays a significant role in the offline segment to maintain its market position.

The online mattress market is gaining momentum in India largely due to ease, comfort, competitive pricing options, faster delivery and an array of choices for customised products. The demographic Indian profile is swiftly changing buying mode online which has been fuelling online sales. Doorstep delivery, the trial benefits and attractive packaging is further strengthening customer's demand.

Indian Flexible PU Foam Industry

The Indian foam industry's future seems promising with increasing opportunities in various applications, such as building and construction, bedding and furniture, transportation, electrical and electronics, footwear and others. The major growth factors for this market are growth in bedding and furniture industry, high demand of PU foam in building insulation for energy conservation and increasing automotive production.

Emerging trends which have a direct impact on the dynamics of the PU foam industry, includes the emergence of carbon dioxide-based flexible foam and usage of natural based raw materials to manufacture PU foam. The developing countries like India, Brazil, and China have been expanding home furnishing sector which fosters the demand for PU foam in the region.

The flexible PU foam is manufactured as Slab Stock Foam and Moulded Foam. Slab stock foam holds a major share in the market, comprising 65-70% share. It is largely used in industries like mattresses, furniture, and footwear, among others. On the other hand, moulded foam, constituting 30-35% of the organised market, is majorly applied in the automotive industry. Flexible foam is expected to remain the largest market by value and volume due to its lightweight, durable, resilient and energy absorption properties.

(Source: <https://www.indiaonline.com/company/sheela-foam-share-price/management-discussions/26840>)

Market Drivers and Opportunities

Growing consumerism: India is gradually shifting from a production-oriented mixed economy to a consumer society. The consumption growth will be supported by a 1.4 billion strong population that is younger than that of any other major economy. The demographic young profile, having a higher spending power, is more brand conscious and has complete information about the product. Rising consumerism is augmenting the demand for comfort sleeping products which has been a major growth driver to the modern mattress market.

(Source: <https://www.bain.com/insights/future-of-consumption-in-fast-growth-consumer-markets-india-wef/>)

Greater spending propensity: Higher disposable incomes can be seen as an indicator of people's standard of living and welfare. Increasing income level and higher disposable income create a thrust to spend more on luxury and premium quality products. Demand of mattress market has been growing because of rising incomes and expansion of the middle class and high-income strata.

Increasing incidence of lifestyle diseases: Back pain, spine-related problems, orthopaedic ailments occurring due to sedentary lifestyles are fuelling the demand for quality home and well-being products. The demand

for quality sleeping products has been augmented by increasing incidences of lifestyle diseases which has led to greater awareness on health and comfort.

Evolving preferences: Consumer preferences have been making a radical shift owing to a better standard of living, busy schedules, sedentary lifestyles, changes in consumer taste and preferences and advancement in technology. These factors, in turn, will boost the demand for bedding products and mattresses.

Rising share of the organised sector: With the growth of international players and branded companies, consumers are shifting from traditional, low-quality products to branded mattresses. The shift in demand for better quality and customised products has been resulting in a significant rise of organised players. The organised sector in the mattress industry is further augmented by the formalisation of the economy.

Growth in end-user industries: The government initiatives like Smart City, Housing for All combined with favourable measures and policies would increase the number of residential units and favour real estate segment, which will lead to higher mattress consumption, thereby fuelling the growth of the mattress industry.

Challenges

Transportation and Warehousing: The PU foam and mattresses being voluminous in nature, creates a challenge for warehousing and transportation. It demands huge cost, making long-distance transportation infeasible.

Lack of consumer awareness: Traditional mattresses and other sleeping surfaces earlier dominated the market due to lack of consumer awareness. Consumers were not adequately informed of the benefits of a good quality mattress.

Raw materials: The price of key raw materials for foam viz. Polyol and TDI have doubled during the year 2020-21, due to supply chain issues, temporary shutting down of some global plants etc. Not only that the prices have gone up, there has been global shortage of these materials. This has seriously impacted the PU Foam business in India.

COMPANY OVERVIEW

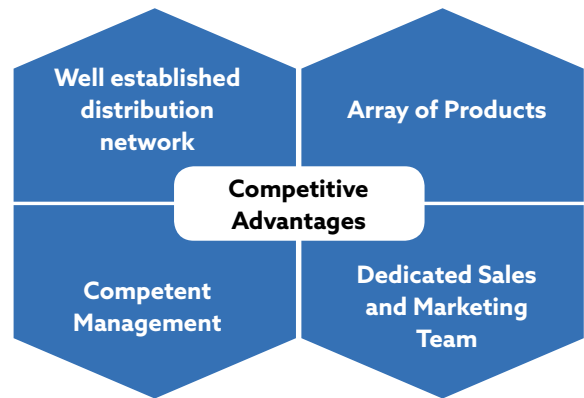
The flagship company of the Sheela Group, Sheela Foam Limited was incorporated in 1971. The Company enjoys a dominant presence overseas, with its products being exported to over 20 countries worldwide. Professionally managed by a highly qualified team, the Company is the first mattress and home comfort products company in India to be listed on the stock exchanges.

The Company's market-leading research and development, encapsulated in the promise of long-lasting benefit to the end user, reinforces brand awareness

among consumers looking for real value. The Company is backed by an extensive sales and distribution network, making it close to the consumer for envisioning a healthy future together.

Product Portfolio:

- **Mattresses:** My Mattress, Spring range, Technology range, Comfort Cell range, Back support range, Flexi PUF range economy range
- **Home Comfort Products:** Furniture Cushions, Pillows, Comforters/Duvets, Sofa-cum-Beds
- **Technical Foam Products:** Automotive foams, Reticulated foams, Ultraviolet Stable foams, Sound Absorption foams



Manufacturing Excellence

The Company has 16 manufacturing locations across India, Australia, and Spain, engaged in the manufacture of evolving products that provides the perfect mix of comfort and support. As a revolutionary enterprise, the Company has strong abilities of quality engineering and technological developments.

Brands built over consistent quality and innovation

The Company strives to deliver premium and personalised products to keep up with the brand name. The brand has grown over the time with developed products and created a reputation for own. Other brands of the Company include Feather Foam and Starlite, which are low-priced mattresses for consumers. These brands have qualified the Company to boost its share in the organised mattress market.

Technological innovations in Sleepwell:

Due to continuous R&D, Company has developed "Neem Fresche" technology providing several health benefits to the consumers. All the products of the Company are treated with Neem Fresche.

Developed high performance flame retardant foam for mass transportation and institutional usage.

Various cutting and packaging equipments, which were hitherto imported, are now developed in-house, resulting not only in substantial cost savings but also in conservation of Foreign Exchange.

Other Initiatives: As on 31st March, 2021, the Company has increased its Exclusive Branded Outlets to more than 5,400.

Deeper Penetration: Company has expanded its dealer network to various Tier III and IV towns. The number of total dealers has crossed 11,500.

Online Sales: Company has become aggressive in Online Marketing. Company has registered growth of 74% of its Online Brand SleepX in FY 2021 compared to FY 2020.

FINANCIAL OVERVIEW

During FY 2020-21, net revenue from operations on standalone basis were ₹ 1,690 crore as compared to ₹ 1,755 crore in 2019-20, due to the COVID-19 disruptions. Profit after tax for the current year increased to ₹ 181 crore from ₹ 166 crore. The net revenue from operations from Australia increased to AUD 81.08 million from AUD 66.1 million. The net profit after tax increased to AUD 4.84 million in FY 2020-21 from AUD 4.08 million in FY 2019-20. The net revenue from operations from Spain increased from Euro 6.48 million to Euro 39.75 million. The Net profit increased from Euro 0.69 million to Euro 4.09 million. On consolidated basis, net revenue from operations increased to ₹ 2,435 crore from ₹ 2,174 crore. On consolidated basis net profit after tax increased to ₹ 240 crore from ₹ 194 crore last year.

Key Financial Ratios Standalone Operation as per SEBI Listing Obligations and Disclosure Requirements (Amendment) Regulations, 2018

	2020-21	2019-20
Debtors Turnover	11.67 times	15.32 times
Inventory Turnover	8.59 times	11.03 times
Interest Coverage Ratio	29.41 times	28.13 times
Current Ratio	1.83	2.36
Debt Equity Ratio	0.00	0.00
Operating Profit Margin (%)	11.86	10.91
Net Profit Margin (%)	10.72	9.43
Return on Net Worth (RONW) (%)	18.32	19.94

GROWTH STRATEGY AND OUTLOOK

Evolving with the changing demand

The Company is committed to developing personalised products to cater to the increasing demand. The Company's wide range of products, know-how and manufacturing capabilities helps it to produce higher-margin products, including more cultured grades of technical PU foam.

Widening distribution channels

The Company is aiming to expand its domestic retail presence and continue to sell its low-priced products in the rural market. Infrastructure development and expanding distribution channels in newer geographies catalyse its reach in remote areas which has a demand for low-priced products.

Strengthening Brand presence

The Company's low-priced mattresses - Starlite and Feather Foam - provide adequate growth drivers to pierce in the rural retail market. The Company continues to invest in strengthening its brand presence and strives to accomplish this with brand promotion and marketing initiatives, strengthening the distribution and retail network, among others. It seeks to launch competitively priced products to gain higher volumes.

Leveraging E-commerce

To keep pace with changing times, the Company is using an e-commerce platform for the sale of mattresses and allied products. The Company alongside using its own website to showcase product line-up and attract sales also uses marketplaces like Amazon and Flipkart to retail its goods. The Company aims to augment its top line and bottom-line growth in the future with higher e-commerce penetration.

RISKS AND CONCERNS

Macro-economic Risk

Macro-economic risks like the ongoing second wave of the COVID-19 pandemic, the slowdown in the end-user industry, moderate growth of housing, hospitality and automotive sectors, may impact the growth of the sectors. Since the Company is largely dependent on end-user industries, its performance gets directly impacted due to external factors affecting those sectors.

Mitigation

- Greater demand conditions, positive government reform measures, increasing infrastructure development are providing boosters to the economy. To combat the economic disruptions caused by COVID-19, the government and major financial institutions have been enforcing a number of reform packages to balance the economic consequence. Amidst, all challenges, India continues to be amongst the fastest growing economy.

(Source: <https://economictimes.indiatimes.com/news/economy/indicators/india-to-be-among-fastest-growing-emerging-economies-in-fy22-rating-hinges-on-deficit-debt-sp/articleshow/81054307.cms?from=mdr>)

- Rapid urbanisation, a growing number of millennials, rising disposable income, growing middle-class are fuelling the growth for quality products and services.

- Formalisation of economy, increasing awareness for high-quality mattresses are augmenting the organised sector share in the mattress market.
- The Company's subsidiaries in Australia and Spain helps to penetrate into the overseas market and also reduce overdependence on the Indian economy.

Competition Risk

The growth opportunities for the organised players have been increasing due to increasing demand and reduction in GST rates. The number of players operating in the industry has been growing with the increasing number of the organised mattress market players resulting in tough competition. Failure to produce high-quality products to meet the demand may lead to loss of market share.

Mitigation

- The Company has established itself as a trustworthy brand by producing a wide range of mattresses and home comfort products as per the consumer choices. Its flagship brand Sleepwell enjoys higher customer reliability.
- The Company strives to augment its R&D activities and continues to develop new technologies for bringing premium and customised products. The Company is backed by advanced manufacturing equipment and improvised shop floor operations, which provides higher operational advantages.
- The Company aims to offer the right quality mattresses through technology initiatives like Comfort Cell, Neem Fresche. Technology helps the Company to create quality and innovative products and services. Further, the extensive network helps to boost the sale of the premium products.
- The Company also focusses on fulfilling the demand of certain sections with its low-priced mattresses. This helps the Company to stay in the competition with the unorganised sector.

Inventory Risk

In case of being unsuccessful in marketing and selling products, huge inventory pile-up may pose challenges to the Company.

Mitigation

- The Company through its wide distribution channel of more than 110 exclusive distributors, more than 11,500 retail dealers, over 6,100 multi-brand and 5,400 exclusive brand outlets ensures balanced and orderly sales.
- The Company leverages on brand visibility mechanism and invests in brand building and advertising costs to strengthen its presence across various mediums.

- It ensures efficient product distribution with the help of robust IT infrastructure and inventory management. The system ensures real-time inventory management and makes product available on time.

Raw Material Risk

Production is completely dependent on an uninterrupted supply of raw materials, any disruption in it may cause hamper in the production. A large portion of raw materials being imported, currency and exchange rate fluctuations, may affect the profitability.

Mitigation

- The Company makes bulk purchases of key raw materials (Polyol and TDI) at competitive rates. It strikes a balance between imports and local procurement of raw materials.
- The Company's long-standing relations help it to procure raw material at optimal rates.
- It minimises the risk of raw material shortage in unavoidable circumstances by having sufficient storage of raw materials to meet the demand.

Counterfeiting Risk

Failure to address product counterfeiting and quality issues, may result in the lack of customer trust, loss in sales and severe impairment to the brand name.

Mitigation

- The Company periodically checks the market to track and avoid sales of fraudulent and counterfeit products.
- Investments have been made towards the introduction of RFID micro-chips in mattresses to enable the Company to check genuine products.

Internal Controls

The Company's internal control framework centres on strong governance, vigilant finance function and independent internal reviews. Risk evaluation exercise prioritise risks facing the business, on the basis of which strategies are formulated. The Audit Committee periodically reviews and takes suitable actions for any deviation, observation or recommendation suggested by the internal auditors. The Company strives to follow the best practices in corporate governance. Well documented policies and procedures enable it to strictly adhere to all applicable procedures, laws, rules and statutes. The Company's robust IT systems safeguard its sensitive data and ease out audit process. Accounting Standards are strictly followed while recording transactions. A host of strategies are devised in addition to robust MIS systems, for real-time reporting, so as to control expenses. Any variance from budgetary allocation is promptly reported and corrected to ensure strict compliance.

Human Resources

The Company has experienced and talented pool of employees who play a key role in enhancing business efficiency, devising strategies, setting-up systems and responding to an evolving business environment. The Company has embarked on several human resource initiatives to enhance the productivity of the organisation. The Company endeavours to provide a safe, conducive and productive work environment. Such initiatives help to attract and retain the best talent across the industry. The Company ensures equal access to opportunities in the areas of recruitment, training, career development and advancement regardless of their gender, age, racial/ethnic background, religion or social status. The Company follows hybrid culture in practicing work from home procedure. The Company also extended insurance coverage for all its employees. Stringent adherence to

the Code of Ethics and fair business practices is ensured. As on 31 March, 2021, the employee strength of the Company stood at 2,822.

CAUTIONARY STATEMENT

The statements in the Management Discussion and Analysis Report that describes 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 upon the economic conditions affecting demand/supply, price scenario in the domestic and international markets in which it operates, changes in government regulations, tax laws and other statutes. Your Company undertakes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 49th Annual Report on the business, operations and financial performance of the Company along with the Standalone and Consolidated Audited Balance Sheet and Statement of Profit & Loss for the year ended 31st March, 2021.

FINANCIAL INFORMATION

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	2435.36	2173.63	1689.49	1754.77
Profit before Financial Charges, Depreciation, Tax & Exceptional Item	414.39	340.40	284.67	268.37
Exceptional Item	-	11.99	-	11.99
Profit before Financial Charges, Depreciation & Tax	414.39	328.41	284.67	256.38
Less: Financial Charges	17.68	13.00	8.68	8.14
Cash Profit	396.71	315.41	275.99	248.24
Less: Depreciation	72.87	59.04	32.53	33.09
Profit before Tax	323.84	256.37	243.46	215.15
Add/(Less): Income Tax, Earlier year's tax	(84.18)	(66.77)	(60.81)	(54.23)
Add/(Less): Deferred Tax	0.49	4.69	(1.50)	4.59
Profit after Tax	240.15	194.29	181.15	165.51
Other Comprehensive Income	18.81	(3.07)	2.10	(4.33)
Total Comprehensive Income for the year	258.96	191.22	183.25	161.18

During the current year, Net Revenue of the Company, on standalone basis, decreased from ₹ 1755 Crores to ₹ 1690 Crores. The Annual turnover decreased as the first two months of the year were completely washed out, due to lock down caused by COVID 19. Sales started picking slowly from June 2020. For next three quarters the Company substantially increased the sales over corresponding quarters. Despite lower sales, the Profit after tax for the current year increased by more than 9% to ₹ 181 Crores as against the profit after tax of ₹ 166 Crores of last year. This was possible due to control on costs, some of which have become permanent. The profit would have been much higher but for loss of sale during lockdown period.

On Consolidated basis the Overall Revenue increased from ₹ 2174 crores to ₹ 2435 Crores. This was possible because of substantial increase in sales in Overseas Subsidiaries in Australia and Spain. The Consolidated profit after tax also increased from ₹ 194 Crores to ₹ 240 Crores.

PRESENT STATUS & FUTURE OUTLOOK

During the year, the sale of Mattresses dropped only by 5% despite losing sale during the lockdown period of first two months of the year and slow ramp up thereafter. The Company has increased its share in the domestic mattress market. The company continues to retain its leadership position in Mattress and Foam Products.

During the year the prices of critical raw materials like Polyol and TDI increased substantially. The Price of these two critical raw material were more than double in the last quarter when compared with the price in the beginning of the year.

Second wave of Covid 19 has come with more severity in year 2021-22. This has resulted in lock down in most parts of the Country. This has adversely impacted the sales of April and May 2021. It is not known when the situation will normalize. Your Company is using innovative techniques, like Sleepwell@Home, Aggressive Online Marketing, focus on selling products which are good for health etc.

Company is now selling all its products treated with Neem Fresche which means immunity from various respiratory problems caused by Dust Mites, Bacteria & Fungi.

The Company has increased its Market share by selling low price mattresses. This has caused shift from unorganized market to organized market. The Company has also increased its market penetration and lot of Multi Brand Outlets have been converted to Exclusive Branded Outlets of Sleepwell. Company also maintains its leadership position in Foam Market both in Furniture and B2B segment. It continues to innovate foams for newer applications.

The Company has also started exports to US markets from India and Spain. It expects to make substantial exports to US markets from India as well as from its subsidiary in Spain.

DIVIDEND

Board of Directors do not recommend any dividend for the year 2020-21. The entire profit is being ploughed back in the business.

SUBSIDIARIES

As on 31 March, 2021 the Company has Five subsidiaries and two steps down subsidiaries. As required under the provisions of Section 129 of the Companies Act, 2013, read with Companies (Accounts) Rule, 2013, a statement containing salient features of the financial statements of subsidiaries is provided in the prescribed format AOC-1 as **Annexure-A** of the Board Report.

Overseas Subsidiaries:-

The Company has one 100% subsidiary, Joyce Foam Pty. Ltd (Joyce Foam) Australia. Joyce Foam is the largest producer of Foam in Australia and supplies its high-quality Foam to Global Mattresses and Furnishing Companies. Joyce Foam recorded a turnover of 81.08 Million Australian Dollars (AUD) in 2020-21, as compared with 66.17 Million AUD in 2019-20, and has posted post tax profit of AUD 4.83 Million in 2020-21, as against AUD 4.01 Million in 2019-20, recording a growth of about 20%.

Joyce Foam Pty Ltd has one wholly own subsidiary Joyce W C NSW Pty Ltd.

In addition, the Company has one more wholly owned overseas subsidiary, International Foam Technologies Spain, S.L.U. and a step down subsidiary, Interplasp S.L.U. Spain. International Foam Technologies Spain, S.L.U. recorded a turnover of 39.75 Million Euro in 2020-21, as compared with 6.48 Million Euro in 2019-20, and has posted post tax profit of Euro 4.09 Million in 2020-21, as against Euro 0.69 Million in 2019-20, recording a growth of about 493%.

Indian Subsidiaries:-

Staqo World Private Limited (Staqo) is a wholly owned subsidiary formed during last financial year, this company has started its business of Information Technology with negligible business at its first year. During this year, the company started getting orders from India and overseas countries and achieved a turnover of ₹ 13.36 crores with profit after tax of ₹ 2.91 Crores.

Your Company has two other wholly owned subsidiaries as under:

- 1) Divya Software Solutions Private Limited
- 2) Sleepwell Enterprises Private Limited.

MATERIAL SUBSIDIARIES

In accordance with Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations), none of the subsidiaries is a material non-listed subsidiary. 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>.

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 Auditors' Certificate on its compliance. The Auditors' 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 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. S. P. Chopra & Co., Chartered Accountants, Statutory Auditors of the Company in view of the provisions under the Companies Act, 2013 is given in their audit report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

As required under the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel namely, Chairman and Managing Director, Executive Directors, Chief Financial Officer and Company Secretary continue to hold that office as on the date of this report.

AUDITORS

The term of Statutory Auditors M/s. S.P. Chopra & Co., Chartered Accountants, will end at ensuing 49th Annual General Meeting (AGM).

The Board, on recommendation of the Audit Committee, recommended for the approval of members, the appointment of M/s MSKA and Associates, Chartered Accountants, Firm Registration Number 105047W, as the Auditors of the Company for a period of five (5) years from the conclusion of 49th Annual General Meeting of the Company till the conclusion of 54th Annual General Meeting to be held in 2026. Appropriate resolution seeking your approval to the appointment of the Statutory Auditors is appearing in the notice convening the 49th AGM.

The Company has received letter, from the Auditors, to the effect that the appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for appointment.

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 38 of Consolidated Financial Statement published through annual reports for the Financial Year 2021-21, are as below:-

Particulars	Consolidated (₹ in Lakhs)	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Audit Fees	29.44	29.44
Certification Work	3.54	3.50
Reimbursement of expenses	0.83	2.90
Total	33.81	35.84

COST AUDITOR

As per section 148 read with Companies (Audit and Auditors) Rule, 2014 M/s Mahesh Singh & Co, Cost Accountants are appointed, to conduct the cost records of the Company for the Financial Year 2021-22, by the Board of Directors and it seeks ratification of remuneration from the members of company at ensuing Annual General Meeting.

INTERNAL AUDITOR

The company has engaged M/s S. S. Kothari Mehta & Co., Chartered Accountants as Internal Auditor to conduct internal audit for the year 2021-22. The Internal Auditor will report to Board of Directors. The internal audit will help company to review the operational efficiency and assessing the internal controls. It also reviews the safeguarding of assets of the Company.

SECRETARIAL AUDITOR

The company has engaged M/s AVA Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial audit for the year 2020-21. The report on secretarial audit is annexed as **Annexure-D** to the Board'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 Annual 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, 5 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:

Following measures were taken by company for energy conservation in the year: 20-21

- 1) Installed 376 KWp solar power plant at Greater Noida unit to reduce the electricity consumption from power distribution company, It helps to generate app. 60% of our total demand through solar power.
- 2) Replaced 10 nos. of electric hoist with hydraulic power pack at foaming crane , it results into increasing the efficiency of the machine and saving of electricity.
- 3) Increased use of Screw compressors for compressed air with variable frequency drives instead of starter to increase the efficiency and saving of electricity.
- 4) Conducted third party energy audits to identify the potential opportunities for energy saving and further optimization in energy consumption. This is an ongoing process that the Company will continue across all manufacturing locations.
- 5) Replaced conventional MH and street lights with 100% energy efficient LED lights across all the units with LDR,Lux, Time switch and motion sensor based control system.
- 6) Optimization of running time of AC on the basis of ambient temperature condition inside the UPS room.
- 7) Replaced old Air conditioner with energy efficient new generation Air conditioner with non-CFC gases, lead to reduction in power consumption as well as nothing to harm Ozone layer.
- 8) Increasing the use of Variable Frequency drives instead of starters for the electric motors to reduce the electricity consumption and to increase the efficiency.

B. The expenses incurred on Research and Development have been included in respective expense heads.

C. The Company has introduced new process to reduce the consumption of energy and upgraded technology whenever required.

D. The earnings from exports were ₹ 21.33 crores (Previous Year ₹ 16.43) and payments in foreign exchange were ₹ 141.81 crores (Previous Year ₹ 131.04 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) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure-F** to the Board's Report.

MANAGEMENT'S 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.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return as provided under Sub Section 3 of Section 92 is annexed as **Annexure-G**.

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 and risk etc. The directors expressed their satisfaction with the evaluation process.

BUSINESS RESPONSIBILITY REPORT

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

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**.

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 29, 2021

(Rahul Gautam)
Chairman and Managing Director

Annexure-A

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

(₹ in Lakhs)

Name of the subsidiary	Joyce Foam Pty Ltd	Divya Software Solutions Pvt Ltd	Sleepwell Enterprises Pvt Ltd	Staqo World Private Limited	International Foam Technologies Spain S.L.
Place of incorporation	Australia	India	India	India	Spain
Date of incorporation / acquisition	03-10-2005	19-04-2010	07-10-1994	26-03-2020	12-06-2019
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.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AUD AUD= INR 55.70	N.A.	N.A.	N.A.	EURO EURO= INR 85.92
Share capital	3,668.00	9.46	1.05	1.00	10,313.22
Reserves & surplus	10,622.88	6,171.89	235.88	369.96	4,304.79
Total assets	36,265.17	6,198.61	264.24	500.18	48,397.58
Total Liabilities	21,974.30	17.27	27.31	129.22	32910.56
Investments	-	-	100.83	-	-
Turnover	41,340.92	-	10.00	1,335.70	33,591.53
Profit/(Loss) before taxation	3,835.27	(419.22)	77.82	364.67	4,420.10
Provision for taxation	1,140.32	(2.73)	12.40	73.53	909.51
Profit after taxation	2,694.96	(421.95)	65.42	291.14	3,510.59
Proposed Dividend	NIL	NIL	NIL	NIL	NIL
% of shareholding	100%	100%	100%	100%	100%

Note-

Joyce Foam Pty Ltd, Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staqo World Private Limited and International Foam Technologies Spain S.L. are wholly owned subsidiary of the Company.

Annexure-B

CORPORATE GOVERNANCE REPORT

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

BOARD OF DIRECTORS ("BOARD")

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

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

As on the date of this report the Board comprises of 10 (Ten) Directors, which include 6 (Six) Non-Executive Independent Directors and 4 (Four) Executive Directors. There are 2 (Two) Women Directors one of whom is Independent Director.

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

MEETINGS OF THE BOARD

The Board of Directors met Five times during the financial year ended on March 31, 2021. Board Meetings were held on 26 June, 2020, 20 August, 2020, 31 October, 2020, 03 February, 2021, and 09 March, 2021.

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 at 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 March 24, 2021 without the attendance of non-independent directors and members of the management. All the Independent Directors attended the said meeting. The independent directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

COMPOSITION OF BOARD

The composition of the Board of Directors at the end of Financial Year i.e 31 March, 2021, 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 14 th August, 2020	No. of other Directorship in listed company including this company	No. of Committee positions held in other Companies##	
					Chairman	Member
Rahul Gautam# 00192999	Promoter & Executive Director	5	Yes	1	0	0
Namita Gautam# 00190463	Executive Director	5	Yes	1	0	0
Rakesh Chahar 00180587	Executive Director	5	Yes	1	0	1
Tushaar Gautam# 01646487	Executive Director	5	Yes	1	0	1
Vijay Kumar Chopra 02103940	Independent Director	5	Yes	3	3	5
Som Mittal 00074842	Independent Director	5	Yes	2	1	4
Ravindra Dhariwal 00003922	Independent Director	5	Yes	3	0	6
Anil Tandon 00089404	Independent Director	5	Yes	1	0	1
Vijay Kumar Ahluwalia 08078092	Independent Director	5	Yes	1	0	0
Meena Jagtiani 08396893	Independent Director	5	Yes	1	0	0

Mr. Rahul Gautam, Managing Director is husband of Ms. Namita Gautam and father of Mr. Tushaar Gautam and are thus related.

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

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 just below board level, including appointment and removal of Chief Financial Officer and the Company Secretary;
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:

During the year under review, Independent Directors, Mr. Vijay Kumar Chopra reappointed for a period of 1 (one) year w.e.f. 7th June, 2021, Mr. Som Mittal (DIN: 00074842) re-appointed for a period of 4(four) years w.e.f. 7th June, 2021, Mr. Ravindra Dhariwal (DIN: 00003922) reappointed for a period of 5 (five) years w.e.f. 7th June, 2021, Mr. Anil Tandon (DIN: 00089404) reappointed for a period of 3(three) years w.e.f. 7th June, 2021, and Lt. Gen (Dr.) V K Ahluwalia (DIN: 08078092) re-appointed for a period of 3 (three) years w.e.f. 5th March, 2021 through postal ballot which was concluded on 25th February 2021.

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.

The Notice contains the relevant information, like brief resume of the Directors and terms.

AUDIT COMMITTEE

The Committee comprises of four Directors which include three Non-Executive Independent Directors and one Executive Director of the Company. The Chairman of the Committee is Mr. V. K. Chopra a Non Executive Independent Director.

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

MEETINGS AND ATTENDANCE

The Audit Committee met 4 (four) times during financial year 2020-21 ended on 31 March, 2021 on 26 June, 2020, 20 August, 2020, 31 October, 2020 and 03 February, 2021.

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

Name of the Members	No. of meetings	
	Held	Attended
Mr. V. K. Chopra(Chairman)	4	4
Mr. Ravindra Dhariwal	4	4
Mr. Som Mittal	4	4
Mr. Tushaar Gautam	4	4

Mr. V. K. Chopra, In-Charge of Audit Committee attended the 48th 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 Chairman of the Nomination and Remuneration Committee is Mr. Som Mittal, a Non-Executive Independent Director. The Committee comprises of the following Directors:

1. Mr. Som Mittal-Independent Director
2. Mr. V. K. Chopra-Independent Director
3. Mr. Ravindra Dhariwal-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 2 (two) times during financial year 2020-21 ended on 31 March, 2021 on 26 December, 2020, 14 January, 2021.

Name of the Members	No. of meetings	
	Held	Attended
Mr. Som Mittal (Chairman)	2	2
Mr. V. K. Chopra	2	2
Mr. Ravindra Dhariwal	2	2

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:
- the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
 - 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.
- (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, 2021, 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

Stakeholders Relationship Committee

The Chairman of the Stakeholders Relationship Committee is Mr. Som Mittal, a Non-Executive Independent Director. The Committee comprises of the following Directors:

- Mr. Som Mittal-Independent Director
- Mr. Anil Tandon-Independent Director
- Mr. Rakesh Chahar- 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 2020-21 ended on 31 March, 2021 on 24 March, 2021.

Name of the Members	No. of meetings	
	Held	Attended
Mr. Som Mittal (Chairman)	1	1
Mr. Anil Tandon	1	1
Mr. Rakesh Chahar	1	1

The terms of reference of the Committee are as under:

- Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

Corporate Social Responsibility Committee

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

- Mr. Anil Tandon-Independent Director
- Mr. Ravindra Dhariwal-Independent Director
- Ms. Namita Gautam- Executive Director
- Mr. Tushaar Gautam- Executive Director

Meetings and Attendance

Corporate Social Responsibility Committee met 1 (one) time during financial year 2020-21 ended on 31 March, 2021 on 3 February, 2021.

Name of the Members	No. of meeting	
	Held	Attended
Mr. Anil Tandon (Chairman)	1	1
Mr. Ravindra Dhariwal	1	1
Mr. Tushaar Gautam	1	1
Ms. Namita Gautam	1	1

The terms of reference of the Committee are as under:

- To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;
- To recommend the amount of expenditure to be incurred on the activities referred to in Policy of company on CSR, Schedule VII of the Companies Act, 2013 and rules made there under and any amendment thereof ;

- (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 Committee

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

1. Lt Gen (Dr.) V. K. Ahluwalia- Independent Director
2. Mr. Rakesh Chahar- Executive Director
3. Mr. Tushaar Gautam-Executive Director

Meetings and Attendance

Risk Management Committee met 1 (one) time during financial year 2020-21 ended on 31 March, 2021 on 18 August, 2020.

Name of the Members	No. of meeting	
	Held	Attended
Lt Gen (Dr.) Vijay Kumar Ahluwalia	1	1
Mr. Rakesh Chahar	1	1
Mr. Tushaar Gautam	1	1

GENERAL BODY MEETINGS

Particulars of the last three Annual General Meetings and Extraordinary General Meeting are as follows:

Annual General Meeting

Year	Date & Day	Location	Time	Special Resolution
2019-20	14 th August 2020	NA Through Video Conference ("VC") /Other Audio Visual Means ("OAVM")	10.30 AM	No Special Resolution
2018-19	15 th July 2019	Arya Auditorium, Desh Raj Complex, C Block, East of Kailash, New Delhi, 110065	10.30 AM	No Special Resolution
2017-18	18 th July 2018	Arya Auditorium, DeshRajComplex,C Block,Eastof Kailash,New Delhi, 110065	10.30 AM	No Special Resolution

Extraordinary General Meeting

Year	Date & Day	Location	Time	Special Resolution
NIL				

Committee Responsibilities and Authority

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

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

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

The board shall review the performance of the committee.

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

The 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.

Postal Ballot

There were Five Special Resolutions passed on 25th February 2021 by the Company through Postal Ballot (Notice Dated 22.01.2021).

Special Resolution No.1	Continuation of Independent Directorship of Mr. Vijay Kumar Chopra (DIN: 02103940) after attaining the age of 75(seventy-five) years on 6 th March 2021 and Re-appointment of Mr. Vijay Kumar Chopra (DIN: 02103940) as Non-Executive Independent Director of the Company for a period of 1 (one) year w.e.f. 7 th June, 2021.
Special Resolution No.2	Re-appointment of Mr. Som Mittal (DIN: 00074842) as Non-Executive Independent Director of the Company for a period of 4 (four) years w.e.f. 7 th June, 2021.
Special Resolution No.3	Re-appointment of Mr. Ravindra Dhariwal (DIN: 00003922) as Non-Executive Independent Director of the Company for a period of 5 (five) years w.e.f. 7 th June, 2021.
Special Resolution No.4	Re-appointment of Mr. Anil Tandon (DIN: 00089404) as Non-Executive Independent Director of the Company for a period of 3(three) years w.e.f. 7 th June, 2021.
Special Resolution No.5	Re-appointment of Lt. Gen (Dr.) V K Ahluwalia (DIN: 08078092) as Non-Executive Independent Director of the Company for a period of 3 (three) years w.e.f. 5 th March, 2021.

Means of Communication with Shareholders

a) **Financial Results**

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

b) **Website and email id for Investors**

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

c) **Intimation to Stock Exchanges:**

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

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

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

General Shareholder Information

(a) **Annual General Meeting**

Date & Day: 20th August, 2021, Friday

Time: 11.00 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.

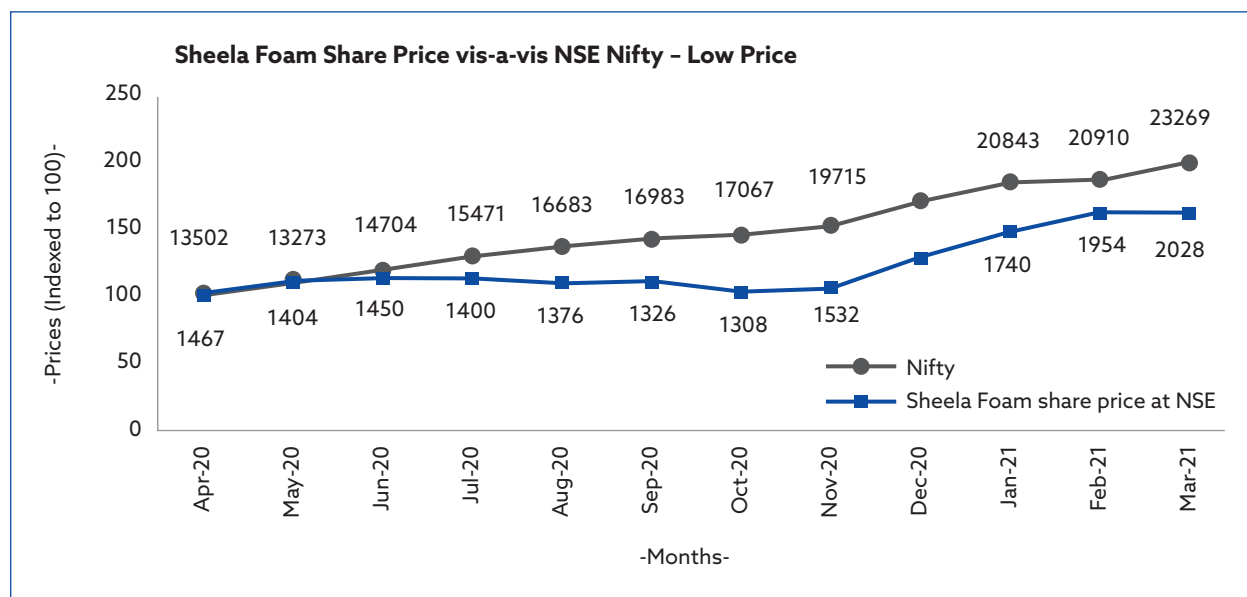
Name and Address of Stock Exchanges	Stock Code
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 023.	540203
National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra(E) Mumbai-400 051	SFL

Market Price Data/Stock Performance: FY 2020-21 ended on March 31, 2021

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 2020	1590	1205	1599	1190
May 2020	1549	1324	1677	1331
June 2020	1570	1253	1571	1350
July 2020	1535	1335	1548	1336
August 2020	1470	1316	1474	1316
September 2020	1625	1312	1628	1311
October 2020	1360	1225	1364	1222
November 2020	1581	1245	1584	1245
December 2020	1781	1529	1782	1526
January 2021	2150	1764	2174	1760
February 2021	2344	1940	2382	1935
March 2021	2215	1927	2216	1930

Stock Performance Graph



REGISTRAR AND SHARE TRANSFER AGENT

Address:

Link Intime India Private Limited

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

Share Transfer System

The Company's share transfer authority has been delegated to the Company Secretary/ Registrar and Transfer Agent M/s Link Intime India Private Limited

who generally has authority to approve and confirm the request for share transfer/ transmission/ transposition/ consolidation/ issue of duplicate share certificates/ sub-division, consolidation, remat, demat and perform other related activities in accordance with the Listing Agreement and SEBI (Depositories and Participants) Regulations, 1996.

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

Distribution of Equity Shareholding as on March 31, 2021

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to Total Shares
1-500	13510	97.5592	593948	1.2175
501-1000	160	1.1554	112358	0.2303
1001-2000	65	0.4694	93513	0.1917
2001-3000	31	0.2239	75256	0.1543
3001-4000	18	0.13	62546	0.1282
4001-5000	8	0.0578	35237	0.0722
5001- 10000	9	0.065	67208	0.1378
10001 & above	47	0.3393	47742742	97.8680
Total	13848	100.0000	4,87,82,808	100.0000

Shareholding Pattern as on March 31, 2021

Category	Number of Shares held	%-Issued Capital
Promoter and Prompter Group	35587087	72.9501
Mutual Funds	11169891	22.8972
Insurance Companies	159492	0.3269
Financial Institutions	0.0000	0.0000
Foreign Portfolio Investors(Corporate)	630476	1.2924
Non Resident Indians	65679	0.1346
Non Resident (Non Repatriable)	45123	0.0925
Clearing Members	9566	0.0196
Other Bodies Corporate	125101	0.2564
Public	766802	1.5719
Hindu Undivided Family	24049	0.0493
Alternate Investment Funds	196806	0.4034
Trusts	2736	0.0057
TOTAL :	48,782,808	100

Dematerialisation of Shares & Liquidity

As on March 31, 2021, all the equity share capital of the Company were held in dematerialised form except 7 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 -201306 Dist.GautamBudh Nagar (Uttar Pradesh)	N.H 8, Near Bhilad Check Post Village- Talwada-396105 Taluka UmargoanDist: Valsad (Gujarat)
Village- Habibpur, Noida Dadri Road Gautambudh Nagar-201304	Survey No.-852, Medchal Industrial Area R.R.Dist-501401(Telagana)
Village Mardanpur, Near Shamboo Teh. Rajpura, Dist. Patiala-140401 (Punjab)	MM-3, Phase-4, Sipcot Industrial Growth Centre, P.O.Palayam, Village:Perundurair, Erode- 638052 Tamilnadu
Mainthapal, Nahan Road Kalaamb, Dist. Sirmour, Himachal Pradesh-173030	KanchanjangaIntergrated Hub P.O. Fatapukur, P.S.Rajganj, Dist. Jalpaiguri.Pin-735134(West Bengal)
Survey No: 261/1/2/3,Saily Umarkui Road, Silvassa- 396 230 (D.&N.H.)	37/2, Site IV, Sahibabad Industrial Area, Ghaziabad Uttar Pradesh 201010

Reconciliation of Share Capital Audit

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

Disclosures of Accounting Treatment

In the financial statements for the year ended March 31, 2021, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

Related Party Transactions

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

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

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

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

The Company has established a vigil mechanism through a Whistle Blower Policy for directors and employees to

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

Code for prevention of Insider Trading

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

Code of conduct for Directors and Senior Executives

The Company has laid down a Code of Conduct for all Board Members and the Senior Executives of the Company. The Code of conduct is available on the Company's website www.sheelafoam.com. The code of conduct was circulated to all the members of the Board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31 March, 2021. A declaration to this effect signed by the Chairman & Managing Director is given below:

To

The Shareholders of Sheela Foam Limited.

Sub.: Compliance with Code of Conduct

I hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and applicable to them for the financial year ended 31 March, 2021.

Date: May 29, 2021

Place: Noida

Rahul Gautam

Chairman and Managing Director

MD/CFO CERTIFICATION

The Managing Director & CFO have certified to the Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Regulation 17 (8) of Listing Regulations for the year ended March 31, 2021. 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, 2021 is unmodified.

Compliance Certificate on Corporate Governance from the Auditor

The certificate dated May 29, 2021 from the Statutory Auditors of the Company (M/s S. P. Chopra & Co.) 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 29, 2021.

CEO/CFO CERTIFICATION

To
The Board of Directors
Sheela Foam Limited

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

We, Rahul Gautam, Chairman and Managing Director, Dhruv Chandra Mathur, CFO certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) That there were no significant changes in internal control over financial reporting during the year;
 - (ii) That there were no significant changes in accounting policies during the year and
 - (iii) That there were no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rahul Gautam
Chairman and Managing Director

Dhruv Chandra Mathur
Chief Financial Officer

Place: Noida
Date: May 29, 2021

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 the Company has obtained following certificate from AVA Associates, Company Secretaries.

To,
The Members of **Sheela Foam Limited**
C-55, Preet Vihar, Delhi-110092

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 C-55, Preet Vihar, Delhi-110092 (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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.N.	Name of Director	DIN	Date of appointment in Company
1	Rahul Gautam	00192999	01/04/1996
2	Namita Gautam	00190463	14/11/2003
3	Rakesh Chahar	00180587	14/11/2003
4	Tushaar Gautam	01646487	01/04/2007
5	Vijay Kumar Chopra	02103940	07/06/2016
6	Som Mittal	00074842	07/06/2016
7	Ravindra Dhariwal	00003922	07/06/2016
8	Anil Tandon	00089404	07/06/2016
9	Vijay Kumar Ahluwalia	08078092	05/03/2018
10	Meena Jagtiani	08396893	08/04/2019

Ensuring the eligibility of 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
Mem. No. A14190

Place: Delhi
Date: May 29, 2021
UDIN: A014190C000385418

Independent Auditor's Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Members of **Sheela Foam Limited**,

1. The Corporate Governance Report prepared by **Sheela Foam Limited** (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended 31st March, 2021 as required by the Company for annual submission to the Stock exchange. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of operating effectiveness of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance in the form of an opinion as to whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We have examined the relevant records of the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
 - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the year;
 - iii. Obtained and read the minutes of the following committee meetings held during 01st April, 2020 to 31st March, 2021:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General;
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Corporate Social Responsibility Committee; and
 - (g) Risk Management Committee.

- iv. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this certificate did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and to the best of our information and explanations provided to us, we are of the opinion that the Company has complied, in all material aspects, with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended 31st March, 2021.

Restriction on Use

9. This certificate 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.
10. This certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

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

(Sanjiv Gupta)

Partner

M. No. 083364

UDIN: 21083364AAAAAJ2104

Place : Noida

Dated : 29th May, 2021

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 2021 , 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

During the reporting period all other transactions are on arm's length basis.

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 31 MARCH, 2021

To,
The Members
Sheela Foam Limited
C-55, Preet Vihar,
Vikas Marg,
Delhi-110092

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

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

We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021, 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 March 2021 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 client;
 - 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"); Legal Metrology Act, 2009, The Legal Metrology(Packaged Commodities) Rule 2011 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 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 following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- ii) 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 proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda 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 unanimously and Minutes of the meetings are 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 complies with the provisions of section 149 of the Companies Act, 2013, and rules thereunder; The Company has a Woman Director and Six Independent Directors (Including One Independent Woman Director) on the Board.
 2. The Committees of the Board, met to transact businesses as under during the year:-
 - a) Audit Committee - 4 times
 - b) Corporate Social Responsibility Committee- 1 time
 - c) Nomination and Remuneration Committee -2 times
 - d) Stakeholders Relationship Committee- 1time
 - e) Risk Management Committee-1 time
 - f) Independent Director Meeting- 1 time
 3. All regulatory reporting, including but not limited to the filing due with the stock exchanges listed SEBI, Reserve Bank of India (RBI) and the Ministry of Corporate Affairs (MCA) was done regularly.
 4. The foreign investment in the Company is within the Foreign Direct Investment (FDI) sectoral cap.
- Our report is to be read along with the representations disclosed in Annexure B.

For **AVA Associates**
Company Secretaries

S/d
Amitabh
Partner
ACS: 14190
CP: 5500

Place: Delhi
Date: May 29, 2021
UDIN-A014190C000385275

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 PU 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
C-55, Preet Vihar,
Vikas Marg,
Delhi-110092

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 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 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 happening of events, etc.

The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on 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.

S/d
Amitabh
Partner
ACS: 14190
CP: 5500

Place: Delhi
Date: May 29, 2021
UDIN-A014190C000385275

Annexure-E

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE YEAR 2020-21: ANNEXURE II.

1. Brief outline on CSR Policy of the Company.

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

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anil Tandon	Chairman	1	1
2	Mr. Ravindra Dhariwal	Member	1	1
3	Ms. Namita Gautam	Member	1	1
4	Mr. Tushaar Gautam	Member	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

www.sheelafom.com

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

NA

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

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

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

₹ 18645.51 Lakhs

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

₹ 372.91 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NA

(c) Amount required to be set off for the financial year, if any NA

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 372.91 Lakhs

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 489.55 Lakhs	NIL	NA	NA	NIL	NA

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project State District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR Registration number
1.	Education/ Skill Development	Promoting Education including employment enhancing vocational skills, conducting wellness awareness programme, contributing sanitation programme	Y	Delhi and Uttar Pradesh	Yearly allocation	325.00	325.00	NIL	Yes	NA NA
2.	Health Care	Providing Health Support, Promoting Education including employment enhancing vocational skills	Y	Uttar Pradesh, Uttarakhand, Delhi, Himachal Pradesh and Gujarat	General	164.55	164.55	NIL	Yes	NA NA
Total						489.55	489.55	NIL		

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project State District	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency Name CSR registration number
1.	NA	NA	NA	NA	NA	NA	NA NA

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 489.55

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	372.91 Lakhs
(ii)	Total amount spent for the Financial Year	489.55 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(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)]	116.64 Lakhs

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	NA	NA	NA	NA	NA	NA	NA

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

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

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

(Asset-wise details).

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

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

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

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

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

Sd/-
RAHUL GAUTAM
 (Managing Director or Director).

Sd/-
ANIL TANDON
 (Chairman CSR Committee).

Annexure-F

PARTICULARS OF EMPLOYEES

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

i) The percentage increase in remuneration of each Director, the CFO and the CS during the Financial Year 2021, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021.

ii)

Name and Designation	Remuneration for Financial Year 2021 (₹ in Lakhs)	% increase of remuneration in the Financial Year 2021	Ratio of remuneration to Median Remuneration
Executive Director			
Mr. Rahul Gautam Managing Director	397.99	11.95	175
Ms. Namita Gautam Wholetime Director	211.91	11.13	93
Mr. Rakesh Chahar Wholetime Director	209.53	11.27	92
Mr. Tushaar Gautam Wholetime Director	218.97	10.74	96
Non Executive Independent Director			
Mr. Vijay Kumar Chopra Non Executive Independent Director	21.00	NA	9
Mr. Som Mittal Non Executive Independent Director	21.50	NA	9
Mr. Ravindra Dhariwal Non Executive Independent Director	21.50	NA	9
Mr. Anil Tandon Non Executive Independent Director	19.00	NA	8
Lt Gen (Dr.) Vijay Kumar Ahluwalia Non Executive Independent Director	18.50	NA	8
Ms. Meena Jagtiani Non Executive Independent Director	18.00	NA	8
Key Managerial Personnel			
Mr. Dhruv Chandra Mathur Chief Financial Officer	80.44	NA#	35
Mr. Md Iqbal Ahmad Company Secretary	17.65	7.88	8

Mr. Dhruv Mathur was appointed as CFO w.e.f 11th November, 2019.

Note:

- (i) The remuneration of the non-executive Independent directors includes sitting fees for attending Board/Committee meetings and therefore no comparison for % increase in remuneration.
- (ii) The employee and the salary details hereinafter provided are for employees excluding trainees.
- (iii) The median remuneration of employees during the financial year was ₹ 2.27 Lakhs.

- (iv) In the financial year, there was an increase of 7.07 % in the median remuneration of employees.
- (v) Number of permanent employees on the role of the Company as on 31.03.2021 is 1968
- (vi) The remuneration is as per the remuneration policy of the company.

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

Name and Designation	Remuneration for FY 21 (₹ in Lakhs)	Experience (in years)	Educational Qualification	Previous employment and designation
Dr. Mahesh N Gopalsamudram (COO)	123.71	22	PhD	Manali Petrochemical

Annexure-G

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies(Management and Administration)Rules,2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L74899DL1971PLC005679
ii) Registration Date	18.06.1971
iii) Name of the Company	Sheela Foam Limited
iv) Category/Sub-Category of the Company	Company Limited by Share
v) Address of the Registered office and contact details	604, Ashadeep 9 Hailey Road New Delhi Delhi-110001 Phone-011-22026875-76
vi) Whether listed company:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	Link Intime India Private Limited Noble Height, First Floor, Plot NH 2, C1 Block LSC, Near Savitri Market Janakpuri New Delhi-110058

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% total turnover of the company
1	PU Foam Sheets/ Mattresses/rolls/bolster/pillows	31005	99.99

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares	Applicable Section
1	Joyce Foam Pty Ltd 5-9 Bridge Road, Moorebank, NSW 2170	NA	Subsidiary	100	2(87)
2	Joyce WC NSW Pty Ltd 5-9 Bridge Road, Moorebank, NSW 2170	NA	Stepdown Subsidiary	100	2(87)
3	Divya Software Solutions Private Limited 604, Ashadeep 9 Hailey Road New Delhi Delhi-110001	U72200DL2010PTC201680	Subsidiary	100	2(87)
4	Sleepwell Enterprises Pvt Ltd 604, Ashadeep 9 Hailey Road New Delhi Delhi-110001	U74899DL1994PTC062005	Subsidiary	100	2(87)
5	Staqa World Pvt Ltd 603, Ashadeep 9 Hailey Road New Delhi Delhi-110001	U72900DL2019PTC356597	Subsidiary	100	2(87)
6	International Foam Technologies Spain	NA	Subsidiary	100	2(87)
7	Interplasp S.L, Spain	NA	Stepdown Subsidiary	93.67	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)
(i) Category wise Shareholding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2020			Shareholding at the end of the year - 2021			% Change during the year
		Demat	Physical	Total	Demat	Physical	Total	
(A) Shareholding of Promoter and Promoter Group								
[1] Indian								
(a)	Individuals / Hindu Undivided Family	30011678	0	30011678	29011678	0	29011678	59.4711
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0.0000
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0.0000
(d)	Any Other (Specify)							
	Bodies Corporate	6575409	0	6575409	6575409	0	6575409	13.4789
	Sub Total (A)(1)	36587087	0	36587087	35587087	0	35587087	72.9501
[2] Foreign								
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0.0000
(b)	Government	0	0	0	0	0	0	0.0000
(c)	Institutions	0	0	0	0	0	0	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0.0000
(e)	Any Other (Specify)							
	Sub Total (A)(2)	0	0	0	0	0	0	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	36587087	0	36587087	35587087	0	35587087	72.9501
(B) Public Shareholding								
[1] Institutions								
(a)	Mutual Funds / UTI	9534140	0	9534140	11169891	0	11169891	22.8972
(b)	Venture Capital Funds	0	0	0	0	0	0	0.0000
(c)	Alternate Investment Funds	167507	0	167507	196806	0	196806	0.4034
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0.0000
(e)	Foreign Portfolio Investor	1413935	0	1413935	630476	0	630476	1.2924
(f)	Financial Institutions / Banks	2058	0	2058	0	0	0	0.0000
(g)	Insurance Companies	55723	0	55723	159492	0	159492	0.3269
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0.0000
(i)	Any Other (Specify)							
	Sub Total (B)(1)	11173363	0	11173363	12156665	0	12156665	24.9200
	Sub Total (B)(2)							

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2020			Shareholding at the end of the year - 2021			% Change during the year
		Demat	Physical	Total % of Total Shares	Demat	Physical	Total % of Total Shares	
[2]	Central Government/ State Government(s)/ President of India							
	Sub Total (B)(2)	0	0	0	0	0	0.0000	0.0000
[3]	Non-Institutions							
(a)	Individuals							
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	774903	6	774909	766795	7	766802	1.5719
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0.0000
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0.0000
(c)	Any Other (Specify)							
	Trusts	560	0	560	2736	0	2736	0.0056
	Hindu Undivided Family	31223	0	31223	24049	0	24049	0.0493
	Non Resident Indians (Non Repat)	42387	0	42387	45123	0	45123	0.0925
	Non Resident Indians (Repat)	46312	0	46312	65679	0	65679	0.1346
	Clearing Member	2970	0	2970	9566	0	9566	0.0135
	Bodies Corporate	123997	0	123997	125101	0	125101	0.0022
	Sub Total (B)(3)	1022352	6	1022358	1039049	7	1039056	2.1300
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	12195715	6	12195721	13195714	7	13195721	27.0499
	Total (A)+(B)	48782802	6	48782808	48782801	7	48782808	100.0000
(C)	Non Promoter - Non Public							
[1]	(C1) Shares Underlying DRs							
	Custodian/DR Holder	0	0	0	0	0	0	0.0000
[2]	(C2) Shares Held By Employee Trust							
	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0.0000
	Total (A)+(B)+(C)	48782802	6	48782808	48782801	7	48782808	100.0000

(ii) Shareholding of Promoter (Including Promoter Group)

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2020			Shareholding at the end of the year - 2021			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	TUSHAAR GAUTAM	18086314	37.0752	0.0000	17086314	35.0253	0.0000	-2.0499
2	RANGOLI RESORTS P LTD	6563391	13.4543	0.0000	6563391	13.4543	0.0000	0.0000
3	RAHUL GAUTAM	6209485	12.7288	0.0000	6209485	12.7288	0.0000	0.0000
4	NAMITA GAUTAM	5715879	11.7170	0.0000	5715879	11.7170	0.0000	0.0000
5	CORE MOULDINGS PRIVATE LTD	12018	0.0246	0.0000	12018	0.0246	0.0000	0.0000
	Total	36587087	75.0000	0.0000	35587087	72.9501	0.0000	-2.0499

(iii) Change in Promoters' Shareholding (Please specify if there is no change)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020			Transactions during the year			Cumulative Shareholding at the end of the year - 2021		
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES HELD	NO. OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	% OF TOTAL SHARES OF THE COMPANY	
1	TUSHAAR GAUTAM	18086314	37.0752	37.0752				18086314	37.0752	
	Transfer				28 Aug 2020	(1000000)		17086314	35.0253	
	AT THE END OF THE YEAR							17086314	35.0253	
2	RANGOLI RESORTS P LTD	6563391	13.4543	13.4543				6563391	13.4543	
	AT THE END OF THE YEAR							6563391	13.4543	
3	RAHUL GAUTAM	6209485	12.7288	12.7288				6209485	12.7288	
	AT THE END OF THE YEAR							6209485	12.7288	
4	NAMITA GAUTAM	5715879	11.7170	11.7170				5715879	11.7170	
	AT THE END OF THE YEAR							5715879	11.7170	
5	CORE MOULDINGS PRIVATE LTD	12018	0.0246	0.0246				12018	0.0246	
	AT THE END OF THE YEAR							12018	0.0246	

Note:

1. Paid up Share Capital of the Company (Face Value ₹ 5.00) at the end of the year is 48782808 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(iv) Shareholding Pattern of Top Ten Shareholders

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	SBI MAGNUM MIDCAP FUND	4681747	9.5971			4681747	9.5971
	Transfer			24 Apr 2020	1393	4683140	9.6000
	Transfer			10 Jul 2020	(1109)	4682031	9.5977
	Transfer			24 Jul 2020	324	4682355	9.5984
	Transfer			25 Sep 2020	(683294)	3999061	8.1977
	Transfer			30 Sep 2020	568217	4567278	9.3625
	Transfer			16 Oct 2020	(4317)	4562961	9.3536
	Transfer			30 Oct 2020	(4136)	4558825	9.3451
	Transfer			06 Nov 2020	5249	4564074	9.3559
	Transfer			11 Dec 2020	(22000)	4542074	9.3108
	Transfer			01 Jan 2021	(48044)	4494030	9.2123
	Transfer			08 Jan 2021	(24709)	4469321	9.1617
	Transfer			15 Jan 2021	(15188)	4454133	9.1305
	Transfer			22 Jan 2021	(4812)	4449321	9.1207
	Transfer			29 Jan 2021	(7750)	4441571	9.1048
	Transfer			05 Feb 2021	(19221)	4422350	9.0654
	Transfer			12 Feb 2021	(15000)	4407350	9.0346
	Transfer			05 Mar 2021	(10172)	4397178	9.0138
	Transfer			12 Mar 2021	(29233)	4367945	8.9539
	Transfer			19 Mar 2021	(11555)	4356390	8.9302
	AT THE END OF THE YEAR					4356390	8.9302
2	DSP MIDCAP FUND	1555000	3.1876			1555000	3.1876
	Transfer			31 Jul 2020	275000	1830000	3.7513
	Transfer			04 Sep 2020	1000000	2830000	5.8012
	Transfer			13 Nov 2020	1022	2831022	5.8033
	Transfer			20 Nov 2020	6	2831028	5.8033
	Transfer			27 Nov 2020	34027	2865055	5.8731
	Transfer			26 Feb 2021	(3907)	2861148	5.8651
	Transfer			05 Mar 2021	(5723)	2855425	5.8533
	AT THE END OF THE YEAR					2855425	5.8533
3	KOTAK EMERGING EQUITY SCHEME	1488690	3.0517			1488690	3.0517
	Transfer			10 Apr 2020	10000	1498690	3.0722
	Transfer			17 Apr 2020	9544	1508234	3.0917
	Transfer			24 Apr 2020	7401	1515635	3.1069
	Transfer			08 May 2020	858	1516493	3.1087
	Transfer			15 May 2020	6440	1522933	3.1219
	Transfer			22 May 2020	12702	1535635	3.1479
	Transfer			29 May 2020	2230	1537865	3.1525
	Transfer			05 Jun 2020	17770	1555635	3.1889
	Transfer			12 Jun 2020	9578	1565213	3.2085

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			19 Jun 2020	3765	1568978	3.2163
	Transfer			26 Jun 2020	6654	1575632	3.2299
	Transfer			03 Jul 2020	25000	1600632	3.2811
	Transfer			17 Jul 2020	11413	1612045	3.3045
	Transfer			24 Jul 2020	9810	1621855	3.3246
	Transfer			31 Jul 2020	271777	1893632	3.8818
	Transfer			07 Aug 2020	10520	1904152	3.9033
	Transfer			14 Aug 2020	74540	1978692	4.0561
	Transfer			21 Aug 2020	36433	2015125	4.1308
	Transfer			28 Aug 2020	39012	2054137	4.2108
	Transfer			04 Sep 2020	24471	2078608	4.2609
	Transfer			11 Sep 2020	10007	2088615	4.2815
	Transfer			18 Sep 2020	6689	2095304	4.2952
	Transfer			25 Sep 2020	10000	2105304	4.3157
	Transfer			30 Sep 2020	250558	2355862	4.8293
	Transfer			09 Oct 2020	60000	2415862	4.9523
	Transfer			16 Oct 2020	2791	2418653	4.9580
	Transfer			23 Oct 2020	15612	2434265	4.9900
	Transfer			30 Oct 2020	35000	2469265	5.0618
	Transfer			06 Nov 2020	10000	2479265	5.0823
	Transfer			13 Nov 2020	10483	2489748	5.1037
	Transfer			20 Nov 2020	1988	2491736	5.1078
	Transfer			27 Nov 2020	2260	2493996	5.1124
	Transfer			11 Dec 2020	4991	2498987	5.1227
	Transfer			18 Dec 2020	18847	2517834	5.1613
	Transfer			25 Dec 2020	2818	2520652	5.1671
	Transfer			08 Jan 2021	14151	2534803	5.1961
	Transfer			15 Jan 2021	12549	2547352	5.2218
	Transfer			22 Jan 2021	12092	2559444	5.2466
	Transfer			29 Jan 2021	15385	2574829	5.2781
	Transfer			05 Feb 2021	17004	2591833	5.3130
	Transfer			12 Feb 2021	39755	2631588	5.3945
	Transfer			19 Feb 2021	3243	2634831	5.4011
	Transfer			26 Feb 2021	28710	2663541	5.4600
	Transfer			05 Mar 2021	65501	2729042	5.5943
	Transfer			12 Mar 2021	31270	2760312	5.6584
	Transfer			19 Mar 2021	11737	2772049	5.6824
	Transfer			26 Mar 2021	1682	2773731	5.6859
	AT THE END OF THE YEAR					2773731	5.6859
4	UTI FLEXI CAP FUND	1310303	2.6860			1310303	2.6860
	Transfer			03 Apr 2020	(503)	1309800	2.6850
	Transfer			10 Apr 2020	441	1310241	2.6859
	Transfer			17 Apr 2020	5000	1315241	2.6961

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			08 May 2020	3115	1318356	2.7025
	Transfer			15 May 2020	(129)	1318227	2.7022
	Transfer			22 May 2020	(1066)	1317161	2.7001
	Transfer			30 Jun 2020	(919)	1316242	2.6982
	Transfer			03 Jul 2020	(11965)	1304277	2.6736
	Transfer			10 Jul 2020	(19904)	1284373	2.6328
	Transfer			24 Jul 2020	(2522)	1281851	2.6277
	Transfer			31 Jul 2020	(19193)	1262658	2.5883
	Transfer			14 Aug 2020	(7677)	1254981	2.5726
	Transfer			21 Aug 2020	(5616)	1249365	2.5611
	Transfer			04 Sep 2020	(5000)	1244365	2.5508
	Transfer			11 Sep 2020	(5131)	1239234	2.5403
	Transfer			18 Sep 2020	(17167)	1222067	2.5051
	Transfer			25 Sep 2020	3881	1225948	2.5131
	Transfer			09 Oct 2020	6000	1231948	2.5254
	Transfer			30 Oct 2020	7000	1238948	2.5397
	Transfer			06 Nov 2020	7000	1245948	2.5541
	Transfer			13 Nov 2020	(6898)	1239050	2.5399
	Transfer			20 Nov 2020	(15794)	1223256	2.5076
	Transfer			04 Dec 2020	(32305)	1190951	2.4413
	Transfer			11 Dec 2020	(10465)	1180486	2.4199
	Transfer			31 Dec 2020	6922	1187408	2.4341
	Transfer			01 Jan 2021	2670	1190078	2.4395
	Transfer			08 Jan 2021	46125	1236203	2.5341
	Transfer			15 Jan 2021	(14081)	1222122	2.5052
	Transfer			22 Jan 2021	(8000)	1214122	2.4888
	Transfer			29 Jan 2021	(34000)	1180122	2.4191
	Transfer			05 Feb 2021	(6500)	1173622	2.4058
	Transfer			12 Feb 2021	(8500)	1165122	2.3884
	Transfer			19 Feb 2021	(1500)	1163622	2.3853
	Transfer			26 Feb 2021	(1900)	1161722	2.3814
	Transfer			12 Mar 2021	(3184)	1158538	2.3749
	Transfer			26 Mar 2021	(2500)	1156038	2.3698
	Transfer			31 Mar 2021	(3000)	1153038	2.3636
	AT THE END OF THE YEAR					1153038	2.3636
5	UTI INDIA DYNAMIC EQUITY FUND	189397	0.3882			189397	0.3882
	Transfer			09 Oct 2020	(6000)	183397	0.3759
	Transfer			20 Nov 2020	19000	202397	0.4149
	Transfer			04 Dec 2020	29300	231697	0.4750
	Transfer			11 Dec 2020	6500	238197	0.4883
	Transfer			15 Jan 2021	13500	251697	0.5160
	Transfer			22 Jan 2021	5000	256697	0.5262

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			29 Jan 2021	4000	260697	0.5344
	Transfer			05 Feb 2021	8000	268697	0.5508
	Transfer			19 Feb 2021	6000	274697	0.5631
	Transfer			26 Mar 2021	6300	280997	0.5760
	Transfer			31 Mar 2021	4000	284997	0.5842
	AT THE END OF THE YEAR					284997	0.5842
6	KOTAK MAHINDRA LIFE INSURANCE COMPANY LTD.	0	0.0000			0	0.0000
	Transfer			03 Jul 2020	18879	18879	0.0387
	Transfer			10 Jul 2020	73249	92128	0.1889
	Transfer			18 Sep 2020	21976	114104	0.2339
	Transfer			11 Dec 2020	15773	129877	0.2662
	Transfer			18 Dec 2020	19770	149647	0.3068
	AT THE END OF THE YEAR					149647	0.3068
7	DSP CORE FUND	109524	0.2245			109524	0.2245
	Transfer			27 Nov 2020	17050	126574	0.2595
	AT THE END OF THE YEAR					126574	0.2595
8	SHINSEI UTI INDIA FUND (MAURITIUS) LIMITED	119273	0.2445			119273	0.2445
	Transfer			17 Apr 2020	(600)	118673	0.2433
	Transfer			24 Apr 2020	(1000)	117673	0.2412
	Transfer			23 Oct 2020	(1350)	116323	0.2385
	Transfer			13 Nov 2020	(2700)	113623	0.2329
	Transfer			20 Nov 2020	(1325)	112298	0.2302
	Transfer			04 Dec 2020	(4850)	107448	0.2203
	Transfer			11 Dec 2020	(1100)	106348	0.2180
	Transfer			08 Jan 2021	(2000)	104348	0.2139
	Transfer			15 Jan 2021	(2100)	102248	0.2096
	Transfer			05 Mar 2021	(2750)	99498	0.2040
	Transfer			26 Mar 2021	(2500)	96998	0.1988
	AT THE END OF THE YEAR					96998	0.1988
9	OMERS ADMINISTRATION CORPORATION - KMAMS (SADA)	0	0.0000			0	0.0000
	Transfer			31 Jul 2020	80225	80225	0.1645
	AT THE END OF THE YEAR					80225	0.1645

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
10	UNIFI AIF BLEND FUND	57983	0.1189			57983	0.1189
	AT THE END OF THE YEAR					57983	0.1189
11	RELIANCE CAPITAL TRUSTEE CO LTD-A/C NIPPON INDIA SMALL CAP FUND	483742	0.9916			483742	0.9916
	Transfer			10 Apr 2020	(19332)	464410	0.9520
	Transfer			17 Apr 2020	(7567)	456843	0.9365
	Transfer			24 Apr 2020	(9430)	447413	0.9172
	Transfer			30 Sep 2020	(445103)	2310	0.0047
	Transfer			02 Oct 2020	(51)	2259	0.0046
	Transfer			09 Oct 2020	(102)	2157	0.0044
	Transfer			16 Oct 2020	42	2199	0.0045
	Transfer			23 Oct 2020	20	2219	0.0045
	Transfer			30 Oct 2020	60	2279	0.0047
	Transfer			06 Nov 2020	22	2301	0.0047
	Transfer			13 Nov 2020	(39)	2262	0.0046
	Transfer			27 Nov 2020	5	2267	0.0046
	Transfer			04 Dec 2020	9	2276	0.0047
	Transfer			11 Dec 2020	(75)	2201	0.0045
	Transfer			25 Dec 2020	8	2209	0.0045
	Transfer			08 Jan 2021	872	3081	0.0063
	Transfer			15 Jan 2021	58	3139	0.0064
	Transfer			22 Jan 2021	12	3151	0.0065
	Transfer			29 Jan 2021	(22)	3129	0.0064
	Transfer			05 Feb 2021	36	3165	0.0065
	Transfer			12 Feb 2021	15	3180	0.0065
	Transfer			19 Feb 2021	(56)	3124	0.0064
	Transfer			26 Feb 2021	244	3368	0.0069
	Transfer			05 Mar 2021	4	3372	0.0069
	Transfer			12 Mar 2021	49	3421	0.0070
	Transfer			19 Mar 2021	121	3542	0.0073
	Transfer			26 Mar 2021	(14)	3528	0.0072
	Transfer			02 Apr 2021	(3528)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
12	GOLDMAN SACHS INDIA LIMITED	440845	0.9037			440845	0.9037
	Transfer			31 Jul 2020	(127595)	313250	0.6421
	Transfer			14 Aug 2020	(44471)	268779	0.5510
	Transfer			18 Sep 2020	(52774)	216005	0.4428
	Transfer			25 Sep 2020	(72974)	143031	0.2932

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer			30 Sep 2020	(83457)	59574	0.1221
	Transfer			07 Oct 2020	(59574)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
13	KUWAIT INVESTMENT AUTHORITY FUND 225	260297	0.5336			260297	0.5336
	Transfer			31 Jul 2020	(15492)	244805	0.5018
	Transfer			07 Aug 2020	(1275)	243530	0.4992
	Transfer			14 Aug 2020	(83200)	160330	0.3287
	Transfer			21 Aug 2020	(3632)	156698	0.3212
	Transfer			30 Oct 2020	(4671)	152027	0.3116
	Transfer			06 Nov 2020	(39)	151988	0.3116
	Transfer			13 Nov 2020	(831)	151157	0.3099
	Transfer			27 Nov 2020	(39217)	111940	0.2295
	Transfer			18 Dec 2020	(24358)	87582	0.1795
	Transfer			12 Feb 2021	(22385)	65197	0.1336
	Transfer			19 Feb 2021	(6965)	58232	0.1194
	Transfer			26 Feb 2021	(10433)	47799	0.0980
	Transfer			05 Mar 2021	(47799)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
14	COUPLAND CARDIFF FUNDS PLC-CC ASIAN EVOLUTION FUND	127307	0.2610			127307	0.2610
	Transfer			22 May 2020	(2985)	124322	0.2548
	Transfer			29 May 2020	(83)	124239	0.2547
	Transfer			05 Jun 2020	(24780)	99459	0.2039
	Transfer			12 Jun 2020	(1184)	98275	0.2015
	Transfer			26 Jun 2020	(301)	97974	0.2008
	Transfer			30 Jun 2020	(14894)	83080	0.1703
	Transfer			03 Jul 2020	(35479)	47601	0.0976
	Transfer			10 Jul 2020	(46369)	1232	0.0025
	Transfer			17 Jul 2020	(1232)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

Note:

1. Paid up Share Capital of the Company (Face Value ₹ 5.00) at the end of the year is 48782808 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:				
i) Principal Amount	Nil	2.45	Nil	2.45
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total(i+ii+iii)		2.45	Nil	2.45
Change in Indebtedness during the financial year				
Addition	Nil	NIL	Nil	NIL
Reduction	Nil	2.45	Nil	2.45
Net Change	Nil	2.45	Nil	2.45
Indebtedness at the end of the financial year:				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total(i+ii+iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

(A) Remuneration of Directors

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			
		Mr. Rahul Gautam	Ms. Namita Gautam	Mr. Rakesh Chahar	Mr. Tushaar Gautam
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.37	28.41	26.02	35.46
	(b) Value of perquisites u/s 17(2)	0.40	0.40	0.40	0.40
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961				
2	Stock Option	[Nil]	[Nil]	[Nil]	[Nil]
3	Sweat Equity	[Nil]	[Nil]	[Nil]	[Nil]
4	Commission - as% of profit - others, specify...	366.22	183.11	183.11	183.11
	Others, please specify Special Allowance	Nil	Nil	Nil	Nil
	Total	397.99	211.92	209.53	218.97

(B) Remuneration of Chief Financial Officer and Company Secretary

Sl. No.	Particulars of Remuneration	Name of CEO/CFO/Company Secretary	
		Mr. Dhruv Chandra Mathur CFO	Mr. Md Iquebal Ahmad Company Secretary
	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	80.44	17.43
(b)	Value of perquisites u/s 17(2)	Nil	0.22
(c)	Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil
	Stock Option	Nil	Nil
	Sweat Equity	Nil	Nil
	Commission - as% of profit - others, specify...	Nil	Nil
	Others, please specify	Nil	Nil
	Total	80.44	17.65

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority Appeal the [RD/NCLT Court]
A. COMPANY				
Penalty				
Punishment			NIL	
Compounding				
B. DIRECTORS				
Penalty				
Punishment			NIL	
Compounding				
C. OTHER OFFICERS IN DEFAULT				
Penalty				
Punishment			NIL	
Compounding				

Annexure-H

BUSINESS RESPONSIBILITY REPORT/SUSTAINABILITY REPORT

(As per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015)

INTRODUCTION:

Sheela Foam Limited is governed by its Vision Statement. One of the most important ingredients of the Vision Statement is Commitment to Society and Company diligently adheres to it.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:**
L74899DL1971PLC005679
2. **Name of the Company:** Sheela Foam Limited
3. **Registered address:** 604, Ashadeep 9 Hailey Road
New Delhi Delhi-110001
4. **Website:** www.sheelafoam.com
5. **E-mail id:** investorrelation@sheelafoam.com
6. **Financial Year reported:** 2020-21
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**
CETA: 39211310/94042920
8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**
Polyurethane Foam, Mattress, Pillow
9. **Total number of locations where business activity is undertaken by the Company**
The company mainly operates in India, Australia and Spain during the year.
 - (a) Number of International Locations
Other than Australia the Company export its product to UAE, EU, Saudi Arabia, Sri Lanka, Bangladesh and Nepal.
 - (b) Number of National Locations
Company production units are at 10 locations
10. **Markets served by the Company - Local/State/National/International**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) 24,39,14,040
2. Total Turnover (INR) 1,68,949.07 Lakhs

3. Total profit after taxes (INR) 18,114.96 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax 2.70%
5. List of activities in which expenditure in 4 above has been incurred:-
 - (a). Education
 - (b). Skill development
 - (c). Swachh Bharat
 - (d). Preventive health care and eradication of poverty

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s). The main subsidiary company, Joyce Foam Pty. Ltd. is located in Australia. It follows the BR initiatives of the Company, to the extent applicable in Australia.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Suppliers of critical raw materials and some of the Customers follow the BR initiatives of the Company besides following their own BR policies. The % age of entities would be less than 30%.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**
 - (a) Details of the Director/Director responsible for implementation of the BR policy/policies
 1. DIN Number: 00192999
 2. Name : Mr. Rahul Gautam
 3. Designation : Managing Director

(b) Details of the BR head

Particulars
DIN Number :00192999
Name: Mr. Rahul Gautam
Designation : Managing Director
Telephone number: 0120-4869201
E-mail id: rahul@sheelafoam.com

2. Principle-wise (as per NVGs) BR Policy/policies

P1	Business should conduct and govern themselves with ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholder specially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Various plants of the Company are ISO 9001 certified. Our policy conforms to all standards specified in ISO 9001.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	The Policy has been approved by Board and signed by MD of the Company								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Managing Director is responsible for implementation of the policy								
6	Indicate the link for the policy to be viewed online?	www.sheelafoam.com-investors								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Managing director along with his team evaluates the implementation of the policy.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) -NOT APPLICABLE

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year -

Managing Director reviews various aspects of the policy on an ongoing basis and necessary advisory are issued for implementation of various policies.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Sustainability report is presented by Chief Operating officer to a select committee on monthly basis. However the same is not published.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) Mattresses are treated with Neem Fresche, this is a propriety treatment that harnesses the goodness of Neem and a patented technology of Bio-Fresche. It prevents microbial activity and improves hygiene. This Technology prevents breeding of dust mites, bacteria & fungi, which help in avoiding any respiratory problem.

(b) The company recycles Foam scrap to produce good quality Rebonded Foam. The rebounded foam is reused for applications that need improved firmness.

(c) The Foam produced from the latest Machine i.e. Vertivac (Vertical Variable Pressure Foaming Machine) is more durable and comfortable than normal foam. Further the usage of this technology has resulted in elimination of blowing agents like Methylene Chloride, which takes care of Environmental concerns. As a group we are investing in this technology for future too.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company, through research keeps on improving the yield ,thus utilising less raw material for good quality end product.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Constant improvement in quality of product ensures longer life for the product of the Company, thus saving on utilisation of resources.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

Yes. This covers all subsidiaries and group companies.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The company has not received any complaints during the year from shareholders. Consumer Complaints are attended at centralized customer care center and are resolved expeditiously. During the year there have been only 6 cases in consumer forum out of which 3 have been settled.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Company believes in sustainable sourcing and logistic solutions, today about 60% of our raw material are sourced in bulk. This eliminates wastage of packaging material and disposal concern. CNG truck used for transportation in the North Zone. The company has embarked on a new project of High cube containers. This enables to carry 10% more cargo. We have about 60 of these vehicles plying in North India.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company encourages procurement of such goods and services which are locally available, provided these meet the Quality and Cost norms. The company has started the concept of distributed manufacturing, wherein the local person can set up the manufacturing facility and supply good quality material to the company. The Company provides working capital to such manufacturers to support the initial business. Some of the mattress cores are pasted by local vendors and given to the manufacturing units. The company also uses the services of partner suppliers in vicinity to stitch mattress covers and also quilt fabrics.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Company does have a mechanism to recycle waste. Foam constitutes majority of our production and 90% of the foam scrap is converted into rebonded/chip foam.

Principle 3

1. Please indicate the Total number of employees.

Total number of employees as on 31st March 2021 were 2822

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Out of the total Employees, 854 were on contractual basis

3. Please indicate the Number of permanent women employees.

The number of women employees as on 31st March 2021 was 116

4. Please indicate the Number of permanent employees with disabilities

Number of permanent employees with disabilities as on 31st March 2021 were 3

5. Do you have an employee association that is recognized by management.

NO

6. What percentage of your permanent employees is members of this recognized employee association?

NOT APPLICABLE

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	NIL	NIL
2	Sexual harassment	1	1
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees 80%
- (b) Permanent Women Employees 80%
- (c) Casual/Temporary/Contractual Employees- 100 %
- (d) Employees with Disabilities 100%

Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?.

Yes in the category of Employees, Supplier of Goods and Services.

- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Company provides training to weaker section of society on regular basis. Its CSR arm, Sleepwell Foundation provides skill development and education to under privileged children.

Principle 5

- Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The policy covers subsidiary and group companies

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received by the Company on Human rights issue.

Principle 6

- Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

It extends to the Subsidiary and group companies

- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Company has strategies to address environment risk. It invest resources in production processes which reduce environment risk like setting up of Vertivac Plant (Vertical Variable Pressure Foaming Plant) for minimising the risk associated with usage of physical blowing agents like methylene chloride in the process.

- Does the company identify and assess potential environmental risks?

Yes .Globally foam industry is associated with fire risk. Company tries to constantly reduce the risk by improvement in design and periodic audits by our internal/ external resources. Deployment of quick response ESFR sprinkler system in storage and UPS suppression systems are key actions we have initiated.

TDI, which is the main constituent for manufacturing of foam, is a toxic chemical, when inhaled has adverse

health impact. Care is again taken to improve the impact by design and constant vigilant monitoring.

- Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Our process does not have sludge or liquid waste generation. We however, have a STP (Sewage treatment Plant) in compliance of legal regulations. Further during cleaning of open areas in our units we sprinkle water all around to avoid dust and keep the environment clean.

- Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Company has Installed LED on the street and inside the building for conserving energy. The installation is complete in almost 70% area.

- Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Our process does not have sludge or liquid waste generation

Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. NIL

Principle 7

- Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- Indian Polyurethane Association
- Industrial associations located at respective units
- Indian Sleep Products Federation
- ASSOCHEM
- CII

- Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies,

Through the Indian Polyurethane Association the company has advocated the uniformity of GST rate on all kinds of modern mattresses. This has resulted in substantial price reduction for Foam and Spring Mattresses for the consumers.

Principle 8

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Company has programs which impact the social and economic developments positively. The programs are mostly implemented through the CSR arm of the Company. These include Wellness programs, Swachh Bharat Campaigns, Skill Development Programs, Education to girls program etc.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

The programs are mostly done by Sleepwell Foundation

3. Have you done any impact assessment of your initiative?

Through the efforts of Sleepwell Foundation, various students got placed after receiving skill development training. The Company also encourages employing such students who has received training in the company ,after their skill development courses are complete.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company and its CSR arm has incurred a sum of ₹ 4.89 crore on health, development of skills and education during the year.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Company and its CSR arm encourages all communities to adopt the development programs and it is observed that such programs are well received by community.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

As on 31 March, 2021 company has around 5% of total consumer complaints pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Besides the Mandatory requirement, the label also provides guidance for effective usage of product.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There was no case filed for unfair trade practice, irresponsible advertising or ant competitive behavior over the last 5 years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Surveys are carried out to study satisfaction level with reference to Products, Customer handling at Dealers end and by Customer Care Department.

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.

Financial Statements

Independent Auditor's Report

To The Members Of 'Sheela Foam Limited' on Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Sheela Foam Limited (the "Company"), which comprise the Standalone Balance Sheet as at 31st March, 2021, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021 and total Comprehensive Income, its changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of

the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p>Useful lives of Property, Plant & Equipment</p> <p>(Refer to Notes 3 and 5 to the standalone financial statements)</p> <p>The property, plant and equipment are depreciated on a pro-rata basis on written down value, over the useful lives of the assets, as estimated by the management. These estimations are based on changes in the expected level of usage, technological developments, level of wear and tear, which involves high degree of the estimation and judgement and could affect the reported residual value and depreciation of the assets. As the value of property, plant and equipment is substantial i.e. ₹ 25,857 lakhs, which is 18.11% of the total assets of the Company, therefore any change in these estimates or actual results could have a substantial impact on the profit/ assets in future years and completeness and accuracy of the financial statements.</p>	<p>Our Audit Procedure :</p> <p>We obtained and evaluated the management's estimations and specifically performed the work as under:</p> <ul style="list-style-type: none"> - Compared the key assumptions, used within the impairments models to the historic performance of the respective group of assets and approved estimates. - Benchmarking the key assumptions, used with in the impairment models and past history of the replacement age etc. and repairs requirements / cost etc. <p>Our Results:</p> <p>As a result of performance of above procedures, we have not identified any circumstances that would lead to material adjustments to the carrying value of these assets, or change in their useful lives.</p>

Key Audit Matters	Auditor's Response
<p>Fair Value measurement of Financial Instruments</p> <p>(Refer to Note 39.11 to the standalone financial statements)</p> <p>Fair value of financial assets and financial liabilities have been measured using valuation techniques where the financial instruments are not quoted in active market. The inputs to these techniques / models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility, which involve high degree of the estimation and judgement and could affect the reported fair value of financial instruments.</p>	<p>Our Audit Procedure :</p> <p>The Company has carried out the valuation of the financial instruments after applying judgments and estimates. We have conducted the verification of the data provided to us by the Company with respect to its correctness and completeness vis-à-vis the financial accounts / records of the Company, and held interaction with the management to understand their process and results and the implementation and usage of valuation techniques / models. This included the review of the controls over adjustments to mitigate model limitations and assumptions.</p> <p>Our Results:</p> <p>The results of our testing were satisfactory and we considered the fair value of the financial instruments assets and liabilities recognised to be acceptable.</p>
<p>Interest in Foreign Subsidiaries</p> <p>(Refer to Notes 6 and 39.16 to the standalone financial statements)</p> <p>Global pandemic COVID-19 continued to wreak havoc to the global economy and presently the said pandemic, is re-spreading and is on increasing trend across the globe including India, with various mutating variants, disrupting business throughout the World, and many companies are grappling with the economic slowdown, thus the prevalent financial, economic and health crisis caused due to COVID-19 may impact the Company's assumptions used for the business operations of its foreign subsidiaries located in Spain and Australia, which could further have the impact on the assessment of impairment of investment and exposure of ₹ 36,431 lakhs in these foreign subsidiaries (equity investment of ₹ 13,660 lakhs, unsecured loans of ₹ 4,847 lakhs given to the foreign subsidiaries and SBLCs / financial guarantees of ₹ 17,924 lakhs given to the bank towards guarantee of the loans taken by the subsidiaries).</p> <p>As the said investment / exposure is equivalent to 25.51% of the total assets of the Company, therefore any change in the business projections / estimates and actual results could have a substantial impact on the profit / assets in future year/s and the completeness and accuracy of the financial statements.</p>	<p>Our Audit Procedure :</p> <p>Understanding of the assessment of the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used to estimate the future business volume and receipts of these Subsidiaries.</p> <p>Evaluation of the inputs and assumptions used in the impairment of the assets and management's assessment for the future operations considering the impact of COVID-19, by using current indicators of future economic conditions.</p> <p>Review of the considerations and conclusion of the independent auditors of Subsidiaries, regarding its ability to continue as going concerns, and obtaining of the further information and explanations from them in this regard.</p> <p>Our Results:</p> <p>The results of our testing were satisfactory and we considered the carrying amount of the investment and loans to foreign subsidiaries, and also the assumption that there will be no liability against the SBLCs / financial guarantees issued in their favour, to be acceptable.</p>

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report and Directors' Report, including annexures thereon, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant

audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by 'the Companies (Auditor's Report) Order, 2016' ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure-'A'**, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and the Standalone Statement

of Cash Flows dealt with by this Report are in agreement with the books of account.

- d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure-'B'**;
- g. In our opinion, the remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Companies Act, 2013; and
- h. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 39.1 to the standalone financial statements;
 - ii. The Company has not entered into any long-term contracts including derivative contracts.
 - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(Sanjiv Gupta)

Partner

Place: Noida

Dated: 29th May, 2021

M. No. 083364

UDIN:21083364AAAAAH1278

Annexure-'A' to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the standalone financial statements of Sheela Foam Limited for the year ended 31st March, 2021)

- (i) In respect of its property, plant and equipments;
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments.
 - b. As explained to us, the property, plant and equipments are physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipments. No material discrepancies were noticed on such physical verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipments and Note 5 on investment property to the standalone financial statements, are held in the name of the Company.
- (ii) As explained to us, inventories have been physically verified by the management at regular intervals during the year. The discrepancies noticed on such physical verification as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loan to a Subsidiary Company, covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which we report that:
 - a. The terms and conditions of grant of the said unsecured loan, in our opinion, prima facie, are not prejudicial to the interest of the Company.
 - b. The schedule of repayment of principal and payment of interest has been stipulated, as per which the repayment of principal and interest has not yet fallen due.
- c. As the repayment of principal and interest has not yet started, the said clause regarding the overdue outstanding is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company in respect of loans, investments, guarantees, and security has complied with the provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meanings of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under sub-section (1) of Section 148 of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (viii) In respect of statutory dues:
 - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they became payable.
 - b. The disputed statutory dues aggregating to ₹ 1,391.46 lakhs, that have not been deposited on account of matters pending in appeals before appropriate authorities are as under:

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	123.85	2011-13	Central Excise and Service Tax Appellate Tribunal
		232.03	Feb, 2017 to June, 2017	The Commissioner (Appeal), Central Excise and Service Tax
		14.79	2012-13	The Commissioner (Appeal), Central Excise and Service Tax
Central Sales Tax and Sales Tax Act of various states	Sales Tax	319.00	1999-2000	The Hon'ble High Court
		128.98	2012-13	Sales Tax Appellate Tribunal, West Bengal
	Entry Tax	28.87	2012-14	The Hon'ble Supreme Court
		107.51	2014-15 to 2017-18	The Hon'ble Supreme Court
		28.86	2001-12	The Hon'ble High Court
Income Tax Act, 1961	Income Tax	8.45	2004-05	The Commissioner of Income Tax (Appeals)
		399.12	2013-14	Delhi High Court

(viii) Based on the audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution, banks and Government.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) In our opinion and according to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers / employees has been noticed or reported during the course of our audit.

(xi) The managerial remuneration paid / provided is within the limit and in compliance of the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company hence the requirement of this clause is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable. The details of such

transactions have been disclosed in the standalone financial statements, as required by the Ind AS 24 – Related Party Disclosures.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xiv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with Directors or persons connected with them.

(xvi) As explained to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

(Sanjiv Gupta)
Partner
M. No. 083364

Place: Noida
Dated: 29th May, 2021

Annexure- 'B' to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the standalone financial statements of Sheela Foam Limited for the year ended 31st March, 2021)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Sheela Foam Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company

has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(Sanjiv Gupta)
Partner
M. No. 083364

Place: Noida
Dated: 29th May, 2021

Balance Sheet

as at 31 March, 2021

Particulars	Note No.			(₹ in Lakhs)	
		As at 31 March, 2021		As at 31 March, 2020	
ASSETS					
Non-current assets					
Property, Plant and Equipment	3	25,355.39		25,416.12	
Capital work in progress	3	117.06		1,652.58	
Right-of-use Assets	4	2,014.98		2,111.81	
Investment Property	5	384.44		365.10	
Investments in Subsidiaries	6	21,371.45		21,372.47	
Financial Assets					
- Investments	7	30,359.99		1,183.32	
- Loans	8	5,067.75		4,844.81	
- Other non-current financial assets	9	5.79		31.61	
Non-current tax assets (net)	10	32.41		964.40	
Other non-current assets	11	264.38	84,973.64	134.21	58,076.43
Current assets					
Inventories	12	22,831.92		16,517.51	
Financial Assets					
- Investments	13	10,600.33		21,791.76	
- Trade receivables	14	16,304.60		12,640.27	
- Cash and cash equivalents	15	3,503.54		2,889.45	
- Bank balances other than cash and cash equivalents	16	47.63		25.65	
- Loans	17	555.24		561.25	
- Other current financial assets	18	1,462.47		1,001.07	
Other current assets	19	2,472.41	57,778.14	3,449.07	58,876.03
TOTAL ASSETS		1,42,751.78		1,16,952.46	
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	20	2,439.14		2,439.14	
Other Equity	21	98,898.18	101,337.32	80,573.31	83,012.45
Liabilities					
Non-current liabilities					
Financial liabilities					
- Lease liabilities	39.7	190.69		254.40	
- Other non-current financial liabilities	22	8,444.62		7,372.61	
Provisions	23	462.13		731.94	
Deferred tax liabilities (Net)	24 D	828.98	9,926.42	678.66	9,037.61
Current liabilities					
Financial liabilities					
- Borrowings	25	-		2.45	
- Lease liabilities	39.7	8.50		27.59	
- Trade payables	26				
a) Total outstanding dues of micro enterprises and small enterprises		1,168.31		330.31	
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		14,852.25		11,075.14	
- Other current financial liabilities	27	8,373.06		7,391.54	
Provisions	28	435.21		547.34	
Other current liabilities	29	6,650.71	31,488.04	5,528.03	24,902.40
TOTAL EQUITY AND LIABILITIES		1,42,751.78		1,16,952.46	

Significant Accounting Policies' and 'Notes 1 to 39' form an integral part of the Standalone Financial Statements.

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

(Sanjiv Gupta)
Partner
Membership No. 083364

For and on behalf of the Board of Directors

(Rahul Gautam)
Managing Director
DIN : 00192999

(Tushaar Gautam)
Whole-time Director
DIN : 01646487

(Dhruv Mathur)
Chief Financial Officer

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

Place: Noida
Date : 29th May, 2021

Statement of Profit and loss

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
INCOME:			
Revenue From Operations	30	1,68,949.07	1,75,476.98
Other Income	31	5,180.23	4,134.92
Total Income		1,74,129.30	1,79,611.90
EXPENSES:			
Cost of materials consumed	32	94,977.27	88,486.24
Purchases of Stock-in-Trade	33	1,799.48	1,798.33
Other manufacturing expenses	34	3,322.30	5,251.79
Changes in inventories of finished goods, stock-in-process and stock-in-trade	35	(849.70)	386.14
Employee benefits expense	36	11,986.02	14,107.18
Finance costs	37	868.17	813.60
Depreciation and amortization expense	3 to 5	3,252.55	3,309.16
Other expenses	38	34,427.35	42,745.38
Total Expenses		1,49,783.44	1,56,897.82
Profit before exceptional items & tax		24,345.86	22,714.08
Exceptional items			
Insurance claim receivable written off	39.15	-	1,199.49
Profit before tax		24,345.86	21,514.59
Tax expense:			
Current tax	24A	6,122.89	5,422.52
- Current year's			
- Earlier year's		(42.32)	-
Deferred tax	24D	150.33	(459.05)
		6,230.90	4,963.47
Profit for the year		18,114.96	16,551.12
Other Comprehensive Income/(loss) :			
(a) Items that will not be reclassified to profit or loss			
- Re-measurements losses on defined benefit plans	39.4.d.iii	180.45	(578.99)
- Income tax effects	24B	(45.42)	145.72
(b) Items that will be reclassified to profit or loss			
- Fair value gain on investments (net)		100.06	-
- Income tax effects		(25.18)	-
Other Comprehensive gain/(loss) for the year		209.91	(433.27)
Total Comprehensive Income for the year		18,324.87	16,117.85
Earnings per share- Basic/Diluted in ₹	39.8	37.13	33.93

'Significant Accounting Policies' and 'Notes 1 to 39' form an integral part of the Standalone Financial Statements.

As per our Report of even date attached

For **S. P. CHOPRA & CO.**

Chartered Accountants

Firm Registration No. 000346N

(Sanjiv Gupta)

Partner

Membership No. 083364

For and on behalf of the Board of Directors

(Rahul Gautam)

Managing Director

DIN : 00192999

(Tushaar Gautam)

Whole-time Director

DIN : 01646487

(Dhruv Mathur)

Chief Financial Officer

(Md. Iqubal Ahmad)

Company Secretary

M. No. - A20921

Place: Noida

Date : 29th May, 2021

Statement of Changes In Equity

for the year ended 31 March, 2021

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2021

(₹ in Lakhs)

Balance as at 01 st April, 2020	Changes in equity share capital during the year	Balance as at 31 March, 2021
2,439.14	-	2,439.14

For the year ended 31st March, 2020

(₹ in Lakhs)

Balance as at 01 st April, 2019	Changes in equity share capital during the year	Balance as at 31 March, 2020
2,439.14	-	2,439.14

(B) OTHER EQUITY

For the year ended 31st March, 2021

Particulars	Retained Earnings	Capital Reserve	General Reserve	Other comprehensive income - other items	Total
Balance as at 1st April, 2020	79,200.63	328.57	1,716.27	(672.16)	80,573.31
Profit for the year	18,114.96	-	-	-	18,114.96
Other Comprehensive Gain for the year (net of tax)	-	-	-	209.91	209.91
Balance as at 31st March, 2021	97,315.59	328.57	1,716.27	(462.25)	98,898.18

For the year ended 31st March, 2020

Particulars	Retained Earnings	Capital Reserve	General Reserve	Other comprehensive income - other items	Total
Balance as at 31st March, 2019	62,662.52	328.57	1,716.27	(238.89)	64,468.47
Less: Adjustment on adoption of Ind AS 116 (net of tax)	(13.01)	-	-	-	(13.01)
Balance as at 1st April, 2020	62,649.51	328.57	1,716.27	(238.89)	64,455.46
Profit for the year	16,551.12	-	-	-	16,551.12
Other Comprehensive Loss for the year (net of tax)	-	-	-	(433.27)	(433.27)
Balance as at 31st March, 2020	79,200.63	328.57	1,716.27	(672.16)	80,573.31

Significant Accounting Policies' and 'Notes 1 to 39' form an integral part of the Standalone Financial Statements.

As per our Report of even date attached

For **S. P. CHOPRA & CO.**

Chartered Accountants

Firm Registration No. 000346N

(Sanjiv Gupta)

Partner

Membership No. 083364

For and on behalf of the Board of Directors

(Rahul Gautam)

Managing Director

DIN : 00192999

(Tushaar Gautam)

Whole-time Director

DIN : 01646487

(Dhruv Mathur)

Chief Financial Officer

(Md. Iqubal Ahmad)

Company Secretary

M. No. - A20921

Place: Noida

Date : 29th May, 2021

Statement of Cash Flows

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Year ended 31 March, 2021		Year ended 31 March, 2020	
	Amount	Total	Amount	Total
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per statement of profit and loss		24,345.86		21,514.59
Adjustments for:				
Depreciation and amortisation expense	3,252.55		3,309.16	
Insurance claim receivable written off	-		1,199.49	
Finance costs	868.17		813.60	
Advances/Balances written off	59.67		211.31	
Provision for doubtful receivables	(51.19)		71.69	
Bad debts written off	69.88		-	
Fair value gain on investments (net)	(366.51)		(657.38)	
Profit on sale of investments (net)	(1,675.87)		(1,505.57)	
Liabilities/provisions no longer required written back	(15.62)		(10.73)	
Unrealised foreign exchange (Gain) /loss (net)	(32.98)		(17.01)	
Interest income	(1,668.78)		(564.30)	
Property, Plant & Equipment written off (net)	13.26		26.65	
Investment written off	1.02		-	
Loss/(Profit) on sale of property, plant and equipment (net)	1.84		(263.15)	
		455.44		2,613.76
Operating profit before working capital changes		24,801.30		24,128.35
Adjustment for working capital changes:				
(Increase) in Inventories	(6,314.41)		(1,221.71)	
(Increase) in loans and trade receivables	(3,750.19)		(2,762.05)	
Decrease/(Increase) in other financial and non-financial assets	741.88		(209.31)	
Increase/ (Decrease) in trade payables	4,648.09		(232.52)	
Increase/(Decrease) in lease liabilities, other financial liabilities, non-financial liabilities and provisions	3,001.50		(1,546.14)	
Cash used in Working Capital Changes		(1,673.14)		(5,971.73)
Cash generated from operations		23,128.16		18,156.62
Income Tax paid (net)		(5,219.18)		(5,179.87)
Net Cash inflow from Operating Activities - A		17,908.98		12,976.75
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment including capital work in progress	(1,764.33)		(5,635.97)	
Sale/adjustment/write-off of property, plant and equipment	90.82		306.16	
Deposits matured/made during the year (net)	3.44		111.54	
Investment in equity shares of Subsidiary Company	-		(11,434.38)	
Investment in bonds, debentures and mutual funds (net)	(15,842.81)		10,872.96	
Loans & advances given to Subsidiary Company	(96.48)		(4,946.54)	
Repayment loans & advances by Subsidiary Company	506.42		-	
Interest income	693.03		441.49	
Net Cash outflow from Investing Activities - B		(16,409.91)		(10,284.74)

Statement of Cash Flows

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Year ended 31 March, 2021		Year ended 31 March, 2020	
	Amount	Total	Amount	Total
C. CASH FLOW FROM FINANCING ACTIVITIES				
Repayment of Secured long term borrowings	-		(1.74)	
Repayment of Unsecured long term borrowings	-		(29.57)	
Proceeds from Unsecured short term borrowings	-		2.45	
Repayment of Unsecured short term borrowings	(2.45)		-	
Payment of principal portion of lease liabilities	(14.36)		(56.20)	
Payment of interest portion of lease liabilities	(24.41)		(3.44)	
Finance costs	(843.76)		(780.96)	
Net Cash outflow from Financing Activities - C		(884.98)		(869.46)
Net (increase in cash and cash equivalents (A+B+C))		614.09		1,822.55
Cash and cash equivalents (Opening Balance)		2,889.45		1,066.90
Cash and cash equivalents (Closing Balance)		3,503.54		2,889.45
Note to Statement of cash flows :				
- Components of Cash and cash equivalents as under :				
- Balance with Banks - Current Accounts	1,091.73		879.93	
- Cash on hand	11.81		9.52	
- Deposits with Banks with original maturity of less than 3 months	2,400.00		2,000.00	
		3,503.54		2,889.45
- Figures in brackets indicate cash outflow.				
- The above Standalone Statement of cash flows has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows				

Significant Accounting Policies' and 'Notes 1 to 39' form an integral part of the Standalone Financial Statements.

As per our Report of even date attached

For **S. P. CHOPRA & CO.**

Chartered Accountants

Firm Registration No. 000346N

(Sanjiv Gupta)

Partner

Membership No. 083364

For and on behalf of the Board of Directors

(Rahul Gautam)

Managing Director

DIN : 00192999

(Tushaar Gautam)

Whole-time Director

DIN : 01646487

(Dhruv Mathur)

Chief Financial Officer

(Md. Iquebal Ahmad)

Company Secretary

M. No. - A20921

Place: Noida

Date : 29th May, 2021

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

1. COMPANY INFORMATION

Sheela Foam Limited ('the Company') is a ISO 9001:2000 public limited Company incorporated in India, with its registered office in New Delhi. The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Company is pioneered in the manufacturing of polyurethane foams in India, and has ten manufacturing facilities using the state of the art technology at strategic locations across the country.

The standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on May 29, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. *Basis of Preparation :*

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act. The standalone financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

b. *Historical Cost Convention*

The standalone financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value,

c. *Functional and presentation currency*

The standalone financial statements are prepared in Indian Rupees ('₹'), which is the Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

d. *Current versus non-current classification*

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

e. *Use of estimates and judgments*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that requires material adjustments to the carrying amount of the assets and liabilities in future period/s.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

i. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on written down value basis over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.2 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

ii. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of these obligations. The mortality rate is based on publically available mortality table for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries. Further details about the assumptions used, including a sensitivity analysis are given in Note 40.4.

iii. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations,

changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

iv. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v. Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

vi. Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

2.2 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of leasehold land is amortized over the period of lease.

Depreciation on property, plant & equipment is provided on a pro-rate basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto ₹ 5,000/- are

fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Buildings :		
- Factory	30	29
- Office	60	59
- Residential	60	59
Plant & Equipment	15	20
Furniture & Fixtures	10	15
Vehicles :		
- Motor Cars	8	10
Office Equipment	5	20
Date Processing Equipment :		
- Computer Equipment	3	6
Electrical Fittings	10	20

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

2.3 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

the period in which they are incurred. Though the Company measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rate basis on written down value basis, over the useful life of the property estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The property's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Buildings :		
- Factory	30	29
- Office	60	59
- Residential	60	59

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to / from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

2.4 Investment in Subsidiaries

Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.5 Financial Instruments

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

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

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

- Financial assets measured at amortized cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- Financial assets measured at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test: The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and
- Cash Flow Characteristics Test: Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents, investments in securities and employee loans, etc.

(2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on

specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss. The Company as at the Balance Sheet date is not having any such instruments.

(3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss. This category comprises of investments in mutual funds and market linked debentures.

(c) Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments, and are measured at FVTOCI, The Company as at the Balance Sheet date is not having any such instruments.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's Balance Sheet) when:

- 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:

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of comprehensive income. The Company has not designated any financial liability as at fair value through profit and loss.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial Guarantee Contract

Financial guarantee contracts issued by the Company are those contracts that require a

payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

2.6 Inventories

Inventories are valued at lower of cost and net realisable value. In respect of raw material, packing material and stores & spares, cost is computed on first in first out basis, as determined on direct cost basis. Finished goods and stock-in-process include cost of inputs, conversion costs and other costs including manufacturing overheads incurred in bringing them to their present location and condition. Obsolete, defective and unserviceable stocks are provided for, wherever required. The net-realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make sale.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.8 Impairment of Non-Financial Assets

The Company assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value

less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

2.10 Revenue Recognition

- a) Revenue from sale of goods is recognised when the control of the goods is transferred to the customer, which is generally on the delivery of the goods, the associated costs and the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Company. It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates and goods and service tax collected on behalf of the government.
- b) Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- c) Export incentive such as Duty drawback is recognized on post export basis on the basis of their entitlement rates.
- d) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.
- e) Insurances claims are recognised to the extent the Company is reasonably certain of their ultimate receipt.
- f) Dividend income on investments is recognized when the right to receive dividend is established.
- g) Other income/revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.

2.11 Government Grants / Subsidy

Government Grants are recognized when it is reasonably certain that the ultimate collection will be made. Government grants of capital nature are credited to capital reserve. Other government grants of revenue nature including subsidies are credited to specific expense head in the Statement of Profit and Loss.

2.12 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include

salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

b. Long Term Benefit

The employees of the Company are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

i. Defined contribution plan:

The Company's approved provident fund scheme, employees' state insurance fund scheme and employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plan

The employees' gratuity fund scheme and the employees leave encashment / employees long term compensated absences are the Company's defined benefit plans. The present value of the obligation under defined benefit plans of gratuity and leave encashment is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods. Liability towards Gratuity is funded through a separate Gratuity Trust. The short / excess of the Gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ assets as at the year end.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

2.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company has taken certain assets on Operating Lease. Operating Lease is a contract, which conveys the right to Lessee, to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Company assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Company will extend the term, or a lease period in which it is reasonably certain that the Company will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

At commencement, or on the modification, of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is amortised / depreciated using straight-line / written down value method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Company by the end of the lease term or if the Company expects to

exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the Company's other property, plant and equipment. Right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Company's incremental borrowing rate on the inception date for a loan with similar terms to the lease. The incremental borrowing rate is estimated by obtaining interest rates from various external financing sources.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In accordance with Ind AS 116, the Company does not recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases i.e. leases with a lease term of 12 months or less and containing no purchase options. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as Operating Leases. Rental income from Operating Lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an Operating Lease are added to the carrying amount of the leased asset and recognised

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as Finance Leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under Finance Leases are recorded as receivables at the Company's net investment in the leases. Finance Lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Premium or discount on forward exchange contract is amortised as income or expense over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expenditure during the period.

2.15 Employee Stock Option Scheme

The Company follows the intrinsic method for computing the compensation cost, for options granted under the employee stock option scheme. The difference if any, between the fair/market value and the grant price, being the compensation cost is recognized as Deferred Stock Option Expense and is charged to the Statement of Profit and Loss on straight line basis over the vesting period of option.

2.16 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax.

a. Current Tax

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the tax regime inserted by the Taxation Laws (Amendment) Act, 2019 in the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.17 Dividend Distribution:

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

A corresponding amount is recognized directly in the Equity.

2.18 Earnings per Share:

Basic earnings per share is calculated by dividing net profit / loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.19 Statement of Cash flows:

For the purpose of Standalone Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, short-term deposits with an original maturity of three months or less and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

3. PROPERTY, PLANT AND EQUIPMENT (AS AT 31ST MARCH, 2021)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2020	Additions during the year	Sales/disposal/ transfers during the year	As at 31.03.2021	As at 01.04.2020	For the year	Sales/disposal/ transfers during the year	As at 31.03.2021	As at 31.03.2020
(i) Tangible Assets									
Land - Freehold	1,248.92	461.00	10.90	1,699.02	-	-	-	1,699.02	1,248.92
Buildings	13,141.93	1,598.96	40.39	14,700.50	3,416.18	856.05	14.73	4,257.50	9,725.75
Plant & Equipment	17,681.83	796.63	104.58	18,373.87	6,014.45	1,702.33	63.38	7,653.41	11,667.38
Furniture & Fixtures	1,151.45	43.99	1.35	1,194.10	357.15	151.64	1.58	507.21	794.30
Vehicles	973.75	81.66	65.42	989.99	413.55	171.68	44.01	541.22	560.20
Office equipment	1,502.16	142.78	12.59	1,632.35	583.82	233.50	7.50	809.81	918.34
Electrical fittings	852.71	120.64	12.90	960.45	351.48	80.40	6.14	425.74	501.23
Total	36,552.75	3,245.66	248.12	39,550.28	11,136.64	3,195.60	137.34	14,194.89	25,416.12
(ii) Capital Work-in-progress (refer note 3.2)	1,652.58	728.84	2,264.36	117.06	-	-	-	-	1,652.58
Total (i+ii)	38,205.33	3,974.50	2,512.49	39,667.34	11,136.64	3,195.60	137.34	14,194.89	27,068.70

PROPERTY, PLANT AND EQUIPMENT (As at 31st March, 2020)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2019	Additions during the year	Sales/disposal/ transfers during the year	As at 31.03.2020	As at 01.04.2019	For the year	Sales/disposal/ transfers during the year	As at 31.03.2020	As at 31.03.2019
(i) Tangible Assets									
Land - Freehold	1,258.66	-	9.74	1,248.92	-	-	-	1,248.92	1,258.66
Buildings	12,553.73	613.65	25.45	13,141.93	2,512.04	910.87	6.73	3,416.18	10,041.69
Plant & Equipment	15,779.21	1,986.20	83.58	17,681.83	4,334.90	1,728.90	49.35	6,014.45	11,444.31
Furniture & Fixtures	786.37	366.36	1.28	1,151.45	213.93	143.89	0.67	357.15	794.30
Vehicles	745.54	243.11	14.90	973.75	271.76	152.58	10.79	413.55	560.20
Office equipment	1,164.13	365.49	27.46	1,502.16	382.52	220.78	19.48	583.82	918.34
Electrical fittings	835.46	25.55	8.30	852.71	271.61	83.39	3.52	351.48	501.23
Total	33,123.11	3,600.36	170.72	36,552.75	7,986.75	3,240.41	90.54	11,136.64	25,416.12
(ii) Capital Work-in-progress (refer note 3.2)	73.94	2,190.19	611.55	1,652.58	-	-	-	-	73.94
Total (i+ii)	33,197.05	5,790.55	782.27	38,205.33	7,986.75	3,240.41	90.54	11,136.64	27,068.70

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

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

3.2 Capital Work-in-progress represents assets under construction / installation at various sites / plants and include under noted pre-operative expenditure pending allocation on commencement of commercial production.

Nature of Expense	Opening as on 01.04.2020 (₹ in Lakhs)	Additions during 2020-21 (₹ in lakhs)	Capitalisation/ adjustment during 2020-21 (₹ in Lakhs)	Closing as on 31.03.2021 (₹ in Lakhs)	Opening as on 01.04.2019 (₹ in Lakhs)	Additions during 2019-20 (₹ in lakhs)	Capitalisation/ adjustment during 2019-20 (₹ in Lakhs)	Closing as on 31.03.2020 (₹ in Lakhs)
	Travelling Exp	9.78	-	9.78	-	-	9.86	0.08
Soil Testing & Land Measurement Exp	-	-	-	-	0.89	-	0.89	-
Others	-	0.30	-	0.30	-	-	-	-
Total	9.78	0.30	9.78	0.30	0.89	9.86	0.97	9.78

4 RIGHT OF USE ASSETS (AS AT 31ST MARCH, 2021)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2020	Adjustment on Modification	As at 01.04.2020	For the year	Sales/disposal/ adjustments during the year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
(i) Tangible Assets								
Land	2,046.03	-	2,046.03	21.53	-	41.66	2,004.36	2,025.90
Buildings	114.77	-	31.97	15.05	22.56	21.35	10.62	85.91
Total	2,160.80	-	2,078.00	36.58	22.56	63.01	2,014.98	2,111.81

RIGHT OF USE ASSETS (As at 31st March, 2020)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2019	Adjustment on adoption of Ind AS 116	As at 01.04.2019	For the year	Sales/disposal/ adjustments during the year	As at 31.03.2020	As at 31.03.2019	
(i) Tangible Assets								
Land	-	1,534.30	2,046.03	20.13	-	20.13	2,025.90	
Buildings	-	114.77	114.77	28.86	-	28.86	85.91	
Total	-	1,649.07	2,160.80	48.99	-	48.99	2,111.81	

4.1 Refer 'Para- 2.13' of Significant Accounting Policies' for policy of recognition and amortisation / depreciation of the right-of-use assets.

4.2 The leasehold land has been amortised during the year by ₹ 21.53 lakhs (Previous Year : ₹ 20.13 lakhs) as per the accounting policy.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

5 INVESTMENT PROPERTY (AT COST) (AS AT 31ST MARCH, 2021)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2020	As at Transfer during the year	Sales/disposal/ adjustments during the year	As at 31.03.2021	As at 01.04.2020	Transfer during the year	For the year	As at 31.03.2021	As at 31.03.2020
(i) Tangible Assets									
Land									
- Freehold	-	10.90	-	10.90	-	-	-	10.90	-
- Leasehold (refer note 5.2)	68.47	-	-	68.47	3.64	-	0.91	63.92	64.83
Buildings	385.48	46.82	-	432.30	85.21	18.01	19.46	309.62	300.27
Total	453.95	57.72	-	511.67	88.85	18.01	20.37	384.44	365.10

INVESTMENT PROPERTY (At Cost) (As at 31st March, 2020)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2019	As at Transfer during the year	Sales/disposal/ adjustments during the year	As at 31.03.2020	As at 01.04.2019	Transfer during the year	"For the year"	As at 31.03.2020	As at 31.03.2019
(i) Tangible Assets									
Land - Leasehold (refer note 5.2)	68.47	-	-	68.47	2.73	-	0.91	3.64	65.74
Buildings	385.48	-	-	385.48	66.36	-	18.85	85.21	319.12
Total (refer note 5.4)	453.95	-	-	453.95	69.09	-	19.76	88.85	384.86

5.1 Refer 'Para- 2.3' of Significant Accounting Policies' for depreciation and measurement of investment property.

5.2 The leasehold land has been amortised during the year by ₹ 0.91 lakhs (Previous Year : ₹ 0.91 lakhs) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

Particulars	(₹ in Lakhs)	
	As at 31.03.2021	As at 31.03.2020
Rental Income derived from investment property	188.86	152.71
Profit arising from investment property before depreciation	188.86	152.71
Less: Depreciation for the year	20.37	19.76
Net Profit arising from investment property	168.49	132.95

5.3

5.4 The Company has obtained independent valuation for its investment properties at ₹ 1,946.90 lakhs as at 31st March, 2021 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where' basis.

5.5 There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.

5.6 The investment properties are leasehold properties and realisability of the same is subject to the terms and conditions under the respective lease agreements.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

6 INVESTMENTS IN SUBSIDIARIES

(Valued at cost, unless stated otherwise)

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
	Nos.	Amount	Nos.	Amount
In Equity Instruments - Unquoted, fully paid up				
Joyce Foam Pty. Limited of Aud \$ 10/- each	6,58,500	2,306.59	6,58,500	2,306.59
Divya Software Solutions (P) Ltd. of ₹ 10/- each	94,633	7,602.00	94,633	7,602.00
Sleepwell Enterprises (P) Ltd. of ₹ 10/- each	10,500	109.20	10,500	109.20
International Foam Technologies SL, Spain of Euro 1/-each	1,20,03,000	11,352.93	1,20,03,000	11,352.93
SleepX US Inc. of US\$ 1/- each (Refer note 6.2)	-	-	-	1.02
Staqa World Pvt. Ltd of ₹ 10/- each	10,000	0.73	10,000	0.73
Total Investments in Subsidiaries		21,371.45		21,372.47
Aggregate amount of Unquoted Investments		21,371.45		21,372.47
Aggregate amount of impairment in value of investments		Nil		Nil

6.1 INFORMATION ABOUT SUBSIDIARIES

(₹ in Lakhs)

Name of the Company and Country of Incorporation	Principal Activities	As at 31 March, 2020	
		As at 31 March, 2021	As at 31 March, 2020
Joyce Foam Pty. Limited, Australia	Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers)	100	100
Divya Software Solutions (P) Ltd., India	Software development and related ancillary activities	100	100
Sleepwell Enterprises (P) Ltd., India	Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon	100	100
International Foam Technologies SL, Spain	To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam	100	100
SleepX US Inc., USA (refer note 6.2)	General trading and product distribution	-	-
Staqa World Pvt. Ltd., India	Information technology and related ancillary activities	100	100

- 6.2** During the previous year, the Company had incorporated a Wholly Owned Subsidiary Company (WOS) in Delaware, USA, for the purpose of marketing of the products of the Company in USA, however, as no share capital had been subscribed or investment had been made therein, there was no impact of the same on the financial statements except that the expenditures incurred for acquisition were capitalised as investment in WOS. Further, during the year the Company has dissolved the said Subsidiary on 29.03.2021 and expenditure incurred for acquisition has been written off and shown under Note 38 - Other Expenses - Investment written off.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

7 NON CURRENT FINANCIAL INVESTMENTS

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
	Nos.	Amount	Nos.	Amount
In Bonds & Debentures - fully paid up				
(a) Carried at amortised cost - Unquoted				
- IDBI Investment Deposit Account Scheme, 1986	-	0.35	-	0.35
Total (a)		0.35		0.35
(b) Carried at fair value through profit and loss - Quoted				
- Ecap Equities Limited - Index Linked Non-convertible Debentures of ₹ 1,00,000/- each	-	-	1,000	1,182.97
Total (b)		-		1,182.97
(c) Carried at fair value through other comprehensive income - Unquoted				
9.15% PNB Perpetual Bonds Call 13.02.2025	350	3,542.69	-	-
7.74% SBI Perpetual Bonds Call 09.09.2025	50	505.06	-	-
8.44% Indian Bank Perpetual Bonds Call 08.12.2025	400	3,942.80	-	-
8.73% Union Bank Of India Perpetual Bonds Call 15.12.2025	500	5,155.13	-	-
8.50% Canara Bank Non-Convertible Perpetual Bonds Call 31.12.2025	400	3,892.45	-	-
9.50% Indusind Bank Limited Non-Convertible Bonds Call 18.04.2022	113	1,120.15	-	-
10.50% Indusind Bank Limited Non-Convertible Bonds Call 28.03.2024	73	731.50	-	-
8.64% Union Bank Of India Perpetual Bonds Call 11.01.2026	25	2,442.33	-	-
8.15% Bank Of Baroda Perpetual Bonds Tier-I Call 13.01.2026	190	1,873.40	-	-
8.15% Bank Of Baroda Perpetual Bonds Tier-I Call 28.01.2026	250	2,498.96	-	-
9.04% Bank Of India Perpetual Bonds Call 28.01.2026	470	4,655.17	-	-
Total (c)		30,359.64		-
Total Investments (a) + (b) + (c)		30,359.99		1,183.32
Aggregate amount of Quoted Investments		-		1,182.97
Market value of Quoted Investments		-		1,182.97
Aggregate amount of Unquoted investment		30,359.99		0.35
Aggregate amount of impairment in value of investments		Nil		Nil

8 LOANS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Loans to employees	13.18	14.04
Security deposits	206.96	192.60
Loan to Subsidiary Company (refer note 39.6)	4,847.61	4,638.17
TOTAL	5,067.75	4,844.81

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

9 OTHER NON-CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Deposits with Banks:		
- held as margin money	1.34	1.34
- others	3.41	28.83
Interest accrued but not due on deposits with Banks	1.04	1.44
TOTAL	5.79	31.61

10 NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Advance income tax (Net of provisions)	32.41	964.40
TOTAL	32.41	964.40

11 OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Capital advances	225.12	94.94
Prepaid rent	39.26	39.27
TOTAL	264.38	134.21

12 INVENTORIES

(Valued at lower of Cost and Net Realisable Value, unless stated otherwise, refer note 2.6 for the Accounting Policy)

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
Raw Materials	11,068.70		6,823.05	
- in Transit	3,786.44	14,855.14	2,741.11	9,564.16
Stock-in-process	5,122.10		3,600.01	
Finished Goods	1,075.13		1,175.41	
Stock-in-trade	138.23		710.34	
Packing Material	633.94		572.55	
- in Transit	14.30	648.24	0.97	573.52
Stores and Spares	856.78		820.27	
- in Transit	136.30	993.08	73.80	894.07
TOTAL	22,831.92		16,517.51	

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

13 CURRENT INVESTMENTS

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
	Nos.	Amount	Nos.	Amount
In Bonds & Debentures - fully paid up - Quoted				
(a) Carried at fair value through profit and loss				
- Edelweises Finance Pvt Ltd - Index Linked Non-convertible Debentures of ₹ 1,00,000/- each	-	-	1,500	1,937.24
- Tata Capital Financial Services Ltd - Non-convertible Debentures of ₹ 10,00,000/- each	-	-	200	2,201.40
- Ecap Equities Limited- Index Linked Non-convertible Debentures of ₹ 1,00,000/- each	1,000.00	1,308.06	-	-
Total (a)		1,308.06		4,138.64
(b) Carried at fair value through other comprehensive income - Unquoted				
9.50% Indusind Bank Limited Non-Convertible Bonds Call 22.03.2022	323	3,212.45	-	-
Total (b)		3,212.45		-
In Mutual Funds - fully paid up - Quoted				
Carried at fair value through profit and loss				
ICICI Prudential Floating Interest Fund- Direct Growth	73,478	252.95	-	-
ICICI Prudential Medium Term Bond Fund- Direct Growth	5,71,346	207.04	-	-
HDFC Medium Term Debt Fund- Direct Growth	2,85,836	130.53	-	-
L&T Resurgent India Bond Fund- Direct Growth	74,65,987	1,244.95	-	-
AXIS Banking & PSU Debt Fund- Direct Growth	30,350	636.68	-	-
IDFC Banking & PSU Debt Fund- Direct Growth	53,78,239	1,050.93	-	-
L&T Banking & PSU Debt Fund- Direct Growth	49,37,958	993.12	-	-
Nippon India Banking & PSU Debt Fund- Direct Growth	64,61,186	1,061.00	-	-
DSP Floater Fund- Direct Growth	49,99,750	502.62	-	-
UTI Corporate Bond Fund-Direct Growth	-	-	2,51,79,567	2,976.00
L&T Triple Ace Bond Fund-Direct Growth	-	-	65,22,882	3,604.98
HDFC Liquid Fund-Direct Growth	-	-	25,677	1,003.09
HDFC Corporate Bond Fund-Direct Growth	-	-	1,30,80,873	3,019.54
IDFC Arbitrage Fund-Direct Growth	-	-	29,62,635	762.31
DSP Corporate Bond Fund-Direct Growth	-	-	1,70,03,331	2,012.12
ICICI Prudential Corporate Bond Fund-Direct Growth	-	-	1,98,74,764	4,275.08
Total (c)		6,079.82		17,653.12
Total Investments (a) + (b) + (c)		10,600.33		21,791.76
Aggregate amount of Quoted Investments		7,387.88		21,791.76
Aggregate market value of Quoted Investments		7,387.88		21,791.76
Aggregate amount of Unquoted investment		3,212.45		-
Aggregate amount of impairment in value of investment		Nil		Nil

14 TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Unsecured, considered good	16,304.60	12,640.27
Unsecured, considered doubtful	58.97	110.16
Less: Allowance for doubtful receivables	(58.97)	(110.16)
TOTAL	16,304.60	12,640.27

14.1 Trade receivables include amount of ₹ 126.53 lakhs (₹ 177.71 lakhs as at 31st March, 2020) due from a Subsidiary Company and ₹18.26 Lakhs (Nil as at 31st March, 2020) from Step down subsidiary (Refer note 39.6).

14.2 Refer note 39.13 for information about credit and market risk of trade receivables.

14.3 Trade receivables are usually non-interest bearing and on the trade terms of 60 days.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

15 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Balances with Banks - Current Accounts	1,091.73	879.93
Cash on hand	11.81	9.52
Deposits with Banks with original maturity of less than 3 months	2,400.00 3,503.54	2,000.00 2,889.45
	3,503.54	2,889.45

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

16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Deposits with Banks held as margin money (refer note 16.1)	47.63	25.65
TOTAL	47.63	25.65

16.1 Under lien with banks as security for guarantee facility.

17 LOANS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Loans to employees	55.24	61.25
Inter-corporate deposits	500.00	500.00
TOTAL	555.24	561.25

18 OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Interest accrued but not due on deposits with Banks, bonds and debentures	686.78	5.36
Interest accrued on loan given to Subsidiary Company	125.26	39.96
Insurance claim receivable	-	13.74
Advance to Subsidiary Company	-	409.94
Discounts receivable	650.43	531.54
Derivative financial asset	-	0.53
	1,462.47	1,001.07

19 OTHER CURRENT ASSETS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Advance to contractors/suppliers	971.43	1,027.04
Balances with Statutory/Government authorities:		
- Excise & Custom	2.85	14.61
- GST	4.37	87.46

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
- VAT/Sales Tax	478.95	486.17	492.21	594.28
Prepaid expenses		299.99		297.93
GST refund receivable (refer note 19.1)		550.33		1,388.23
Lease equalisation asset		62.73		53.36
Income tax refund		15.33		15.33
Employee benefit assets (refer note 39.4.d.v)		29.52		-
Other loans & advances (refer note 19.2)		56.91		72.90
TOTAL		2,472.41		3,449.07

19.1 Amount of GST paid by the unit located in exempted zone, due for refund under the Government Budgetary Support Scheme.

19.2 Other loans & advances comprise of advances to staff for expenses and advances to other parties etc.

20 EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
	No.	Amount	No.	Amount
Authorised:				
Equity Shares of ₹ 5/- each	8,80,21,000	4,401.05	8,80,21,000	4,401.05
Issued, Subscribed and Fully Paid up:				
Equity Shares of ₹ 5/- each	4,87,82,808	2,439.14	4,87,82,808	2,439.14

20.1 Right, Preferences and Restrictions attached to Shares:

The Company has one class of equity shares having a par value of ₹ 5/- per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

20.2 Reconciliation of the number of shares outstanding:

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
At the beginning of the year	4,87,82,808	2,439.14	4,87,82,808	2,439.14
At the end of the year	4,87,82,808	2,439.14	4,87,82,808	2,439.14

20.3 Details of Shares allotted as fully paid up without payment being received in cash during 5 years immediately preceding 31st March, 2021 / 31st March, 2020.

- During 2016-17, 1,62,60,936 fully paid up equity shares of ₹ 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:2.

20.4 Details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	% held	No. of Shares	% held
Sh. Rahul Gautam	62,09,485	12.73	62,09,485	12.73
Smt. Namita Gautam	57,15,879	11.72	57,15,879	11.72
Sh. Tushaar Gautam	1,70,86,314	35.03	1,80,86,314	37.08
Rangoli Resorts Private Limited	65,63,391	13.45	65,63,391	13.45
SBI Magnum Midcap Fund	43,56,390	8.93	46,81,747	9.60
DSP Midcap Fund	28,55,425	5.85	-	-
Kotak Emerging Equity Scheme	27,73,731	5.69	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

20.5 Equity shares held (under Authorised Capital) as per Sheela Foam Employees Stock Option Scheme, 2016 (ESOS 2016) (refer note 39.3)

Name of the Shareholder	As at 31 March, 2021	As at 31 March, 2020
	No. of Shares	No. of Shares
Equity Shares of ₹5/- each	24,00,000	24,00,000

21 OTHER EQUITY

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
Capital Reserve				
As per last account		328.57		328.57
General Reserve				
As per last account		1,716.27		1,716.27
Retained Earnings				
As per last account		79,200.63		62,662.52
Less: Adjustment on adoption of Ind AS 116 (net of tax)		-		(13.01)
Add : Profit for the year	18,114.96	97,315.59	16,551.12	79,200.63
Other comprehensive loss				
As per last account		(672.16)		(238.89)
Add: Remeasurement gain/(loss) on defined benefit plans (net of tax)	209.91	(462.25)	(433.27)	(672.16)
TOTAL		98,898.18		80,573.31

21.1 Nature and purpose of reserves

- 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.
- General Reserve: The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

22 OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Deposits from dealers and others	7,850.87	6,738.95
Capital Investment Subsidy	25.54	28.37
Unearned Interest Income on Deposits	521.45	548.97
Unearned Rent Income	46.76	56.32
TOTAL	8,444.62	7,372.61

23 PROVISIONS

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits - Leave encashment	39.4	266.89	631.17
Warranty Claims	28.1	195.24	100.77
		462.13	731.94

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

24 INCOME TAXES

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
A. Tax expense in the statement of profit and loss comprises:			
Income tax			
-Current income tax charge		6,122.89	5,422.52
-Earlier year's tax reversal		(42.32)	-
Deferred tax			
-Relating to origination and reversal of temporary differences		150.33	(459.05)
Total tax expense reported in the statement of profit or loss		6,230.90	4,963.47
B. Statement of other comprehensive income (OCI)			
Remeasurement losses on defined benefit plans		45.42	(145.72)
Fair value gain on investments (net)		25.18	-
Income tax related to items recognised in OCI during the year		70.60	(145.72)
C. Reconciliation of tax liability on book profit vis-à-vis actual tax liability			
Accounting Profit before income tax		24,345.86	21,514.59
Applicable Tax Rate		25.17%	25.17%
Computed Tax Expense		6,127.37	5,414.79
Tax related adjustments			
Difference in Tax Rate		(53.88)	(1.72)
Income not considered for tax purpose		(237.04)	(280.21)
Expenses not considered for tax purpose		435.82	(138.46)
Additional allowances for tax purpose		(41.35)	(30.93)
Income tax expense charged to the statement of profit or loss		6,230.90	4,963.47
Effective tax rate		25.59%	23.07%

D. Deferred Tax Liability comprises:

	As at 31 March, 2021	For the year 2020-21	As at 31 March, 2020
Deferred Tax Liability:			
- Depreciation	796.34	(56.58)	852.92
- Fair value gain/(loss) on investments	69.24	(5.96)	75.20
- Right of Use assets	46.13	(19.50)	65.63
Deferred Tax Assets:			
- Disallowance under Section 43B	(9.26)	-	(9.26)
- Provision for employee benefits	(23.34)	211.53	(234.87)
- Lease liabilities	(50.13)	20.84	(70.97)
Net Deferred Tax Liability	828.98	150.33	678.66

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

25 BORROWINGS

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Unsecured		
Book overdraft	-	2.45
TOTAL	-	2.45

26 TRADE PAYABLES

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
Total outstanding dues of micro enterprises and small enterprises	39.2	1,168.31	330.31
Total outstanding dues of creditors other than micro enterprises and small enterprises		14,852.25	11,075.14
TOTAL		16,020.56	11,405.45

26.1 The trade payables are unsecured and usually non-interest bearing and are paid within 60 - 90 days of the recognition.

26.2 Trade Payables include amount of ₹ 336.73 lakhs (₹ 59.97 lakhs as at 31st March, 2020) due to a Subsidiary Company. (Refer note 39.6)

27 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
Accrued expenses		5,393.16	4,634.03
Creditors for assets		258.21	203.30
Creditors for expense		2,466.26	1,813.93
Capital Investment Subsidy		2.83	2.83
Unearned Interest Income		142.85	320.83
Unearned Rent Income		9.52	9.52
Payable to employees		11.47	4.15
Employee benefit Liabilities - Gratuity	39.4	-	402.95
Payable to a Subsidiary	39.6	88.76	-
TOTAL		8,373.06	7,391.54

27.1 There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as on 31st March, 2021 / 31st March, 2020.

28 PROVISIONS

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits - Leave encashments	39.4	8.38	16.80
Warranty Claims	28.1	426.83	530.54
TOTAL		435.21	547.34

28.1 Warranty Claims:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns in accordance with the Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets". Assumptions used for the said provision are based on sales and current information available about returns based on warranty period. The table below gives information about movement in warranty provision:

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Opening Balance	631.31	769.95
Less: Amount utilized during the year	507.81	661.38
	123.50	108.57
Add: Provision made during the year	498.57	522.74
Closing Balance	622.07	631.31

29 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
Advance from customers	29.1	5,246.28	4,423.87
Statutory liabilities		1,404.43	1,104.16
TOTAL		6,650.71	5,528.03

29.1 Include amount of ₹ Nil (₹ 21.86 lakhs as at 31st March, 2020) received from a Step-down Subsidiary Company. (Refer note 39.6)

30 REVENUE FROM OPERATIONS

(₹ in Lakhs)

	Note No.	Year ended 31 March, 2021		Year ended 31 March, 2020	
Sale of products					
- Finished Goods	30.1.a	1,64,471.43		1,69,056.57	
- Traded Goods	30.1.b	4,317.72	1,68,789.15	5,468.79	1,74,525.36
Other operating revenue					
- Duty drawback		-		0.08	
- GST Refund	19.1	-		731.32	
- Sale of process scrap		159.92	159.92	220.22	951.62
TOTAL		1,68,949.07		1,75,476.98	

30.1 DETAIL OF SALE OF PRODUCTS:

(₹ in Lakhs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
(a) Finished Goods:		
- PU Foam sheets/mattresses/rolls/bolster/pillows etc.	1,64,471.43	1,69,056.57
	1,64,471.43	1,69,056.57
(b) Traded Goods:		
- Bed Sheets/Comforters/PU Foam/Spring/Coir mattresses etc.	4,317.72	5,468.79
	4,317.72	5,468.79
TOTAL	1,68,789.15	1,74,525.36

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

31 OTHER INCOME

(₹ in Lakhs)

	Note No.	Year ended 31 March, 2021		Year ended 31 March, 2020	
Interest income on:					
- Bank deposits		20.31		18.89	
- Bonds		1,041.83		11.19	
- Income tax refund		-		36.81	
- Loan to Subsidiary (including Ind AS adjustment)		296.80		141.52	
- Inter corporate deposit		45.00		5.78	
- Others		264.84	1,668.78	350.11	564.30
IT support services:					
- Export		419.18		380.40	
- Domestic		17.77	436.95	-	380.40
Rent	31.1'		219.86		194.10
Liabilities/provisions no longer required written back			15.62		10.73
Fair value gain on Investments (net)			366.51		657.38
Profit on sale of investments (net)			1,675.87		1,505.57
Exchange fluctuation profit (net)			392.54		368.59
Investment Subsidy received			2.83		2.84
Sale of non-process scrap			378.22		422.16
Other miscellaneous income			23.05		28.85
TOTAL			5,180.23		4,134.92

31.1 Includes ₹ 188.86 lakhs (Previous Year : ₹ 152.71 lakhs) on Investment property (refer note 5.3).

32 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	Year ended 31 March, 2021		Year ended 31 March, 2020	
Raw material				
Opening Stock	6,823.05		6,764.59	
Add: Purchases (less returns)	95,534.36		83,352.20	
	1,02,357.41		90,116.79	
Less: Sales /adjustments	3,400.81		2,792.28	
Less: Closing Stock	11,068.70	87,887.90	6,823.05	80,501.46
Packing Material				
Opening Stock	572.55		478.44	
Add: Purchases (less returns)	7,718.25		8,768.77	
	8,290.80		9,247.21	
Less: Sales /adjustments	567.49		689.88	
Less: Closing Stock	633.94	7,089.37	572.55	7,984.78
TOTAL		94,977.27		88,486.24

33 PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Traded goods - Bed Sheets/Comforters/PU Foam/ Spring/Coir mattresses etc.	1,799.48	1,798.33
TOTAL	1,799.48	1,798.33

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

34 OTHER MANUFACTURING EXPENSES

(₹ in Lakhs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Stores consumed	680.81	843.26
Power & fuel	650.53	810.55
Repair and maintenance:		
- Buildings	168.67	260.01
- Plant & equipment	775.47	976.84
Processing & other charges	1,046.82	2,361.13
TOTAL	3,322.30	5,251.79

35 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in Lakhs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Inventories at the end of the year		
Finished goods	1,075.13	1,175.41
Stock-in-trade	138.23	710.34
Stock-in-process	5,122.10	6,335.46
	3,600.01	5,485.76
Inventories at the beginning of the year		
Finished goods	1,175.41	586.73
Stock-in-trade	710.34	1,742.58
Stock-in-process	3,600.01	5,485.76
	3,542.59	5,871.90
TOTAL	(849.70)	386.14

36 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
Salaries, wages, bonus, gratuity, leave encashment, allowances etc.		10,470.37	12,122.26
Contribution to provident, ESI and other funds etc.	39.4.c	614.99	667.71
Workmen & staff welfare expenses		900.66	1,317.21
TOTAL		11,986.02	14,107.18

37 FINANCE COSTS

(₹ in Lakhs)

	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest expense on:			
- Working capital loans		43.98	26.21
- Loans from others		7.64	1.60
- Security deposits		757.92	692.51
- Lease liabilities	39.7'	24.41	28.00
- Others		22.91	856.86
		44.69	793.01
Bank Charges		11.31	20.59
TOTAL		868.17	813.60

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

38 OTHER EXPENSES

(₹ in Lakhs)

	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
Rent		150.04	140.38
Insurance		412.76	343.43
Rates & taxes		32.88	39.78
Repair & maintenance others		738.26	886.34
IT Support services		1,170.00	60.00
Advertisement expenses		4,536.31	6,320.46
Travelling and conveyance		685.31	1,373.72
Legal and professional		446.62	1,157.35
Payment to Auditors:			
- Audit Fees		29.04	29.04
- Certification work		3.54	3.50
- Reimbursement of expenses		0.75	33.33
			2.78
			35.32
Contributions towards CSR	39.9	489.55	344.00
Advances/Balances written off		59.67	211.31
Investment written off	6.2	1.02	-
Provision for doubtful receivables		-	71.69
Bad debts written off		69.88	-
Less: Provision for doubtful receivables		51.19	18.69
			-
Selling & promotional expenses (net)		2,872.06	3,413.69
Sales promotion schemes (net)		11,395.82	13,503.31
Freight & cartage (net)		8,038.23	8,093.49
Incentives & Rebates		1,674.32	5,215.35
Loss/(Profit) on sale of property, plant & equipment (net)		1.84	(263.15)
Property, Plant & Equipment written off (net)		13.26	26.65
Miscellaneous expenses		1,657.38	1,772.26
TOTAL		34,427.35	42,745.38

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

39 : OTHER NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

39.1 Contingent Liabilities and Commitments:-

Sr. No.	Particulars	(₹ in Lakhs)	
		As at 31 March, 2021	As at 31 March, 2020
A. Contingent Liabilities			
Claims against the Company not acknowledged as debts - Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards: (Refer 'Note - a' below)			
i.	- Sales tax	888.28	888.54
	- Entry tax	165.24	57.72
	- GST	--	2.29
	- Income tax	447.57	679.19
	- Excise Duty	380.46	236.31
		1,881.55	1,864.05
ii.	Guarantees given by the Bankers on behalf of the Company to third parties	43.04	24.86
iii.	Others - for which the Company is contingently liable	75.00	75.00
B. Commitments			
i.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	3,454.69	3,582.96
	TOTAL	5,454.28	5,546.87

- (a) The Company is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Company's financial position and results of operations. The Company does not expect any reimbursement in respect of these contingent liabilities, and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

39.2 Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006:-

	(₹ in Lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
i. Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act.		
- Principal	1,168.31	330.31
- Interest	--	--
ii. Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	--	--
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	--	--
iv. The amount of interest accrued and remaining unpaid	--	--
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	--	--
Total	1,168.31	330.31

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

The above information regarding dues to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. Further, the amount payable to these parties is not overdue hence no interest is required to provided/accrued as at 31.03.2021/31.03.2020.

39.3 Employee Stock Option Scheme

In an earlier year, the shareholders of the Company through special resolution approved issue of 24,00,000 options exercisable into 24,00,000 equity shares under the scheme titled "Sheela Foam Employees Stock Options Scheme 2016 ("ESOS 2016")" which provides for granting options to employees of the Company and its subsidiaries who meet the eligibility criteria under the scheme. The vesting period shall commence after a period of not less than one year from the date of grant of options under the scheme and the maximum vesting period may extend up to five years from the date of grant, unless otherwise decided by the management. As on date, no options have been granted under ESOS 2016.

39.4 Employee Benefits:-

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

Leave Encashment : Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 45 days which is payable/ encashable as per the policy on their separation.

(b) Long Term Benefit:

Long Service Award : Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year amount of ₹ 121.89 lakhs (Previous Year: ₹ 723.81 lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

(c) Defined Contribution plans:

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 614.99 lakhs (Previous Year: ₹ 667.71 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

	(₹ in Lakhs)	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Employer's contribution towards Provident Fund (PF)	529.84	561.02
Employer's contribution towards Employees State Insurance (ESI)	53.43	63.52
Employer's contribution towards National Pension Scheme (NPS)	31.72	43.17

(d) Other disclosures, as required under Ind AS-19 in respect of Defined Benefit plans which are determined based on actuarial valuation, are as under:

i) Reconciliation of the opening and closing balances of Defined Benefit Obligation:

Particulars	(₹ in Lakhs)			
	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Present Value of Defined Benefit Obligation at the beginning of year	1,891.61	1,417.99	647.97	392.33
Interest cost	128.25	111.03	43.93	30.72
Current Service Cost	185.05	141.99	84.21	49.97
Benefit Paid	(158.30)	(58.55)	(473.53)	(118.82)

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Losses / (Gains) on Curtailments / Settlements	(59.37)	--	(29.39)	--
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	(66.04)	223.19	(10.60)	76.90
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	--	(0.93)	--	(0.31)
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	(100.19)	56.89	12.68	217.18
Present value of the Defined Benefit Obligation at the end of year	1,821.01	1,891.61	275.27	647.97

ii) **Net Defined Benefit recognized in the Statement of Profit and Loss.**

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Current Service Cost	185.05	141.99	84.21	49.97
Net Interest cost	27.32	(1.77)	43.93	30.72
Net Defined Benefit recognized in Statement of Profit and Loss	212.37	140.22	128.14	80.69

iii) **Recognized in Other Comprehensive Income.**

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(66.04)	223.19	(10.60)	76.90
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	--	(0.93)	--	(0.31)
Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments	(100.19)	56.89	12.68	217.18
Return on Plan Asset (Excluding Interest)	(16.30)	6.07	--	--
Net actuarial (Gain)/Loss	(182.53)	285.22	2.08	293.77

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

iv) Reconciliation of the opening and closing balances of fair value of Plan Assets

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Fair value of Plan Assets at the beginning of year	1488.67	1440.58	--	--
Expected return on plan Assets	100.93	112.80	--	--
Employer's Contribution	402.95	-	--	--
Admin Charges	(0.02)	(0.09)	--	--
Remeasurement of the (Gain) / Loss in Other Comprehensive Income	(16.30)	6.07	--	--
Return on Plan Assets excluding interest income	--	--	--	--
Benefits paid	(158.30)	(58.55)	--	--
Fair value of Plan Assets at the end of year	1,850.53	1,488.67	--	--

v) Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Present value of the Defined Benefit Obligation at the end of year	(1821.01)	(1,891.61)	(275.27)	(647.97)
Fair value of Plan Assets at the end of year	1,850.53	1,488.66	-	-
Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet	29.52	(402.95)	(275.27)	(647.97)

vi) Broad categories of Plan Assets as percentage of total assets

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Insurer Managed Funds	100%	100%	N.A.	N.A.

vii) Sensitivity Analysis*

a) Impact of the change in the discount rate

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Present value of the Defined Benefit Obligation at the end of year	1,821.01	1,891.61	275.27	647.97
a) Impact due to increase of 1.00% (Previous year: 1.00%)	(198.06)	(213.81)	(31.56)	(73.68)
b) Impact due to decrease of 1.00% (Previous Year: 1.00%)	233.77	253.80	37.71	87.59

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

b) Impact of the change in the salary increase

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Present value of the Defined Benefit Obligation at the end of year	1821.01	1,891.61	275.27	647.97
a) Impact due to increase of 1.00% (Previous year: 1.00%)	236.36	255.83	38.13	88.29
b) Impact due to decrease of 1.00% (Previous year: 1.00%)	(203.45)	(219.05)	(32.41)	(75.48)

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

*Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

viii. Maturity Profile.

(₹ in Lakhs)

Year	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
0 to 1 year	63.58	56.70	N. A.	
1 to 2 Year	81.46	67.10		
2 to 3 Year	42.72	56.31		
3 to 4 Year	55.60	72.37		
4 to 5 Year	96.75	141.09		
5 Year onwards	1,480.90	1,498.04		

ix. Expected contribution for the next Annual reporting period

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Service Cost	163.83	185.05	33.89	84.21
Net Interest Cost	3.46	27.32	19.49	43.93
Expected Expense for the next annual reporting period	167.29	212.37	53.18	128.14

x. Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Method used	Projected unit credit method			
Discount rate	7.08%	6.78%	7.08%	6.78%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Mortality Rate	IALM (2012-14) (P. Year IALM (2012-14))			
Withdrawal rate up to 30/45 and above 45 years	3%/2%/1%			
Rate of return on plan assets	7.08 P. A.	6.78 P. A.	N.A, as there are no plan assets	

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

39.5 Operating Segments

The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments.

39.6 Related Party Disclosures (Ind AS-24):

A. List of Related Parties and relationships

(a) Subsidiaries:	(c) Key Management Personnel (KMP) :
- Joyce Foam Pty Ltd., Australia	- Mr. Rahul Gautam (Managing Director) *
- Divya Software Solutions (P) Ltd., India	- Mr. Rakesh Chahar (Whole-time Director)
- Sleepwell Enterprises Pvt. Ltd., India	- Mrs. Namita Gautam (Whole-time Director) *
- International Foam Technologies SL, Spain	- Mr. Tushaar Gautam (Whole-time Director) *
- Staqa World Pvt. Ltd., India	* Also having significant influence through major shareholding.
- SleepX US Inc., USA (Dissolved on 29.03.2021)	

(b) Entities in which Key Management Personnel or their Relatives have significance influence	(d) Relatives of Key management Personnel:
- Rangoli Resorts Pvt. Ltd.	- Late Mrs. Sheela Gautam (Mother of Mr. Rahul Gautam) (demise on 08.06.2019)
- Core Moulding Pvt. Ltd.	
- Sleepwell Foundation (Trust)	

(e) Step-down Subsidiary:
- Interplasp, SL, Spain, Subsidiary of International Foam Technologies SL, Spain,

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

B. Transactions with related parties:

		(₹ in Lakhs)			
Transactions	Subsidiaries/ Step-down Subsidiary	Related Entities	Key Management Personnel	Relatives of Key Management Personnel	
(i) Transactions during the year:					
a. Purchase of Material / Capital Goods	5.21 (266.05)	-- (3.59)	-- (--)	-- (--)	-- (--)
b. Sale of Material/ Capital Goods	349.23 (12.91)	0.33 (0.77)	-- (--)	-- (--)	-- (--)
c. Sale of IT Support Services	419.18 (380.40)	-- (--)	-- (--)	-- (--)	-- (--)
d. Purchase of IT Support Services	1,170.00 (60.00)	-- (--)	-- (--)	-- (--)	-- (--)
e. Rent received	0.36 (0.36)	-- (0.24)	-- (--)	-- (--)	-- (--)
f. Royalty paid	10.00 (10.00)	-- (--)	-- (--)	-- (--)	-- (--)
g. Investment made	-- (11,434.38)	-- (--)	-- (--)	-- (--)	-- (--)
h. Remuneration including Performance Incentives	-- (--)	-- (--)	1,038.41 (932.24)	-- (-)	-- (-)

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Transactions	Subsidiaries/ Step-down Subsidiary	Related Entities	Key Management Personnel	Relatives of Key Management Personnel
i. Interest paid/payable	-- (--)	-- (--)	-- (--)	-- (0.67)
j. Rent paid	19.07 (12.00)	-- (--)	-- (--)	-- (--)
k. Reimbursement of expenses	232.42 (175.05)	-- (--)	-- (--)	-- (--)
l. Contributions under CSR	-- (--)	325.00 (331.25)	-- (--)	-- (--)
m. Loan to subsidiary company	209.44 (4753.03)	-- (--)	-- (--)	-- (--)
n. Short term advances to subsidiary company	96.48 (295.08)	-- (--)	-- (--)	-- (--)
o. Repayment of short-term advances by subsidiary company	506.42 (--)	-- (--)	-- (--)	-- (--)
p. Interest on loan given to subsidiary company	296.80 (141.52)	-- (--)	-- (--)	-- (--)
q. Repayment of long-term loan and advances	-- (--)	-- (--)	-- (--)	-- (30.61)
r. Financial guarantee given	-- (16,998.00)	-- (--)	-- (--)	-- (--)

	Subsidiaries/ Step-down Subsidiary	Related Entities	Key Management Personnel	Relatives of Key Management Personnel
(ii) Closing balance as at 31st March, 2021 / 31st March, 2020:				
a. Trade Receivables	144.79 (177.71)	-- (--)	-- (--)	-- (--)
b. Trade Payable	336.73 (59.97)	-- (--)	-- (--)	-- (--)
C. Amount payable to subsidiary company	88.76 (--)	-- (--)	-- (--)	-- (--)
d. Investments	21,371.45 (21,372.47)	-- (--)	-- (--)	-- (--)
e. Loan to subsidiary company	4,847.61 (4,638.17)	-- (--)	-- (--)	-- (--)
f. Short term advances to subsidiary company	-- (409.94)	-- (--)	-- (--)	-- (--)
g. Interest accrued on loan give to subsidiary company	125.26 (39.96)	-- (--)	-- (--)	-- (--)
h. Financial guarantees	17,923.72 (18,979.44)	-- (--)	-- (--)	-- (--)
i. Advance from customers	-- (21.86)	-- (--)	-- (--)	-- (--)

Note: (Figures in bracket are for the year ended March 31, 2020)

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

39.7 Leases

a. Company as Lessee

The Company has taken various properties on Operating Leases in its normal course of business which contain extension option after the initial contract period. The amounts recognized on account of leases are as under:

i. Amount recognized in Statement of Profit and Loss.

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest expense on lease liability	24.41	28.00
Amortization of Right-of-use assets	36.58	48.99

ii. Amount recognized in Balance Sheet.

Particulars	(₹ in Lakhs)		
	As at 1 April, 2020	Addition / (Deletion) during the year	As at 31 March, 2021
Lease liabilities - Non-Current	254.40	(63.71)	190.69
Lease liabilities - Current	27.59	(19.09)	8.50
Right-of-use assets (Gross) (Refer Note 4)	2,160.80	(82.80)	2,078.00

iii. Maturity Profile

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	29.75	57.27
Within 2 years	23.65	54.66
Within 3 years	20.45	49.35
Within 4 years	20.45	35.73
Within 5 years	20.45	20.44
Within 6 years and upto 99 years	1523.74	1,544.19
Total undiscounted lease liabilities	1638.49	1,761.64
Impact of discounting and other adjustments	1439.30	1,479.65
Lease liabilities included in the Balance Sheet	199.19	281.99

b. Company as Lessor

The Company has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

Land & Factory Building situated at Sikkim	The lease agreement was executed on 1 st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is ₹ 153.12 lakhs (Previous year: ₹ 145.99 lakhs).
Residential Flat situated at Greater Noida	The lease agreement was executed w.e.f. 15 th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is ₹ 7.08 lakhs (Previous year: ₹ 6.72 lakhs).
Land & Factory Building situated at Silvassa	The lease agreement was executed w.e.f. 31 st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is ₹ 28.66 lakhs (Previous year: Nil).

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

39.8 Earnings per Share:

(₹ in Lakhs)

Particulars	Year ended	
	31 March, 2021	31 March, 2020
Net Profit as per Statement of Profit and Loss - (₹ in lakhs)	18,114.96	16,551.12
Basic/Diluted weighted average number of equity shares outstanding during the year	4,87,82,808	4,87,82,808
Nominal value of Equity Share (₹)	5.00	5.00
Basic/Diluted Earnings per Share (₹)	37.13	33.93

39.9 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects. The contributions towards CSR was on the activities which are specified in Schedule VII of the Companies Act, 2013. The detail of the amount spent during the period is as under:

(₹ in Lakhs)

	Amount spent during the current year ended		Total Amount
	31 March, 2021	Amount pending for spending as at 31 March, 2021	
- Gross Amount lying pending for the earlier year as at 01.04.2020			
- Gross Amount required to be spent during the year			372.91
- Amount spent during the year:			
Construction/acquisition of any asset	-	-	-
Contribution to Trusts / NGOs / Societies	489.55	-	489.55

39.10 Financial and Derivative Instruments:

- During the year, there are no Derivative contracts entered by the Company for Hedging Currency (Previous year: ₹ 28.51 lakhs).
- Foreign currency exposures that are not hedged by derivative instruments are given below:

Foreign Currency (FC)	Currency Symbol	As at 31 March, 2021		As at 31 March, 2020	
		FC - Lakhs	INR - Lakhs	FC - Lakhs	INR - Lakhs
Liabilities					
Trade Payables					
United States Dollar	\$	(15.37)	(1,155.46)	(7.71)	(594.36)
Great Britain Pound	£	(0.06)	(6.20)	--	--
Euro	€	(2.47)	(208.94)	(0.51)	(43.39)
Chinese Yuan	¥	--	--	(16.04)	(182.75)
Advance from Customers					
United States Dollar	\$	(1.14)	(85.99)	(0.02)	(1.64)
Euro	€	--	--	(0.23)	(21.86)
Assets					
Trade Receivables					
United States Dollar	\$	2.27	168.29	0.76	55.96
Australian Dollar	AUD	2.33	126.53	3.94	177.71
Advance to Vendor					
United States Dollar	\$	1.46	104.71	--	--
Euro	€	0.48	39.88	1.78	143.58

Notes to the Standalone Financial Statements

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Foreign Currency (FC)	Currency Symbol	As at 31 March, 2021		As at 31 March, 2020	
		FC - Lakhs	INR - Lakhs	FC - Lakhs	INR - Lakhs
Great Britain Pound	£	3.63	356.05	3.64	329.46
Loan to Subsidiary Company - Non current					
Euro	€	80.00	4,847.61	80.00	4,638.17
Advance to Subsidiary Company					
Euro	€	--	--	5.36	409.94
Net Asset (in INR lakhs)			4,186.48		4,910.82

Note: Figures in the brackets represents payables.

39.11 Fair Value Measurements

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

(₹ in Lakhs)

Particulars	Carrying amount/Fair value	
	As at 31 March, 2021	As at 31 March, 2020
Financial assets		
Carrying amounts/fair value:		
a) Measured at fair value through profit and loss		
Non-current assets		
- Investments	--	1,182.97
Current assets		
- Investments	7,387.88	21,791.76
b) Measured at fair value through other comprehensive income		
Non-current assets		
- Investments	30,359.64	--
Current assets		
- Investments	3,212.45	--
c) Measured at amortised cost		
Non-current assets		
- Investments	0.35	0.35
- Loans	5,067.75	4,844.81
- Other non-current financial assets	5.79	31.61
Current assets		
- Trade receivables	16,304.60	12,640.27
- Cash and cash equivalents	3,503.54	2,889.45
- Bank balances other than cash and cash equivalents	47.63	25.65
- Loans	555.24	561.25
- Other current financial assets	1,462.47	1,001.07
Total	67,907.34	44,969.19
Financial liabilities		
Carrying amounts/fair value:		
a) Measured at fair value through profit and loss		
Financial Guarantee Contracts	-	-
b) Measured at fair value through other com-prehensive income		
	-	-

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Carrying amount/Fair value	
	As at 31 March, 2021	As at 31 March, 2020
c) Measured at amortised cost		
Non-current liabilities		
- Lease liabilities	190.69	254.40
- Other non-current financial liabilities	8,444.62	7,372.61
Current liabilities		
- Borrowings	--	2.45
- Lease liabilities	8.50	27.59
- Trade payables	16,020.56	11,405.45
- Other current financial liabilities	8,373.06	7,391.54
Total	33,037.43	26,454.04

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Disclosures of fair value measurement hierarchy for financial instruments are given below:

Particulars	Carrying amount/Fair value					
	Year ended 31 March, 2021			Year ended 31 March, 2020		
	L-1	L-2	L-3	L-1	L-2	L-3
Financial assets						
Carrying amounts/fair value:						
a) Measured at fair value through profit and loss						
Non-current assets						
- Investments	--	--	--	1,182.97	--	--
Current assets						
- Investments	7,387.88	--	--	21,791.76	--	--
b) Measured at fair value through other comprehensive income						
Non-current assets						
- Investments	--	30,359.64	--	--	--	--
Current assets						
- Investments	--	3,212.45	--	--	--	--

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

Particulars	Carrying amount/Fair value			
	Year ended 31 March, 2021		Year ended 31 March, 2020	
c) Measured at amortised cost				
Non-current assets				
- Investments	--	--	0.35	--
- Loans	--	--	5,067.75	--
- Other	--	--	5.79	--
Current assets				
- Trade receivables	--	--	16,304.60	--
- Cash and cash equivalents	--	--	3,503.54	--
- Bank balances other than cash and cash equivalents	--	--	47.63	--
- Loans	--	--	555.24	--
- Other current	--	--	1,462.47	--
Total	7,387.88	33,572.09	26,946.77	22,974.73
Financial liabilities				
Carrying amounts/fair value:				
a) Measured at fair value through profit and loss				
Financial Guarantee Contracts	--	--	--	--
b) Measured at fair value through other comprehensive income				
c) Measured at amortised cost				
Non-current liabilities				
- Borrowings	--	--	--	--
- Lease liabilities	--	--	190.69	--
- Other non-current financial liabilities	--	--	8,444.62	--
Current liabilities				
- Borrowings	--	--	--	--
- Lease liabilities	--	--	8.50	--
- Trade payables	--	--	16,020.56	--
- Other current financial liabilities	--	--	8,373.06	--
Total	--	--	33,037.43	--

39.12 Capital Management

Equity share capital and other equity are considered for the purpose of Company's capital management.

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary, adjust, its capital structure.

39.13 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of borrowings, security deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. Further, the Company has financial risk / exposer of financial guarantees given to the banks towards security against the loans taken by its foreign subsidiaries, however, considering that there is no expected credit losses, there is no financial liability as at the yearend on this account. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2021. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO, GBP, Chinese Yuan, AED and AUD exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

(₹ in Lakhs)

Foreign Currency (FC)	Currency Symbol	As at 31 March, 2021		As at 31 March, 2020	
		FC	INR	FC	INR
Liabilities					
Trade Payables					
United States Dollar	\$	(15.37)	(1,155.46)	(7.71)	(594.36)
Great Britain Pound	£	(0.06)	(6.20)	--	--
Euro	€	(2.47)	(208.94)	(0.51)	(43.39)
Chinese Yuan	¥	--	--	(16.04)	(182.75)
Advance from Customers					
United States Dollar	\$	(1.14)	(85.99)	(0.02)	(1.64)
Euro	€	--	--	(0.23)	(21.86)

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for the year ended 31 March, 2021

(₹ in Lakhs)

Foreign Currency (FC)	Currency Symbol	As at 31 March, 2021		As at 31 March, 2020	
		FC	INR	FC	INR
Assets					
Trade Receivables					
United States Dollar	\$	2.27	168.29	0.76	55.96
Australian Dollar	AUD	2.33	126.53	3.94	177.71
Advance to Vendor					
United States Dollar	\$	1.46	104.71	--	--
Euro	€	0.48	39.88	1.78	143.58
Great Britain Pound	£	3.63	356.05	3.64	329.46
Loan to Subsidiary Company - Non current					
Euro	€	80.00	4,847.61	80.00	4,638.17
Advance to Subsidiary Company					
Euro	€	--	--	5.36	409.94
Net Asset (in INR lakhs)		4,186.48		4,910.82	

Impact on profit before tax and equity	As at 31 March, 2021	As at 31 March, 2020
5% Increase	(+) 209.32	(+) 244.11
5% Decrease	(-) 209.32	(-) 244.11

Note: Figures in bracket represents payables

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of interest-bearing vehicle loans, loans and advances from related parties and security deposits, however, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

(iii) Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

(b) Credit Risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

(i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2021 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	As at 31 March, 2021	As at 31 March, 2020
Non-current assets		
- Investments	30,359.99	1,183.32
- Loans	5,067.75	4,844.81
- Other non-current financial assets	5.79	31.61
Current assets		
- Investments	10,600.33	21,791.76
- Trade receivables	16,304.60	12,640.27
- Cash and cash equivalents	3,503.54	2,889.45
- Bank balances other than cash and cash equivalents	47.63	25.65
- Loans	555.24	561.25
- Other current financial assets	1,462.47	1,001.07
Total	67,907.34	44,969.19

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

Particulars	As at 31 March, 2021	As at 31 March, 2020
Not Due	13,592.78	8,531.74
Due from 0 to 180 days	2,529.68	3,285.31
Due from more than 180 days	241.11	933.38
Less: Loss Allowance	(58.97)	(110.16)
Total	16,304.60	12,640.27

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Carrying Value	Less than 1 year	More than 1 Year
As at 31st March, 2021			
Lease liabilities	199.19	8.50	190.69
Trade payables	16,020.56	16,020.56	--
Other non-current financial liabilities	8,444.62	--	8,444.62
Other current financial liabilities	8,373.56	8,373.56	--
Total	33,037.93	24,402.62	8,635.31

Particulars	Carrying Value	Less than 1 year	More than 1 Year
As at 31st March, 2020			
Lease liabilities	281.99	27.59	254.40
Trade payables	11,405.45	11,405.45	--
Other non-current financial liabilities	7,372.61	--	7,372.61
Other current financial liabilities	7,391.54	7,391.54	--
Total	26,451.59	18,824.58	7,627.01

39.14 Disclosure required under Section 186 (4) of the Companies Act, 2013.

Particulars of transaction made during the year and outstanding balance as at the end of the year:

(₹ in Lakhs)

Sr. No.	Name of the In-vestee	Nature of Transaction	Purpose for which it is utilized	2020-21		2019-20	
				During the Year	Outstanding Balance	During the Year	Outstanding Balance
1.	Joyce Foam Pty. Ltd., Australia, Wholly Owned Subsidiary	Investment	Manufacturing of technical foam supplied to Business customers (mattress and furniture manufacturers) in Australia	--	2,306.59	--	2,306.59
		Financial Guarantee given	Corporate guarantee given to bank for security towards long term working capital facility availed by the said Subsidiary.	--	2,672.56	--	1,981.44
2.	Divya Software Solutions Pvt. Ltd., India Wholly Owned Subsidiary	Investment	Engaged in Software development and related ancillary activities	--	7,602.00	79.70	7,602.00
3.	Sleepwell Enterprises Pvt. Ltd., India Wholly Owned Subsidiary	Investment	The Company, which is holding ownership of Sleepwell and other brands related to foam, mattress & other products.	--	109.20	--	109.20

Notes to the Standalone Financial Statements

for the year ended 31 March, 2021

(₹ in Lakhs)

Sr. No.	Name of the In-vestee	Nature of Transaction	Purpose for which it is utilized	2020-21		2019-20	
				During the Year	Outstanding Balance	During the Year	Outstanding Balance
4.	International Foam Technologies SL, Spain Wholly Owned Subsidiary (w.e.f. 12.06.2019)	Investment	To invest in a run-ning Company in Spain, engaged in manufacturing of Polyurethane Foam.	--	11,352.93	11,352.93	11,352.93
		Financial Guarantee		--	15,251.16	16,998.00	16,998.00
		Loans		209.44	4,847.61	4,638.17	4,638.17
		Advance	Upfront fees paid on behalf of Subsidiary on account of Loan taken from Citi Bank Spain and other ad-vance.	(409.34)	--	409.34	409.34
			(net)				
5.	SleepX US Inc. USA Wholly Owned Subsidiary (investment w.e.f. 04.10.2019 and dissolved on 29.03.2021)	Investment	Marketing of the products of the Company in USA.	1.02 (written off on dis-solution)	--	1.02	1.02
6.	Staqo World Pvt. Ltd., India Wholly Owned Subsidiary, (w.e.f. 10.02.2020)	Investment	To carry on business of Information tech-nology and related ancillary services.	--	0.73	0.73	0.73

39.15 The Company in the year 2016-17, had lodged an insurance claim towards the fire in its unit at Greater Noida, and as the management was confident of recovery of the said claim, the loss of ₹ 1199.49 lakhs incurred in the fire was accounted for as "Insurance Claim Receivable". However, as in-spite of continuous follow up, there was no concrete evidence / reasonable positive indication of its recovery, the said claim which was lying under receivable had been written off and debited to the Statement of Profit and Loss, as Exceptional Item during the earlier year 2019-20.

39.16 The SARS-CoV-2 virus responsible for COVID-19, which has been declared a Global pandemic by the World Health Organization in 2020, had led to nation-wide lockdown during the year for a quite considerable time. It contributed to a significant decrease in global and local economic activities, and consequently, the revenues and the profitability for the year ended March 31, 2021 have been adversely affected. Further, presently the said pandemic, is re-spreading and is on increasing trend across the globe including India, with various mutating variants. In assessing the recoverability of financial and non-financial assets, the Company has considered internal and external information including economic forecasts available, and based on such information and assessment, the Company expects to recover the carrying amount of these assets. The impact of the pandemic may differ from that estimated as at the date of approval of these financial statements, and such changes, if any, will be prospectively recognized. Further, the extent to which the COVID-19 pandemic will impact the Company's future activities and financial results will depend on future developments which are highly uncertain, and as such no impact thereof, if any required, could be taken in these financial statements.

39.17 The previous year's figures have been re-grouped/re-classified wherever considered necessary.

As per our Report of even date attached

For **S. P. CHOPRA & CO.**

Chartered Accountants

Firm Registration No. 000346N

(Sanjiv Gupta)

Partner

Membership No. 083364

For and on behalf of the Board of Directors

(Rahul Gautam)

Managing Director

DIN : 00192999

(Tushaar Gautam)

Whole-time Director

DIN : 01646487

(Dhruv Mathur)

Chief Financial Officer

(Md. Iquebal Ahmad)

Company Secretary

M. No. - A20921

Place: Noida

Date : 29th May, 2021

Independent Auditor's Report

To the members of 'Sheela Foam Limited' on Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Sheela Foam Limited (hereinafter referred to as the "Holding Company") and its Subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021 and its consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	How the matter was addressed in the audit
<p>Useful lives of Property, Plant & Equipment</p> <p>(Refer to Notes 3 and 5 to the consolidated financial statements)</p> <p>The property, plant and equipment are depreciated on a pro-rata basis on written down value / straight line, over the useful lives of the assets, as estimated by the management. These estimations are based on changes in the expected level of usage, technological developments, level of wear and tear, which involves high degree of the estimation and judgement and could affect the reported residual value and depreciation of the assets. As the value of property, plant and equipment is substantial i.e. ₹ 51,902.17 lakhs, which is 25% of the total assets of the Group, therefore any change in these estimates or actual results could have a substantial impact on the profit/ assets in future years and completeness and accuracy of the financial statements.</p>	<p>Our Audit Procedure :</p> <p>We obtained and evaluated the management's estimations and specifically performed the work as under:</p> <ul style="list-style-type: none"> - Compared the key assumptions, used within the impairments models to the historic performance of the respective group of assets and approved estimates. - Benchmarking the key assumptions, used with in the impairment models and past history of the replacement age etc. and repairs requirements / cost etc. <p>Our Results:</p> <p>As a result of performance of above procedures, we have not identified any circumstances that would lead to material adjustments to the carrying value of these assets, or change in their useful lives.</p>

Key Audit Matters	How the matter was addressed in the audit
<p>Fair Value measurement of Financial Instruments (Refer to Note 40.11 to the consolidated financial statements)</p> <p>Fair value of financial assets and financial liabilities have been measured using valuation techniques where the financial instruments are not quoted in active market. The inputs to these techniques / models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility, which involve high degree of the estimation and judgement and could affect the reported fair value of financial instruments.</p>	<p>Our Audit Procedure :</p> <p>The Group has carried out the valuation of the financial instruments after applying judgments and estimates. We have conducted the verification of the data provided to us by the Group with respect to its correctness and completeness vis-à-vis the financial accounts / records of the Group, and held interaction with the management to understand their process and results and the implementation and usage of valuation techniques / models. This included the review of the controls over adjustments to mitigate model limitations and assumptions.</p> <p>Our Results:</p> <p>The results of our testing were satisfactory and we considered the fair value of the financial instruments assets and liabilities recognised to be acceptable.</p>

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report and Directors' Report, including annexures thereon, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash

flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we along with auditor's of Subsidiary Companies exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company and its Subsidiary companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to

the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

- a. We did not audit the financial statements of one foreign Subsidiary Company, namely Joyce Foam Pty. Limited and Controlled Entity, incorporated in Australia whose financial statements reflect total assets of ₹ 35,720 lakhs as at 31st March, 2021, and total revenues of ₹ 41,767 lakhs, total net profit after tax of ₹ 2,695 lakhs, total comprehensive income of ₹ 2,695 lakhs and net cash inflow of ₹ 75 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by its auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of this Subsidiary, is based solely on the report of the said auditor.
- b. We did not audit the financial statements of one foreign Subsidiary Company, namely International Foam Technologies SL, Spain and Subsidiaries, incorporated in Spain, whose financial statements reflect total assets of ₹ 48,398 lakhs as at 31st March, 2021, and total revenues of ₹ 33,674 lakhs, total net profit after tax of ₹ 3,511 lakhs, total comprehensive income of ₹ 3,511 lakhs and net cash inflow of ₹ 448 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by its auditor, and their audit report on the financial statements have been adopted by the Board of Directors of the Subsidiary. The audit report, as informed, will be issued by the auditor after completion of certain procedural formalities as required under the relevant law of their country, and accordingly our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of this Subsidiary, is based solely on the said report of the auditor as adopted by the Board of Directors of the Subsidiary, but not yet issued by them pending completion of the procedural formalities.
- c. The financial statements of the foreign subsidiaries as mentioned in above 'paras a and b' have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of

these subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- d. We did not audit the financial results of two Subsidiary Companies incorporated in India, namely Divya Software Solutions Pvt. Ltd. and Staqo World Pvt. Ltd., whose financial statements reflect total assets of ₹ 6,699 lakhs as at 31st March, 2021, and total revenues of ₹ 1,363 lakhs, total net loss after tax of ₹ 131 lakhs, total comprehensive loss of ₹ 77 lakhs, and net cash inflows of ₹ 31 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by their respective auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these Subsidiaries, is based solely on the reports of these auditors.
- e. During the previous year, the Holding Company had incorporated a Wholly Owned Subsidiary Company (WOS) in Delaware, USA, for the purpose of marketing of its products in USA, however, as no share capital had been subscribed or investment had been made therein, there was no impact of the same on the financial statements except that the expenditures incurred for acquisition were capitalised as investment in WOS. Further, during the year the Holding Company has dissolved the said Subsidiary and expenditure incurred for acquisition has been written off, and as such there is no impact of the same on the consolidated financial statements.

Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and reports of the other auditors.

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.
- e. on the basis of the written representations received from the directors of the Holding Company and Subsidiary Company incorporated in India audited by us and taken on record by the Board of Directors, and the reports of the statutory auditors of the Subsidiary companies incorporated in India not audited by us, none of the directors of the Holding Company and its Subsidiary companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements and operating effectiveness of such controls of the Holding Company and Subsidiary Company incorporated in India audited by us, and of the Subsidiary Companies incorporated in India, not audited by us (as reported by their auditors), refer to our separate report in Annexure-'A'; and
- g. In our opinion, the remuneration paid by the Holding Company and Subsidiary Company incorporated in India audited by us, and by the Subsidiary companies incorporated in India, not audited by us (as reported by their auditors), to its Directors is in accordance with the provisions of Section 197 of the Companies Act, 2013; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 40.1 to the consolidated financial statements;
 - ii. The Holding Company and its Subsidiary companies incorporated in India, have not entered into any long-term contracts including derivative contracts.
 - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary companies incorporated in India.

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

(Sanjiv Gupta)
Partner

Place: Noida
Dated: 29th May, 2021

M. No. 083364
UDIN: 21083364AAAAAI4973

Annexure-'A' to the Independent Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of the independent auditors report of even date on the consolidated financial statements of Sheela Foam Limited for the year ended 31st March, 2021)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Sheela Foam Limited ("the Holding Company") and its Subsidiaries incorporated in India (the Holding Company and its Subsidiaries together referred as "the Group") for the year ended 31st March, 2021, in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its Subsidiary companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls Over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require

that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its Subsidiary companies incorporated in India have, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the

Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTER

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to the financial statements in so far as it relates to two Subsidiary companies incorporated in India, namely Divya Software Solutions Pvt. Ltd. and Staqo World Pvt. Ltd, is based on the corresponding reports of the auditors of these Companies.

Our opinion is not modified in respect of the above matter.

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

(Sanjiv Gupta)
Partner
M. No. 083364

Place: Noida
Dated: 29th May, 2021

Consolidated Balance Sheet

as at 31 March, 2021

(₹ in Lakhs)

Particulars	Note No.	As at 31 March, 2021		As at 31 March, 2020	
ASSETS					
Non-current assets					
Property, Plant and Equipment	3	45,787.44		42,044.10	
Capital work in progress		466.44		1,797.32	
Right-of-use Assets	4	14,437.06		11,665.75	
Investment Property	5	5,648.29		5,904.48	
Goodwill	3	26,306.68		25,459.00	
Other Intangible Assets	3	-		1.44	
Financial Assets					
- Investments	6	30,359.99		1,183.32	
- Loans	7	274.52		258.29	
- Other non-current financial assets	8	260.08		212.91	
Non-current tax assets (net)	9	-		40.83	
Other non-current assets	10	264.38	123,804.88	134.21	88,701.65
Current assets					
Inventories	11	31,530.73		22,685.84	
Financial Assets					
- Investments	12	10,701.16		21,960.09	
- Trade receivables	13	30,215.33		21,577.35	
- Cash and cash equivalents	14	5,736.31		4,410.71	
- Bank balances other than cash and cash equivalents	15	73.78		50.93	
- Loans	16	555.24		561.25	
- Other current financial assets	17	1,343.22		554.17	
Other current assets	18	3,624.57	83,780.34	3,886.43	75,686.77
TOTAL ASSETS			207,585.22		164,388.42
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	19	2,439.14		2,439.14	
Other Equity	20	115,989.90		89,535.12	
Equity attributable to shareholders of the Holding Company					
		118,429.04		91,974.26	
Non-controlling Interest		891.82	119,320.86	667.38	92,641.64
Liabilities					
Non-current liabilities					
Financial liabilities					
- Borrowings	21	13,263.48		15,713.15	
- Lease liabilities	40.7	10,855.07		8,238.51	
- Other non-current financial liabilities	22	8,444.62		7,372.61	
Provisions	23	646.23		859.38	
Deferred tax liabilities (Net)	24D	887.87	34,097.27	1,091.93	33,275.58
Current liabilities					
Financial liabilities					
- Borrowings	25	7,299.14		3,601.77	
- Lease liabilities	40.7	2,005.17		1,594.19	
- Trade payables	26				
a) Total outstanding dues of micro enterprises and small enterprises		1,168.31		330.31	
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		21,796.20		15,014.24	
- Other current financial liabilities	27	12,586.54		10,744.56	
Provisions	28	1,470.25		1,288.25	
Current tax liabilities (net)	29	453.58		-	
Other current liabilities	30	7,387.90	54,167.09	5,897.88	38,471.20
TOTAL EQUITY AND LIABILITIES			2,07,585.22		1,64,388.42

Significant Accounting Policies' and 'Notes 1 to 40' form an integral part of the Consolidated Financial Statements.

As per our Report of even date attached

For **S. P. CHOPRA & CO.**

Chartered Accountants
Firm Registration No. 000346N

(Sanjiv Gupta)

Partner

Membership No. 083364

For and on behalf of the Board of Directors

(Rahul Gautam)

Managing Director

DIN : 00192999

(Tushaar Gautam)

Whole-time Director

DIN : 01646487

(Dhruv Mathur)

Chief Financial Officer

(Md. Iqbal Ahmad)

Company Secretary

M. No. - A20921

Place: Noida

Date : 29th May, 2021

Consolidated Statement of Profit and loss

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
INCOME:			
Revenue From Operations	31	243,535.75	217,363.40
Other Income	32	5,207.76	3,998.83
Total Income		248,743.51	221,362.23
EXPENSES:			
Cost of materials consumed	33	136,735.36	108,809.66
Purchases of Stock-in-Trade	34	1,799.48	1,798.33
Other manufacturing expenses	35	5,911.06	7,062.58
Changes in inventories of finished goods, stock-in-process and stock-in-trade	36	(600.44)	(144.08)
Employee benefits expense	37	23,170.41	22,035.40
Finance costs	38	1,768.27	1,299.61
Depreciation and amortization expense	3 to 5	7,286.73	5,904.43
Other expenses	39	40,288.12	47,760.01
Total Expenses		216,358.99	194,525.94
Profit before exceptional items & tax		32,384.52	26,836.29
Exceptional items			
Insurance claim receivable written off	40.16	-	1,199.49
Profit before tax		32,384.52	25,636.80
Tax expense:			
Current tax	24		
- Current year's	24A	8,460.28	6,676.99
- Earlier year's		(42.32)	0.38
Deferred tax	24D	(48.58)	(469.19)
Profit for the year		24,015.14	19,428.62
Other Comprehensive Income/(loss) :			
(a) Items that will not be reclassified to profit or loss			
- Re-measurements Gain/(losses) on defined benefit plans	40.4	252.96	(578.99)
- Income tax effects	24B	(63.66)	145.72
(b) Items that will be reclassified to profit or loss			
- Fair value gain on investment		100.06	-
- Income tax effects		(25.18)	-
- Exchange differences on translation of foreign operations		1,616.92	126.51
Other Comprehensive gain/(loss) for the year		1,881.10	(306.76)
Total Comprehensive Income for the year		25,896.24	19,121.86
Profit for the year attributable to:			
Shareholders of the Holding Company		23,772.07	19,342.75
Non-controlling Interest		243.07	85.87
		24,015.14	19,428.62
Other Comprehensive Loss for the year attributable to:			
Shareholders of the Holding Company		1,881.10	(306.76)
Non-controlling Interest		-	-
		1,881.10	(306.76)
Total Comprehensive Income for the year attributable to:			
Shareholders of the Holding Company		25,653.17	19,035.99
Non-controlling Interest		243.07	85.87
		25,896.24	19,121.86
Earnings per share- Basic/Diluted in ₹	40.8	49.23	39.83

Significant Accounting Policies' and 'Notes 1 to 40' form an integral part of the Consolidated Financial Statements.

As per our Report of even date attached

For **S. P. CHOPRA & CO.**

Chartered Accountants

Firm Registration No. 000346N

(Sanjiv Gupta)

Partner

Membership No. 083364

For and on behalf of the Board of Directors

(Rahul Gautam)

Managing Director

DIN : 00192999

(Dhruv Mathur)

Chief Financial Officer

(Tushaar Gautam)

Whole-time Director

DIN : 01646487

(Md. Iqbal Ahmad)

Company Secretary

M. No. - A20921

Place: Noida

Date : 29th May, 2021

Consolidated Statement of Changes In Equity

for the year ended 31 March, 2021

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2021

(₹ in Lakhs)

Balance as at 01 st April, 2020	Changes in equity share capital during the year	Balance as at 31 March, 2021
2,439.14	-	2,439.14

For the year ended 31st March, 2020

(₹ in Lakhs)

Balance as at 01 st April, 2019	Changes in equity share capital during the year	Balance as at 31 March, 2020
2,439.14	-	2,439.14

(B) OTHER EQUITY

For the year ended 31st March, 2021

Particulars	Retained Earnings	Capital Reserve	General Reserve	Foreign Currency Translation Reserve	Other comprehensive income-Other items	Capital Subsidy	Non- controlling Interest	Total
Balance as at 01st April, 2020	87,128.99	1,402.97	1,716.27	(40.95)	(672.16)	-	667.38	90,202.51
Add: Capital Subsidy received during the year	-	-	-	-	-	56.98	-	56.98
Add: Other adjustments	0.08	-	-	-	-	-	-	0.08
Less: Dividend paid to Non-controlling Interest	(190.66)	-	-	-	-	-	(45.03)	(235.69)
Profit for the year	23,772.07	-	-	-	-	-	243.07	24,015.14
Foreign Exchange gain on Translation	-	-	-	-	-	-	26.40	26.40
Other Comprehensive Loss for the year:								
- Re-measurements losses on defined benefit plans (net)	-	-	-	-	264.17	-	-	264.17
- Exchange gain on translation (net)	-	961.62	-	1,590.52	-	-	-	2,552.14
Balance as at 31st March, 2021	110,710.48	2,364.59	1,716.27	1,549.57	(407.99)	56.98	891.82	116,881.72

For the year ended 31st March, 2020

Particulars	Retained Earnings	Capital Reserve	General Reserve	Foreign Currency Translation Reserve	Other comprehensive income-Other items	Capital Subsidy	Non- controlling Interest	Total
Balance as at 31st March, 2019	67,993.05	1,268.19	1,716.27	(167.46)	(238.89)	-	-	70,571.16
Less: Adjustment on adoption of Ind AS 116 (net of tax) (Refer Note 2.1.b)	(206.81)	-	-	-	-	-	-	(206.81)
Balance as at 01st April, 2019	67,786.24	1,268.19	1,716.27	(167.46)	(238.89)	-	-	70,364.35
Addition on Investment in Subsidiary (Refer note 39.18.a)	-	0.27	-	-	-	-	581.51	581.78
Profit for the year	19,342.75	-	-	-	-	-	85.87	19,428.62
Other Comprehensive Loss for the year:								
- Re-measurements losses on defined benefit plans (net)	-	-	-	-	(433.27)	-	-	(433.27)
- Exchange gain on translation (net)	-	134.51	-	126.51	-	-	-	261.02
Balance as at 31st March, 2020	87,128.99	1,402.97	1,716.27	(40.95)	(672.16)	-	667.38	90,202.50

Refer Note No. 20.1 for nature and purpose of reserves

Significant Accounting Policies' and 'Notes 1 to 40' form an integral part of the Consolidated Financial Statements.

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

(Sanjiv Gupta)

Partner

Membership No. 083364

For and on behalf of the Board of Directors

(Rahul Gautam)

Managing Director

DIN : 00192999

(Dhruv Mathur)

Chief Financial Officer

(Tushaar Gautam)

Whole-time Director

DIN : 01646487

(Md. Iqbal Ahmad)

Company Secretary

M. No. - A20921

Place: Noida

Date : 29th May, 2021

Consolidated Statement of Cash Flows

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Year ended 31 March, 2021		Year ended 31 March, 2020	
	Amount	Total	Amount	Total
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax as per statement of profit and loss		32,384.52		25,636.80
Adjustments for:				
Depreciation and amortisation expense	7,286.73		5,904.43	
Insurance claim receivable written off	-		1,199.49	
Finance costs	1,768.27		1,299.61	
Advances/Balances written off	59.67		212.30	
Provision for doubtful receivables	207.39		123.07	
Bad debts written off	69.88		-	
Fair value gain on investments (net)	(366.86)		(659.37)	
Profit on sale of investments (net)	(1,688.03)		(1,516.19)	
Liabilities/provisions no longer required written back	(19.05)		(10.73)	
Unrealised foreign exchange loss (net)	(32.99)		(17.01)	
Interest income	(1,375.89)		(469.99)	
Investment written off	1.02		-	
Property, Plant & Equipment written off (net)	13.26		26.65	
(Profit)/ Loss on sale of property, plant and equipment (net)	(51.93)		(266.97)	
		5,871.47		5,825.29
Operating profit before working capital changes		38,255.99		31,462.09
Adjustment for working capital changes:				
(Increase) in Inventories	(8,844.89)		(3,972.17)	
(Increase) in loans and trade receivables	(8,985.13)		(7,212.00)	
Decrease in other financial and non-financial assets	27.11		135.71	
Increase in trade payables	7,652.94		1,041.39	
Increase/(Decrease) in lease liabilities, other financial liabilities, non-financial liabilities and provisions	6,111.29		(1,560.56)	
Cash used in Working Capital Changes		(4,038.68)		(11,567.64)
Cash generated from operations		34,217.31		19,894.46
Income Tax paid (net)		(8,186.87)		(4,163.97)
Net Cash inflow from Operating Activities - A		26,030.44		15,730.48
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment including capital work in progress	(6,474.60)		(15,851.79)	
Sale/adjustment/write-off of property, plant and equipment	145.82		306.16	
Recognition of Goodwill due to business combination	-		(24,640.44)	
Recognition of Intangible assets due to business combination	-		(1.44)	
Deposits matured/made during the year	(70.41)		193.92	
Investment in bonds, debentures and mutual funds (net)	(15,762.81)		10,787.96	
Interest income	691.86		491.78	
Net Cash (outflow)/inflow from Investing Activities - B		(21,470.14)		(28,713.84)

Consolidated Statement of Cash Flows

for the year ended 31 March, 2021

(₹ in Lakhs)

Particulars	Year ended 31 March, 2021		Year ended 31 March, 2020	
	Amount	Total	Amount	Total
C. CASH FLOW FROM FINANCING ACTIVITIES				
Non controlling interest in a subsidiary company due to business combination	-		581.51	
Dividend paid to Non-controlling Interest	(235.69)		-	
Capital Subsidy received during the year	75.97		-	
Proceeds from Secured long term borrowings	-		16,316.17	
Proceeds from Unsecured long term borrowings	-		737.31	
Repayment of Secured long term borrowings	(2,677.78)		(232.79)	
Repayment of Unsecured long term borrowings	(144.28)		(29.57)	
Repayment of Secured short term borrowings	(2.45)		(1,696.63)	
Proceeds from Secured short term borrowings	1,053.09		-	
Proceeds from Unsecured short term borrowings	2,627.89		3,032.02	
Payment of principal portion of lease liabilities	(2,163.18)		(1,726.90)	
Payment of interest portion of lease liabilities	(422.88)		(204.10)	
Finance costs	(1,345.39)		(1,067.09)	
Net Cash outflow from Financing Activities - C		(3,234.70)		15,709.93
Net (increase in cash and cash equivalents (A+B+C))		1,325.60		2,726.58
Cash and cash equivalents (Opening Balance)		4,410.71		1,684.13
Cash and cash equivalents (Closing Balance)		5,736.31		4,410.71
Note to Statement of cash flows :				
- Components of Cash and cash equivalents as under :				
- Balance with Banks - Current Accounts	3,319.14		2,396.74	
- Cash on hand	17.17		13.97	
- Deposits with Banks with original maturity of less than 3 months	2,400.00		2,000.00	
		5,736.31		4,410.71
- Figures in brackets indicate cash outflow.				
- The above Statement of cash flows has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows				

Significant Accounting Policies' and 'Notes 1 to 40' form an integral part of the Financial Statements.

As per our Report of even date attached

For **S. P. CHOPRA & CO.**

Chartered Accountants

Firm Registration No. 000346N

(Sanjiv Gupta)

Partner

Membership No. 083364

For and on behalf of the Board of Directors

(Rahul Gautam)

Managing Director

DIN : 00192999

(Tushaar Gautam)

Whole-time Director

DIN : 01646487

(Dhruv Mathur)

Chief Financial Officer

(Md. Iqubal Ahmad)

Company Secretary

M. No. - A20921

Place: Noida

Date : 29th May, 2021

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

1. GROUP INFORMATION

Sheela Foam Limited ('the Holding Company') is a ISO 9001:2000 public limited Company incorporated in India with its registered office in New Delhi. The Holding Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

The Holding Company, pioneered in the manufacturing of polyurethane foams, has five Subsidiary companies (two Foreign Subsidiaries Joyce Foam Pty. Limited (and its Controlled Entity Joyce W C NSW Pty Limited) Australia and International Foam Technologies Spain and three Indian Subsidiaries 'Divya Software Solutions Private Limited', 'Sleepwell Enterprises Private Limited and Staquo World Pvt. Ltd'). The accompanying Consolidated Financial Statements relate to Sheela Foam Limited ('the Holding Company') and its five Subsidiary companies (together referred as "the Group").

The consolidated financial statements for the year ended 31st March, 2021 were approved by the Board of Directors and authorized for issue on 29th May, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation :

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 (the 'Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act

The consolidated financial statements have been prepared on accrual and going concern basis. All the assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle and other criteria as set out in Division II of Schedule III to the Companies Act, 2013.

b. Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value.

c. Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees ('₹'), which is the Holding Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

d. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is: -

- expected to be realized, or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within 12 months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it is:

- expected to be settled in the normal operating cycle;
- held primarily for the purpose of trading;
- due to be settled within 12 months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle:

The operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

e. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities. Uncertainty about these estimates and assumptions could result in outcomes that requires material adjustments to the carrying amount of the assets and liabilities in future period/s.

These estimates and assumptions are based on the facts and events, that existed as at the date of Balance Sheet, or that occurred after that date but provide additional evidence about conditions existing as at the Balance Sheet date.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are given below.

1. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on written down value basis, in case of Holding Company (Sheela Foam Limited) and Indian Subsidiaries and on a straight line basis, in the case of foreign Subsidiaries, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.3 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the profit in future years.

2. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable

estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

3. Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4. Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5. Impairment of non-Financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

2.2 BASIS OF CONSOLIDATION

The Consolidated Financial Statements have been prepared on the following basis:-

Basis of Accounting:

- i) The financial statements of the Subsidiary Companies are drawn up to the same reporting date as of the Holding Company i.e. for the financial year ended 31st March. The financial statements of foreign Subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles of their Country of incorporation.
- ii) During the previous year, the Holding Company had incorporated a Wholly Owned Subsidiary Company (WOS) in Delaware, USA, for the purpose of marketing of the products of the Company in USA, however, as no share capital had been subscribed or investment had been made therein, there was no impact of the same on the consolidated financial statements except that the expenditures incurred for acquisition were capitalised as investment in WOS. Further, during the year the Holding Company has dissolved the said Subsidiary on 29.03.2021 and expenditure incurred for acquisition has been written off and shown under Note 38 - Other Expenses - Investment written off.
- iii) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rates prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.
- iv) The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statements".

Principles of Consolidation:

- i) The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements".
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements except as otherwise stated in the Significant Accounting Policies.
- iii) The difference between the costs of investments in the Subsidiaries over the net assets at the time of acquisition of shares in the Subsidiaries is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

The Consolidated Financial Statements of the Holding Company includes the results of following entities:

Name of Company	Country of Incorporation	Proportion (%) of Shareholding as on 31.03.2021	Proportion (%) of Shareholding as on 31.03.2020
Subsidiary Companies			
Joyce Foam Pty. Limited and Controlled Entity (Joyce W C NSW Pty Limited)	Australia	100%	100%
International Foam Technologies SL, Spain and Subsidiaries	Spain	100%	100%
Divya Software Solutions Private Limited	India	100%	100%
Sleepwell Enterprises Private Limited	India	100%	100%
Staqo World Pvt. Ltd.	India	100%	100%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

2.3 Property, Plant & Equipment

Property, Plant & Equipment are accounted for on historical cost basis (inclusive of the cost of installation and other incidental costs till commencement of commercial production) net of recoverable taxes, less accumulated depreciation and impairment loss, if any. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are added to the existing asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Cost of leasehold land is amortized over the period of lease.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

In the case of the Holding Company (Sheela Foam Limited) and Indian Subsidiaries (Divya Software Solutions Private Limited and Sleepwell Enterprises Private Limited)

Depreciation on property, plant & equipment is provided on a pro-rate basis on written down value basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto ₹ 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Buildings :		
- Factory	30	29
- Office	60	59
- Residential	60	59
Plant & Equipment	15	20
Furniture & Fixtures	10	15
Vehicles :		
- Motor Cars	8	10
Office Equipment	5	20
Date Processing Equipment:		
- Computer Equipment	3	6
Electrical Fittings	10	20

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entities, and International Foam Technologies SL, Spain and Subsidiaries)

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over the estimated useful lives to the Company commencing from time the assets is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

2.4 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

the period in which they are incurred. Though the Group measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

Depreciation on investment property, is provided on a pro-rate basis on written down value basis, over the useful life of the property estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The property's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Buildings :		
- Factory	30	29
- Office	60	59
- Residential	60	59

Based on usage pattern and internal assessment, the management believes that the useful lives as given above best represent the period over which the management expects to use these properties. Hence the useful lives of these properties is different from the lives as prescribed in Schedule II of the Companies Act, 2013.

Investment property is derecognized when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on de-recognition of the investment property is included in the Statement of Profit and Loss.

Transfers are made to / from investment property only when there is a change in its use. Transfers between investment property is made at the carrying amount of the property transferred.

2.5 Financial Instruments

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

(i) Financial Assets

(a) Initial recognition and measurement

At initial recognition, all financial assets are recognized at its fair value plus, in the case of a financial asset not carried at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(b) Classification and subsequent measurement

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

- a. Financial assets measured at amortized cost;
- b. Financial assets measured at fair value through other comprehensive income (FVTOCI); and
- c. Financial assets measured at fair value through profit and loss (FVTPL)

Where financial assets are measured at fair value, gains and losses are either recognized entirely in the Statement of Profit and Loss (i.e. fair value through profit and loss), or recognized in other comprehensive income (i.e. fair value through Other Comprehensive Income).

The classification of financial assets depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets measured at amortized cost:

A financial asset is measured at amortized cost if both the following conditions are met:

- Business Model Test: The objective of the business model is to hold financial asset in order to collect contractual cash flows (rather than to sell the asset prior to its financial maturity to realize its fair value changes); and

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

- **Cash Flow Characteristics Test:** Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Group. After initial measurement, such financial asset are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. The EIR amortization is included in interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit or loss. This category generally applies to trade receivables, deposits with banks, security deposits, cash and cash equivalents and employee loans, etc.

- (2) Financial instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- **Business Model Test:** The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- **Cash Flow Characteristics Test:** The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially

as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss. The Group as at the Balance Sheet date is not having any such instruments.

- (3) Financial instruments measured at Fair Value Through Profit and Loss (FVTPL)

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss.

(c) Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial Assets measured at amortized cost;
- Financial Assets measured at FVTOCI.

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

- Financial assets that are debt instruments, and are measured at FVTOCI, The Group as at the Balance Sheet date is not having any such instruments.

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The trade receivables are initially recognized at the sale/recoverable value and are assessed at each Balance Sheet date for collectability. Trade receivables are classified as current assets, if collection is expected within twelve months as at Balance Sheet date, if not, they are classified under non-current assets.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months (Expected Credit Loss) ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

(d) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's Balance Sheet) when:

- a. The rights to receive cash flows from the asset have been expired/transferred, or
- b. The Group retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

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

Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in Other Comprehensive Income. These gains/ losses are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of Profit and Loss. The Group has not designated any financial liability as at fair value through profit and loss.

Borrowings & Security Deposits

Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the liability and subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Financial Guarantee Contract

Financial guarantee contracts issued by the Holding Company are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Trade and other payables

Trade and other payables are obligations incurred by the Group towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current

liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.6 Inventories

Inventories are valued at the lower of cost and net realisable value. In respect of raw material, packing material and stores & spares, cost is computed on first in first out basis, as determined on direct cost basis. Finished goods and stock-in-process include cost of inputs, conversion costs and other costs including manufacturing overheads incurred in bringing them to their present location and condition. Obsolete, defective and unserviceable stocks are provided for, wherever required. The net-realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make sale.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks which are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

2.8 Impairment of Non-Financial Assets

The Group assesses, at each reporting date, using external and internal sources, whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous period/s. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The recoverable amount is determined:

- in the case of an individual asset, at the higher of the asset's fair value less cost of sell and value in use; and
- in the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of the cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that effects current market assessments of the time value of money and the risks specific to that asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss for an asset is reversed, if and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized, the carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss being recognized for the asset in prior year/s.

2.9 Provisions and Contingent Liabilities

a) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as

a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation, at the balances sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) Contingent Liabilities

A disclosure for a contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation arising as a result of past event that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

2.10 Revenue Recognition

- a) Revenue from sale of goods is recognised when the control of the goods is transferred to the customer, which is generally on the delivery of the goods, the associated costs and the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Group.

It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates and goods and service tax collected on behalf of the government.

- b) Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.
- c) Export incentive such as Duty drawback is recognized on post export basis on the basis of their entitlement rates.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

- d) Interest income is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates.
- e) Insurances claims are recognised to the extent the Holding Company is reasonably certain of their ultimate receipt.
- f) Dividend income on investments is recognized when the right to receive dividend is established.
- g) Other income/revenue is recognized to the extent that it is probable that the economic benefit will flow to the Group and it can be reliably measured.

2.11 Government Grants / Subsidy

Government grants are recognized when it is reasonably certain that the ultimate collection will be made. Government grants of capital nature are credited to capital reserve. Other government grants of revenue nature including subsidies are credited to specific expense head in the Statement of Profit and Loss.

2.12 Employee Benefits

In the case of Holding Company

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

b. Long Term Benefit

The employees of the Company are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. The liability towards LSA is provided for on accrual basis as estimated by the management.

c. Post-Employment Benefits

- i. Defined contribution plan:
The Company's approved provident fund scheme, employees' state insurance fund

scheme and employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized during the period in which the employee renders the related service.

ii. Defined benefit plan

The employees' gratuity fund scheme and the employees leave encashment / employees long term compensated absences are the Company's defined benefit plans. The present value of the obligation under defined benefit plans of gratuity and leave encashment is determined based on the actuarial valuation on projected unit credit method as at the balance sheet date. Re-measurement, comprising of actuarial gains and losses, are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods. Liability towards Gratuity is funded through a separate Gratuity Trust. The short / excess of the Gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ assets as at the year end.

In the case of foreign Subsidiary (Joyce Foam Pty. Ltd. and its Controlled Entities, and International Foam Technologies SL, Spain and Subsidiaries)

Provision is made for the liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those of benefits.

1.13 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys

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for the year ended 31st March, 2021

a right to use the asset or assets, for a period of time in exchange for consideration even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group has taken certain assets on Operating Lease. Operating Lease is a contract, which conveys the right to Lessee, to control the use of an identified asset for a period of time, the lease term, in exchange for consideration. The Group assesses whether a contract is, or contains, a lease on inception.

The lease term is either the non-cancellable period of the lease and any additional periods when there is an enforceable option to extend the lease and it is reasonably certain that the Group will extend the term, or a lease period in which it is reasonably certain that the Group will not exercise a right to terminate. The lease term is reassessed if there is a significant change in circumstances.

At commencement, or on the modification, of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is amortised / depreciated using straight-line / written down value method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Group by the end of the lease term or if the Group expects to exercise a purchase option, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as the Group's other property, plant and equipment. Right-of-use assets are reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the total lease payments due on the commencement date, discounted using either the interest rate implicit in the lease, if readily determinable, or more usually, an estimate of the Group's incremental borrowing rate on the inception date for a loan with similar terms to the lease. The incremental borrowing rate is estimated by obtaining interest rates from various external financing sources.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In accordance with Ind AS 116, the Group does not recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases i.e. leases with a lease term of 12 months or less and containing no purchase options. Payments associated with these leases are recognised as an expense on a straight-line basis over the lease term

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as Operating Leases. Rental income from Operating Lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an Operating Lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as Finance Leases when substantially all of the risks and rewards of ownership are transferred from the Group to the lessee. Amounts due from lessees under Finance Leases are recorded as receivables at the Group's

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for the year ended 31st March, 2021

net investment in the leases. Finance Lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction and translation of monetary items are recognized as income or expenses in the year in which they arise. The long term foreign currency monetary items are carried at the exchange rate prevailing on the date of initial transaction.

Non- monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Premium or discount on forward exchange contract is amortised as income or expense over the life of the contract. Exchange difference on such contract is recognized in the Statement of Profit and Loss in the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward contract is recognized as income or expenditure during the period.

2.15 Employee Stock Option Scheme

The Holding Company follows the intrinsic method for computing the compensation cost, for options granted under the employee stock option scheme. The difference if any, between the fair/market value and the grant price, being the compensation cost is recognized as Deferred Stock Option Expense and is charged to the Statement of Profit and Loss on straight line basis over the vesting period of option.

2.16 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax.

a) *Current Tax*

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities

in accordance with the tax regime inserted by the Taxation Laws (Amendment) Act, 2019 in the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date.

b) *Deferred Tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

2.17 Dividend Distribution:

The Holding Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Holding Company and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

2.18 Earnings per Share:

Basic earnings per share is calculated by dividing net profit / loss of the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events

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for the year ended 31st March, 2021

such as bonus issue, bonus element in a right issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in the resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.19 Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of business combination over Holding Company's interest in the net fair value of identifiable assets acquired.

2.20 Transactions within Group

Transactions including expenses to be shared between the companies within the Group are initially recorded under operational heads by the respective Company, and reduced on actual or proportionate (where those are not directly attributable) basis during consolidation.

2.21 Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when the feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on systematic basis matched to the future economic benefits over useful life of the project.

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for the year ended 31st March, 2021

3. PROPERTY, PLANT AND EQUIPMENT (AS AT 31ST MARCH, 2021)

(₹ in Lakhs)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2020	Additions during the year	Sales/disposal/ transfers during the year	As at 31.03.2021	As at 01.04.2020	For the year	Sales/disposal/ transfers during the year	As at 31.03.2021	As at 31.03.2020
(i) Tangible Assets									
Land - Freehold	1,395.53	461.00	5.88	1,850.65	-	-	-	1,850.65	1,395.53
Buildings	22,188.88	1,598.96	(599.29)	24,387.13	4,683.13	1,034.10	(68.42)	18,601.48	17,505.75
Plant & Equipment									
- Freehold	33,531.34	4,645.73	(1,488.92)	39,665.98	13,971.96	2,910.02	(617.28)	22,166.72	19,559.37
- Leasehold	96.37	-	(19.62)	116.00	2.65	8.15	(0.18)	105.01	93.72
Furniture & Fixtures	1,208.18	43.99	0.01	1,252.16	378.45	154.98	1.10	532.33	829.73
Vehicles	978.68	81.66	65.42	994.92	416.24	172.35	44.01	450.34	562.44
Office equipment	1,963.13	142.78	8.57	2,097.34	765.71	320.53	4.18	1,082.06	1,197.42
Electrical fittings	1,263.60	120.64	12.90	1,371.34	363.47	135.88	6.14	493.21	900.13
Total	62,625.71	7,094.76	(2,015.05)	71,735.52	20,581.62	4,736.01	(630.45)	25,948.09	42,044.10
(ii) Capital Work-in-progress (refer note 3.2)	1,797.32	928.53	2,259.41	466.44	-	-	-	466.44	1,797.32
(iii) Goodwill	25,459.00	-	(847.68)	26,306.68	-	-	-	26,306.68	25,459.00
(iv) Other Intangible Assets	283.30	-	(9.69)	292.99	281.86	1.46	(9.67)	292.99	1.44
Total (i+ii+iii+iv)	90,165.34	8,023.29	(613.00)	98,801.63	20,863.48	4,737.48	(640.11)	26,241.08	69,301.86

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

PROPERTY, PLANT AND EQUIPMENT (As at 31st March, 2020)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2019	Additions due to Business Combination during the year	Additions during the year	Sales/ disposal/ transfers during the year	As at 31.03.2020	As at 01.04.2019	Additions due to Business Combination during the year	For the year	Sales/ disposal/ transfers during the year	As at 31.03.2020	As at 31.03.2019
(i) Tangible Assets											
Land - Freehold	1,258.66	137.23	0.36	1,395.53	-	-	-	-	-	1,395.53	1,258.66
Buildings	14,630.92	6,636.95	613.65	22,188.88	2,667.50	943.93	1,022.33	(49.36)	4,683.13	17,505.75	11,963.41
Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-
- Freehold	22,459.84	8,685.71	2,257.04	33,531.34	5,951.01	5,212.95	2,603.65	(204.34)	13,971.96	19,559.37	16,508.83
- Leasehold	-	-	96.37	96.37	-	-	2.65	-	2.65	93.72	-
Furniture & Fixtures	803.79	36.51	366.66	1,208.18	219.92	11.64	146.74	(0.15)	378.45	829.73	583.87
Vehicles	750.47	-	243.11	978.68	273.50	-	153.53	10.79	416.24	562.44	476.98
Office equipment	1,341.73	109.89	531.46	1,963.13	435.73	88.40	254.98	13.39	765.71	1,197.42	906.00
Electrical fittings	876.29	-	395.61	1,263.60	278.50	-	88.49	3.52	363.47	900.13	597.79
Total	42,121.71	15,606.28	4,503.90	62,625.71	9,826.16	6,256.93	4,272.38	(226.14)	20,581.62	42,044.10	32,295.54
(ii) Capital Work-in-progress (refer note 3.2)	73.94	95.31	2,233.10	605.03	1,797.32	-	-	-	-	1,797.32	73.94
(iii) Goodwill	818.56	23,063.59	306.35	25,459.00	-	-	-	-	-	25,459.00	818.56
(iv) Other Intangible Assets	-	265.16	-	283.30	283.30	261.84	2.05	(17.98)	281.86	1.44	-
Total (i+ii+iii+iv)	43,014.21	39,030.34	7,043.34	90,165.34	9,826.16	6,518.77	4,274.44	(244.12)	20,863.48	69,301.86	33,188.04

3.1 Refer 'Para - 2.3' of Significant Accounting Policies' for depreciation on property, plant and equipment.

3.2 Capital Work-in-progress represents assets under construction/installation at various sites/plants and includes under noted pre-operative expenditures pending allocation on commencement of commercial production.

Nature of Expense	Opening as on 01.04.2020	Additions during the year	Capitalisation/ adjustment during 2020-21	Closing as on 31.03.2021	Opening as on 01.04.2019	Additions during the year	Capitalisation/ adjustment during 2019-20	Closing as on 31.03.2020
	Travelling expenses	9.78	-	9.78	-	4.26	9.86	4.34
Legal & Professional charges	-	-	-	-	22.49	-	22.49	-
Testing charges	-	-	-	-	1.79	-	1.79	-
Others	-	0.30	-	0.30	-	-	-	-
Total	9.78	0.30	9.78	0.30	28.56	9.86	28.63	9.78

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

4 RIGHT OF USE ASSETS (AS AT 31ST MARCH, 2021)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2020	Adjustment on Modification	Additions during the year	Sales/disposal/adjustments during the year	As at 31.03.2021	As at 01.04.2020	For the year	As at 31.03.2021	As at 31.03.2020
Land (refer note 4.2)	2,379.00	-	-	-	2,379.00	92.51	24.95	117.46	2,286.49
Buildings	10,739.26	-	3,395.55	(371.28)	14,506.09	1,478.58	2,190.93	2,434.02	9,260.67
Plant & Equipment	144.72	-	-	(29.47)	174.19	26.13	35.96	70.74	118.59
Total	13,262.98	-	3,395.55	(400.75)	17,059.28	1,597.23	2,251.84	2,622.22	11,665.75

RIGHT OF USE ASSETS (As at 31st March, 2020)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2019	Adjustment on adoption of Ind AS 116	Additions during the year	Sales/disposal/adjustments during the year	As at 31.03.2020	As at 01.04.2019	For the year	As at 31.03.2020	As at 31.03.2019
Land (refer note 4.2)	-	1,867.27	511.73	-	2,379.00	68.96	23.55	92.51	1,665.64
Buildings	-	3,680.51	7,267.68	208.94	10,739.26	-	1,523.70	1,478.58	9,260.67
Plant & Equipment	-	76.44	72.76	4.48	144.72	-	26.95	26.13	118.59
Total	-	5,624.23	7,852.17	213.42	13,262.98	68.96	1,574.20	1,597.23	1,665.64

4.1 Refer 'Para- 2.4' of Significant Accounting Policies' for depreciation and measurement of right of use assets.

4.2 The leasehold land has been amortised during the year by ₹ 24.95 lakhs (Previous Year : ₹ 23.55 lakhs) as per the accounting policy.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

5 INVESTMENT PROPERTY (AT COST) (AS AT 31ST MARCH, 2021)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2020	Addition / Transfer during the year	Sales/disposal/ adjustments during the year	As at 31.03.2021	As at 01.04.2020	Transfer during the year	For the year	As at 31.03.2021	As at 31.03.2020
(i) Tangible Assets									
Land									
- Freehold	-	10.90	-	10.90	-	-	-	10.90	-
- Leasehold (refer note 5.2)	68.47	-	-	68.47	3.64	-	0.91	63.92	64.83
Buildings	6,005.92	48.34	-	6,054.26	166.28	18.01	296.50	5,573.47	5,839.64
Total	6,074.39	59.24	-	6,133.63	169.92	18.01	297.41	5,648.29	5,904.48

INVESTMENT PROPERTY (At Cost) (As at 31st March, 2020)

Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2019	As at Transfer during the year	Sales/disposal/ adjustments during the year	As at 31.03.2020	As at 01.04.2019	Transfer during the year	"For the year"	As at 31.03.2020	As at 31.03.2019
(i) Tangible Assets									
Land									
- Freehold									
- Leasehold (refer note 5.2)	68.47	-	-	68.47	2.73	-	0.91	3.64	65.74
Buildings	1,137.78	4,868.15	-	6,005.92	111.40	-	54.88	166.28	5,839.64
CWIP-Building	5,296.06	1,238.43	6,534.49	-	-	-	-	-	5,296.06
Total	6,502.30	6,106.59	6,534.49	6,074.40	114.14	-	55.79	169.92	6,388.18

5.1 Refer 'Para- 2.4' of Significant Accounting Policies' for depreciation and measurement of investment property.

5.2 The leasehold land has been amortised during the year by ₹ 0.91 lakhs (Previous Year : ₹ 0.91 lakhs) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

5.3 Particulars	₹ in Lakhs)	
	As at 31.03.2021	As at 31.03.2020
Rental Income derived from investment property	188.86	152.71
Profit arising from investment property before depreciation	188.86	152.71
Less: Depreciation for the year	297.41	55.79
Net (Loss)/Profit arising from investment property	(108.55)	96.92

- 5.4** The Group has obtained independent valuation for its investment property for ₹ 8,297 lakhs as at March 31, 2021 and has reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Group shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where' basis.
- 5.5** There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.
- 5.6** The investment properties are leasehold properties and realisability of the same is subject to the terms and conditions under the respective lease agreements.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

6 NON CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
	Nos.	Amount	Nos.	Amount
In Bonds & Debentures - fully paid up				
(a) Carried at amortised cost - Unquoted				
- IDBI Investment Deposit Account Scheme, 1986	-	0.35	-	0.35
Total (a)		0.35		0.35
(b) Carried at fair value through profit and loss-Quoted				
- Ecap Equities Limited - Index Linked Non-convertible Debentures of ₹ 1,00,000/- each	-	-	1,000	1,182.97
Total (b)		-		1,182.97
(c) Carried at fair value through other comprehensive income - Unquoted				
9.15% PNB Perpetual Bonds Call 13.02.2025	350	3,542.69	-	-
7.74% SBI Perpetual Bonds Call 09.09.2025	50	505.06	-	-
8.44% Indian Bank Perpetual Bonds Call 08.12.2025	400	3,942.80	-	-
8.73% Union Bank Of India Perpetual Bonds Call 15.12.2025	500	5,155.13	-	-
8.50% Canara Bank Non-Convertible Perpetual Bonds Call 31.12.2025	400	3,892.45	-	-
9.50% Indusind Bank Limited Non-Convertible Bonds Call 18.04.2022	113	1,120.15	-	-
10.50% Indusind Bank Limited Non-Convertible Bonds Call 28.03.2024	73	731.50	-	-
8.64% Union Bank Of India Perpetual Bonds Call 11.01.2026	25	2,442.33	-	-
8.15% Bank Of Baroda Perpetual Bonds Tier-I Call 13.01.2026	190	1,873.40	-	-
8.15% Bank Of Baroda Perpetual Bonds Tier-I Call 28.01.2026	250	2,498.96	-	-
9.04% Bank Of India Perpetual Bonds Call 28.01.2026	470	4,655.17	-	-
		30,359.64		-
Total Investments (a) + (b) + (c)		30,359.99		1,183.32
Aggregate amount of Quoted Investments		-		1,182.97
Market value of Quoted Investments		-		1,182.97
Aggregate amount of Unquoted investment		30,359.99		0.35
Aggregate amount of impairment in value of investments		Nil		Nil

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

7 LOANS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Loans to employees	15.91	14.04
Security deposits	258.61	244.25
TOTAL	274.52	258.29

8 OTHER NON-CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Deposits with Banks:		
- held as margin money	1.34	1.34
- others	257.70	210.13
Interest accrued but not due on deposits with Banks	1.04	1.44
TOTAL	260.08	212.91

9 NON-CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Advance income tax (Net of provisions)	-	40.83
TOTAL	-	40.83

10 OTHER NON-CURRENT ASSETS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Capital advances	225.12	94.94
Prepaid rent	39.26	39.27
TOTAL	264.38	134.21

11 INVENTORIES

(Valued at lower of Cost and Net Realisable Value, unless stated otherwise, refer note 2.6 for the Accounting Policy)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Raw Materials	16,296.05	9,520.31
- in Transit	4,090.40	2,741.12
Stock-in-process	6,221.21	4,612.86
Finished Goods	3,017.25	3,453.05
Stock-in-trade	138.23	710.34

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for the year ended 31st March, 2021

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
Packing Material	633.94		572.55	
- in Transit	14.30	648.24	0.97	573.52
Stores and Spares	983.05		906.06	
- in Transit	136.30	1,119.35	168.58	1,074.64
TOTAL		31,530.73		22,685.84

12 CURRENT INVESTMENTS

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
	Nos.	Amount	Nos.	Amount
In Bonds & Debentures - fully paid up - Quoted				
(a) Carried at fair value through profit and loss				
- Edelweises Finance Pvt Ltd - Index Linked Non-convertible Debentures of ₹ 1,00,000/- each	-	-	1,500	1,937.24
- Tata Capital Financial Services Ltd - Non-convertible Debentures of ₹ 10,00,000/- each	-	-	200	2,201.40
- Ecap Equities Limited- Index Linked Non-convertible Debentures of ₹ 1,00,000/- each	1,000	1,308.06	-	-
Total (a)		1,308.06		4,138.64
(b) Carried at fair value through other comprehensive income - Unquoted				
9.50% Indusind Bank Limited Non-Convertible Bonds Call 22.03.2022	323	3,212.45	-	-
Total (b)		3,212.45		-
In Mutual Funds - fully paid up - Quoted				
(c) Carried at fair value through profit and loss				
ICICI Prudential Floating Interest Fund- Direct Growth	73,478	252.95	-	-
ICICI Prudential Medium Term Bond Fund- Direct Growth	571,346	207.04	-	-
HDFC Medium Term Debt Fund- Direct Growth	285,836	130.53	-	-
L&T Resurgent India Bond Fund- Direct Growth	7,465,987	1,244.95	-	-
AXIS Banking & PSU Debt Fund- Direct Growth	30,350	636.68	-	-
IDFC Banking & PSU Debt Fund- Direct Growth	5,378,239	1,050.93	-	-
L&T Banking & PSU Debt Fund- Direct Growth	4,937,958	993.12	-	-
Nippon India Banking & PSU Debt Fund- Direct Growth	6,461,186	1,061.00	-	-
DSP Floater Fund- Direct Growth	4,999,750	502.62	-	-
Aditya Birla Sun Life Saving Fund - Growth - Direct Plan	147,312	100.83	-	-
UTI Corporate Bond Fund-Direct Growth	-	-	25,179,567	2,976.00
L&T Triple Ace Bond Fund-Direct Growth	-	-	6,522,882	3,604.98
HDFC Liquid Fund-Direct Growth	-	-	25,677	1,003.09
HDFC Corporate Bond Fund-Direct Growth	-	-	13,080,873	3,019.54
IDFC Arbitrage Fund-Direct Growth	-	-	2,962,635	762.31
DSP Corporate Bond Fund-Direct Growth	-	-	17,003,331	2,012.12
ICICI Prudential Corporate Bond Fund-Direct Growth	-	-	19,874,764	4,275.08
Aditya Birla Sun Life Income Fund- Direct Growth	-	-	177,276	168.33
Total (c)		6,180.65		17,821.45
Total Investments (a) + (b) + (c)		10,701.16		21,960.09
Aggregate amount of Quoted Investments		7,488.71		21,960.09
Aggregate Market value of Quoted Investments		7,488.71		21,960.09
Aggregate amount of Unquoted investment		3,212.45		-
Aggregate amount of impairment in value of investment		Nil		Nil

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

13 TRADE RECEIVABLES

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Unsecured, considered good	30,215.33	21,577.35
Unsecured, considered doubtful	1,557.95	1,289.20
Less: Allowance for doubtful receivables	(1,557.95) -	(1,289.20) -
TOTAL	30,215.33	21,577.35

13.1 Refer Note 40.13 For information about credit and market risk of trade receivables.

13.2 Trade receivables are usually non-interest bearing and on the trade terms of 60 days.

14 CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Balances with Banks - Current Accounts	3,319.14	2,396.74
Cash on hand	17.17	13.97
Deposits with Banks with original maturity of less than 3 months	2,400.00 5,736.31	2,000.00 4,410.71
	5,736.31	4,410.71

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

15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Deposits with Banks:		
- held as margin money (refer note 15.1)	47.63	25.65
- having original maturity of more than 3 months but less than 12 months	26.15 73.78	25.28 50.93
TOTAL	73.78	50.93

15.1 Under lien with banks as security for guarantee facility.

16 LOANS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Loans to employees	55.24	61.25
Inter-corporate deposits	500.00	500.00
TOTAL	555.24	561.25

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

17 OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Interest accrued but not due on deposits with banks, bonds and debentures	692.79	8.36
Insurance claim receivable	-	13.74
Discounts receivable	650.43	531.54
Derivative financial asset	-	0.53
	1,343.22	554.17

18 OTHER CURRENT ASSETS

(Unsecured, considered good)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Advance to contractors/suppliers	1,885.55	1,261.10
Balances with Statutory/Government authorities:		
- Excise & Custom	2.85	14.61
- GST	23.27	87.51
- VAT/Sales Tax	478.95	505.07
Prepaid expenses	427.85	403.19
GST refund receivable (refer note 18.1)	550.33	1,388.23
Lease equalisation asset	62.73	53.36
Income tax refund	15.33	18.71
Other loans & advances (refer note 18.2)	177.71	167.51
TOTAL	3,624.57	3,886.43

18.1 Amount of GST paid by the unit of Holding Company located in exempted zone, due for refund under the Government Budgetary Support Scheme.

18.2 Others loans & advances comprise of advances to staff for expenses and advances to other parties etc.

19 EQUITY SHARE CAPITAL

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
	No.	Amount	No.	Amount
Authorised:				
Equity Shares of ₹ 5/- each	8,80,21,000	4,401.05	8,80,21,000	4,401.05
Issued, Subscribed and Fully Paid up:				
Equity Shares of ₹ 5/- each	4,87,82,808	2,439.14	4,87,82,808	2,439.14

19.1 Right, Preferences and Restrictions attached to Shares:

The Holding Company has one class of equity shares having a par value of ₹ 5 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the group in proportion of their shareholding.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

19.2 Reconciliation of the number of shares outstanding:

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
At the beginning of the year	4,87,82,808	2,439.14	4,87,82,808	2,439.14
At the end of the year	4,87,82,808	2,439.14	4,87,82,808	2,439.14

19.3 Details of Shares allotted as fully paid up without payment being received in cash during 5 years immediately preceding 31st March, 2021 / 31st March, 2020.

- During the year 2016-17, 1,62,60,936 fully paid up equity shares of ₹ 5/- each, were allotted by way of bonus shares to all the shareholders in the ratio of 1:2.

19.4 Details of Shareholders holding more than 5% shares:

Name of the Shareholder	As at 31 March, 2021		As at 31 March, 2020	
	No. of Shares	% held	No. of Shares	% held
Sh. Rahul Gautam	6,209,485	12.73	6,209,485	12.73
Smt. Namita Gautam	5,715,879	11.72	5,715,879	11.72
Sh. Tushaar Gautam	17,086,314	35.03	18,086,314	37.08
Rangoli Resorts Private Limited	65,63,391	13.45	65,63,391	13.45
SBI Magnum Midcap Fund	4,356,390	8.93	4,681,747	9.60
DSP Midcap Fund	2,855,425	5.85	-	-
Kotak Emerging Equity Scheme	2,773,731	5.69	-	-

19.5 Equity shares held (under Authorised Capital) as per Sheela Foam Employees Stock Option Scheme, 2016 (ESOS 2016) (refer note 39.3)

Name of the Shareholder	As at 31 March, 2021	As at 31 March, 2020
	No. of Shares	No. of Shares
Equity Shares of ₹5/- each	24,00,000	24,00,000

20 OTHER EQUITY

	As at 31 March, 2021		As at 31 March, 2020	
	(₹ in Lakhs)			
Capital Reserve				
As per last account	1,402.97		1,268.19	
Addition on Investment in Subsidiary	-		0.27	
Add: Foreign Exchange gain on Reserve	961.62	2,364.59	134.51	1,402.97
General Reserve				
As per last account	1,716.27		1,716.27	
Foreign Currency Translation reserve				
As per last account	(40.95)		(167.46)	
Add: Exchange gain on property, plant and equipment and goodwill (net)	4,035.46		1,405.04	
	3,994.51		1,237.58	
Less : Exchange (loss) on others	(2,444.94)	1,549.57	(1,278.53)	(40.95)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

(₹ in Lakhs)

	As at 31 March, 2021		As at 31 March, 2020	
Retained Earnings				
As per last account	87,128.99		67,993.05	
Less: Adjustment on adoption of Ind AS 116 (net of tax)	-		(206.81)	
Add: Other adjustments	0.08		-	
Less: Dividend paid to Non-controlling Interest	(190.66)		-	
Add : Profit for the year	23,772.07	110,710.48	19,342.75	87,128.99
Capital Subsidy				
Received during the year		56.98		-
Other comprehensive loss				
As per last account	(672.16)		(238.89)	
Add: Income/(loss) during the year (net of tax)	264.17	(407.99)	(433.27)	(672.16)
TOTAL		115,989.90		89,535.12

20.1 Nature and purpose of reserves

- Capital Reserve:** During amalgamation of the subsidiaries, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve.
- General Reserve:** The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- Foreign Currency Translation Reserve:** The reserve created from changes (gain/loss) on translation of the financial statements of foreign subsidiary in the presentation currency of the Holding Company.

21 BORROWINGS

(₹ in Lakhs)

	Note No.	As at 31 March, 2021		As at 31 March, 2020	
		Non Current	Current	Non Current	Current
(i) Secured					
Term loans from Banks	21.1	13,148.51	1,197.97	15,453.90	1,388.06
		13,148.51	1,197.97	15,453.90	1,388.06
(ii) Unsecured					
Loan from financial credit institutions	21.2	114.97	295.77	259.25	478.06
		114.97	295.77	259.25	478.06
TOTAL		13,263.48	1,493.74	15,713.15	1,866.12
Less: Amount disclosed under the head "Other current financial liabilities" (Refer Note-27)		-	1,493.74	-	1,866.12
Net amount		13,263.48	-	15,713.15	-

21.1 Nature of Security and Terms of Repayment:

Foreign Subsidiary (International Foam Technologies Spain S.L.) - ₹ 14,346.48 lakhs

₹ 14,346.48 lakhs in respect of Term Loan from CITI Bank, Spain based on Stand by Letter of Credit from Citi Bank, India secured by exclusive charge on certain fixed assets of the Holding Company. The term loan carry the arithmetic sum of the reference Interest rate viz. 3 month EURIBOR communicated by the bank for the period and accepted by the borrower. The principal amount of Loan will be repaid by the Company in 20 quarterly equated installements as per predefined schedule and with first installement started from October, 2020 and last installement due in October, 2025.

- 21.2** ₹ 410.74 lakhs obtained from various financials credit institutions. There unsecured loans carries interest rates ranging from 0.70 % to 1.50%.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

22 OTHER NON-CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Deposits from dealers and others	7,850.87	6,738.95
Capital Investment Subsidy	25.54	28.37
Unearned Interest Income on Deposits	521.45	548.97
Unearned Rent Income	46.76	56.32
TOTAL	8,444.62	7,372.61

23 PROVISIONS

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
Provision for employee benefits:	40.4		
- Gratuity		22.99	-
- Leave encashment		428.00	450.99
Warranty Claims	28.1	195.24	100.77
		646.23	859.38

24 INCOME TAXES

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
A. Tax expense in the statement of profit and loss comprises:			
Income tax			
-Current income tax charge	40.19	8,460.28	6,676.99
-Earlier year's tax reversal		(42.32)	0.38
Deferred tax			
- Relating to origination and reversal of temporary differences	40.19	(48.58)	(469.19)
Total tax expense reported in the statement of profit or loss		8,369.38	6,208.18
B. Statement of other comprehensive income (OCI)			
Remeasurement losses on defined benefit plans		63.66	(145.72)
Fair value gain on investments (net)		25.18	-
Income tax related to items recognised in OCI during the year		88.85	(145.72)
C. Reconciliation of tax liability on book profit vis-à-vis actual tax liability			
Accounting Profit before income tax		32,384.52	26,836.29
Applicable Tax Rate		25.17%	25.17%
Computed Tax Expense		8,150.54	6,754.16
Tax related adjustments			
Difference in Tax Rate		(53.88)	(1.72)
Income not considered for tax purpose		(237.04)	(280.21)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
Expenses not considered for tax purpose		593.45	(233.50)
Tax adjusted for earlier years		(42.32)	0.38
Additional allowances for tax purpose		(41.35)	(30.93)
Income tax expense charged to the statement of profit or loss		8,369.38	6,208.18
Effective tax rate		25.84%	23.13%

D. Deferred Tax Liability comprises:

	As at 31 March, 2021	As at 31 March, 2020
Deferred Tax Liability:		
- Depreciation		
- Fair value gain/(loss) on investments	806.54	436.75
- Right of Use assets	69.32	75.70
- Registered Grants Pending imputation	46.13	65.63
- Addition on Consolidation	126.19	116.52
	772.91	762.76
Deferred Tax Assets:		
- Disallowance under Section 43B	(9.26)	(9.26)
- Provision for employee benefits	(486.17)	(234.87)
- Lease liabilities	(50.13)	(70.97)
- Other adjustments	(387.56)	(50.20)
- Disallowances u/s 35DD	(0.10)	(0.13)
Net Deferred Tax Liability	887.87	1,091.93

* includes opening adjustment due to Ind AS 116 and addition on investment in Subsidiary.

25 BORROWINGS

(₹ in Lakhs)

	Note No.	As at 31 March, 2021		As at 31 March, 2020	
		Non Current	Current	Non Current	Current
(i) Secured					
Working Capital Loans from Banks	25.1	1,530.28			477.19
(ii) Unsecured					
Loan from various credit institutions	25.2	5,657.46			3,029.57
Book overdraft		-			2.45
Loan and advances from a related party:	25.3				
- CEO & Director of a Subsidiary		111.40			92.56
TOTAL		7,299.14			3,601.77

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

25.1 Working Capital Loans from Banks are secured by way of:

Foreign Subsidiary (Joyce Foam Pty. Ltd.) - ₹ 1,530.28 lakhs

Loan of ₹ 1,530.28 lakhs from Bank of Baroda, Sydney is secured by way of first charge on all present and future current assets of Joyce Foam Pty. Ltd. and also by way of first charge on plant and equipments of Joyce Foam Pty Ltd. This loan is additionally secured by way of first charge on land and building of Joyce WC NSW Pty Ltd. The loan is further secured by Corporate Guarantee of holding company M/s Sheela Foam Ltd. and additional corporate guarantee of WOS Joyce WC NSW Pty. Ltd. Further, this loan is additionally secured by the personal guarantee of some directors i.e. Mr. Rahul Gautam and Mr. Tushaar Gautam. This loan carry rate of interest of 425 bps over 6 months BBSW (i.e. 6.37% floating) with quarterly rests, charged on monthly basis.

25.2 Foreign Subsidiary (International Foam Technologies Spain S.L.) - ₹ 5,657.46 lakhs

The Company has taken discounting and foreign trade facilities to meet day to day working capital requirement with interest rate for these facilities ranging from 0.70% & to 1.35%.

25.3 Loan and advance from related party is at call and unsecured. The interest charged equates to the lender's cost of borrowing plus a margin that does not exceed the cost charged by the Bank.

26 TRADE PAYABLES

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
Total outstanding dues of micro enterprises and small enterprises	40.2	1,168.31	330.31
Total outstanding dues of creditors other than micro enterprises and small enterprises		21,796.20	15,014.24
		22,964.51	15,344.55

26.1 The trade payables are unsecured and usually non-interest bearing and are paid within 60-90 days of the recognition.

27 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in Lakhs)

	Note No.	As at 31 March, 2021	As at 31 March, 2020
Current maturities of Borrowings	21	1,493.74	1,866.12
Accrued expenses		6,285.00	5,199.92
Creditors for assets		263.54	210.96
Creditors for expense		4,218.54	2,600.82
Unearned Interest Income		142.85	320.83
Unearned Rent Income		9.52	9.52
Payable to employees		25.93	130.71
Capital Investment subsidy		2.83	2.73
Employee benefit liabilities - Gratuity	40.4	-	402.95
Other payables		144.59	-
TOTAL		12,586.54	10,744.56

27.1 There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as on 31st March, 2021 / 31st March, 2020.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

28 PROVISIONS

(₹ in Lakhs)

	Note No.	As at 31 March, 2021		As at 31 March, 2020	
Provision for employee benefits:	40.4				
- Gratuity		1.43		-	
- Leave Encashment		1,041.99	1,043.42	757.71	757.71
Warranty Claims	28.1	426.83		530.54	
TOTAL		1,470.25		1,288.25	

28.1 Warranty Claims:

Provision is recognised for expected warranty claims on mattresses sold, based on past experience of the level of returns in accordance with the Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Assets". Assumptions used for the said provision are based on sales and current information available about returns based on warranty period. The table below gives information about movement in warranty provision:

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Opening Balance	631.31	769.95
Less : Amount utilized during the year	507.81	661.38
	123.50	108.57
Add: Provision made during the year	498.57	522.74
Closing Balance	622.07	631.31

29 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Provision for income tax (Net of advance tax)	453.58	-
TOTAL	453.58	-

30 OTHER CURRENT LIABILITIES

(₹ in Lakhs)

	As at 31 March, 2021	As at 31 March, 2020
Advance from Customers	5,491.66	4,443.72
Statutory liabilities	1,896.24	1,454.16
TOTAL	7,387.90	5,897.88

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

31 REVENUE FROM OPERATIONS

	Note No.	Year ended 31 March, 2021		Year ended 31 March, 2020	
(₹ in Lakhs)					
Sale of products					
- Finished Goods	31.1.a	2,39,058.11		2,10,942.99	
- Traded Goods	31.1.b	4,317.72	2,43,375.83	5,468.79	2,16,411.78
Other operating revenue:					
- Duty drawback		-		0.08	
- GST Refund	18.1	-		731.32	
- Sale of process scrap		159.92	159.92	220.22	951.62
TOTAL			2,43,535.75		2,17,363.40

31.1 DETAIL OF SALE OF PRODUCTS:

	Year ended 31 March, 2021	Year ended 31 March, 2020
(₹ in Lakhs)		
(a) Finished Goods :		
- PU Foam sheets/mattresses/rolls/bolster/pillows etc.	2,39,058.11	2,10,942.99
	2,39,058.11	2,10,942.99
(b) Traded Goods		
- Bed Sheets/Comforters/PU Foam/Spring/Coir mattresses etc.	4,317.72	5,468.79
	4,317.72	5,468.79
TOTAL	2,43,375.83	2,16,411.78

32 OTHER INCOME

	Note No.	Year ended 31 March, 2021		Year ended 31 March, 2020	
(₹ in Lakhs)					
Interest income :					
- Bank deposits		21.10		59.74	
- Bonds		1,041.83		11.19	
- Income tax refund		0.12		37.17	
- Inter corporate deposit		48.00		5.78	
- Others		264.84	1,375.89	356.12	470.00
IT support services - Domestic			183.47		-
Rent	32.1		643.42		194.16
Profit on sale of property, plant & equipment (net)			51.93		266.97
Liabilities/provisions no longer required written back			19.05		10.73
Fair value gain on Investments (net)			366.86		659.37
Profit on sales of investments (net)			1,688.03		1,516.19
Exchange fluctuation profit (net)			409.59		369.01
Investment subsidy received			2.83		2.84
Sale of non-process scrap			378.22		422.16
Other miscellaneous income			88.47		87.40
TOTAL			5,207.76		3,998.83

32.1 Includes ₹ 188.86 lakhs (Previous Year : ₹ 152.71 lakhs) on Investment property (refer note 5.3).

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

33 COST OF MATERIALS CONSUMED

(₹ in Lakhs)

	Year ended 31 March, 2021		Year ended 31 March, 2020	
Raw material				
Opening Stock	9,520.31		8,194.79	
Addition on Investment in Subsidiary	-		646.92	
Purchases (less returns)	1,39,256.73		1,04,332.88	
	1,48,777.04		1,13,174.59	
Less: Sales /adjustments	2,835.00		2,829.40	
Less : Closing Stock	16,296.05	1,29,645.99	9,520.31	1,00,824.88
Packing Material				
Opening Stock	572.55		478.44	
Purchases (less returns)	7,718.25		8,768.77	
	8,290.80		9,247.21	
Less: Sales /adjustments	567.49		689.88	
Less : Closing Stock	633.94	7,089.37	572.55	7,984.78
TOTAL		1,36,735.36		1,08,809.66

34 PURCHASES OF STOCK-IN-TRADE

(₹ in Lakhs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Traded goods - Bed Sheets/Comforters/PU Foam/Spring/Coir mattresses etc.	1,799.48	1,798.33
TOTAL	1,799.48	1,798.33

35 OTHER MANUFACTURING EXPENSES

(₹ in Lakhs)

	Year ended 31 March, 2021	Year ended 31 March, 2020
Stores consumed	948.87	1,073.99
Power & fuel	1,261.62	1,301.40
Repair and maintenance:		
- Buildings	256.25	305.89
- Plant & machinery	1,645.42	1,460.59
Processing & other charges	1,798.90	2,920.71
TOTAL	5,911.06	7,062.58

36 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE

(₹ in Lakhs)

	Year ended 31 March, 2021		Year ended 31 March, 2020	
Inventories at the end of the year				
Finished goods	3,017.25		3,453.05	
Stock-in-trade	138.23		710.34	
Stock-in-process	6,221.21	9,376.69	4,612.86	8,776.25
Inventories at the beginning of the year				
Finished goods	3,453.05		1,081.94	
Finished Goods on Investment in Subsidiary	-		997.52	
Stock-in-trade	710.34		1,742.58	
Stock-in-process	4,612.86	8,776.25	4,810.13	8,632.17
TOTAL		(600.44)		(144.08)

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

37 EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
Salaries, wages, bonus, gratuity, leave encashment, allowances etc.		20,653.10	19,502.49
Contribution to provident, ESI and other funds etc.		1,248.32	913.51
Workmen & staff welfare expenses		1,268.99	1,619.40
TOTAL		23,170.41	22,035.40

38 FINANCE COSTS

(₹ in Lakhs)

	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest Expense on :			
- Term loans		241.64	159.28
- Working capital loans		43.98	26.21
- Loans from finance credit institutions		48.22	28.89
- Loans from others		7.64	1.60
- Income tax		0.02	1.37
- Security deposits		757.92	692.51
- Lease liabilities	40.7	422.88	232.52
- Others		50.52	48.73
Bank Charges		195.45	108.50
TOTAL		1,768.27	1,299.61

39 OTHER EXPENSES

(₹ in Lakhs)

	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
Rent		528.42	306.37
Insurance		1,063.98	682.09
Rates & taxes		281.88	183.66
Repair & maintenance others		785.16	922.72
Advertisement expenses		5,221.62	6,940.53
Travelling and conveyance		747.78	1,485.30
Legal and professional		557.58	1,326.57
Payment to Auditors:			
- Audit Fees		94.81	83.11
- Certification work		3.54	3.50
- Reimbursement of expenses		0.75	2.91
Contributions towards CSR	40.9	489.55	344.00
Advances/Balances written off		59.67	212.30
Investment written off	40.14.a	1.02	-
Provision for doubtful receivables		258.57	123.07
Bad debts written off		69.88	-
Less: Provision for doubtful receivables		51.19	18.69
Selling & promotional expenses (net)		3,111.73	3,724.31
Sales promotion schemes (net)		11,395.82	13,503.31
Freight & cartage (net)		11,301.23	10,148.21
Incentives & Rebates		1,690.60	5,217.31
Property, Plant & Equipment written off (net)		13.26	26.65
Miscellaneous expenses		2,662.46	2,524.09
TOTAL		40,288.12	47,760.01

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

40 : OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

40.1 Contingent Liabilities and Commitments: -

		(₹ in Lakhs)	
Sr. No.	Particulars	As at 31 March, 2021	As at 31 March, 2020
A. Contingent Liabilities			
i.	Claims against the Group not acknowledged as debts - Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards : (refer 'Note - a' below)		
	- Sales tax	888.28	888.54
	- Entry tax	165.24	57.72
	- GST	--	2.29
	- Income tax	447.57	679.19
	- Excise Duty	380.46	236.31
		1,881.55	1,864.05
ii.	Guarantees given by the Bankers on behalf of the Company to third parties	43.04	24.86
iii.	Others - for which the Holding Company is contingently liable	75.00	75.00
B. Commitments			
i.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	3,454.69	3,582.96
TOTAL		5,454.28	5,546.87

- (a) The Group is contesting these demands and the management including its advisers are of the view that these demands may not be sustainable at the appellate level. The management believes that the ultimate outcome of these proceedings will not have any material adverse effect on the Group's financial position and results of operations. The Group does not expect any reimbursement in respect of these contingent liabilities and it is not practicable to estimate the timing of cash outflows, if any, in respect of these matters, pending resolution of the appellant proceedings.

40.2 Disclosure required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006 (in respect of the Companies incorporated in India):-

		(₹ in Lakhs)	
Sr. No.	Particulars	As at 31 March, 2021	As at 31 March, 2020
i.	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act.		
	- Principal	1,168.31	330.31
	- Interest	--	--
ii.	Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	--	--
iii.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	--	--
iv.	The amount of interest accrued and remaining unpaid	--	--
v.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006	--	--
Total		1,168.31	330.31

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

The above information regarding dues to Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Holding Company and its Indian Subsidiaries. Further, the amount payable to these parties is not overdue hence no interest is required to be provided/accrued as at 31.03.2021/31.03.2020.

40.3 Employee Stock Option Scheme

In an earlier year, the shareholders of the Holding Company through special resolution approved issue of 24,00,000 options exercisable into 24,00,000 equity shares under the scheme titled "Sheela Foam Employees Stock Options Scheme 2016 ("ESOS 2016")" which provides for granting options to employees of the Holding Company and its subsidiaries who meet the eligibility criteria under the scheme. The vesting period shall commence after a period of not less than one year from the date of grant of options under the scheme and the maximum vesting period may extend up to five years from the date of grant, unless otherwise decided by the management. As on date, no options have been granted under ESOS 2016.

40.4 Employee Benefits:-

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to the Holding Company's eligible employees who render continuous service of 5 years or more.

Leave Encashment : Employees of the Holding Company are entitled to accumulate their earned/ privilege leave up to a maximum of 45 days which is payable/ encashable as per the policy on their separation.

(b) Long Term Benefit:

Long Service Award: Payable as retention earned leave to eligible employees of the Holding Company, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year amount of ₹ 121.89 lakhs (Previous Year: ₹ 723.81 lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

(c) Defined Contribution plan:

Holding Company & its one subsidiary employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the companies makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 642.63 lakhs (Previous Year: ₹ 668.28 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

	(₹ in Lakhs)	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Employer's contribution towards Provident Fund (PF)	556.00	561.50
Employer's contribution towards Employees State Insurance (ESI)	54.91	63.61
Employer's contribution towards National Pension Scheme (NPS)	31.72	43.17

(d) Other disclosures, as required under Ind AS-19 in respect of Defined Benefit plans (of the Holding Company & its one subsidiary company) which are determined based on actuarial valuation, are as under: -

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

i. Reconciliation of the opening and closing balances of Defined Benefit Obligation :

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Present Value of Defined Benefit Obligation at the beginning of year	1,891.61	1,417.99	647.97	392.33
Interest cost	128.25	111.03	43.93	30.72
Current Service Cost	238.98	141.99	95.14	49.97
Benefit Paid	(158.30)	(58.55)	(489.79)	(118.82)
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	(66.04)	223.19	(10.60)	76.90
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	--	(0.93)	--	(0.31)
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	(159.56)	56.89	(0.46)	217.18
Present value of the Defined Benefit Obligation at the end of year	1,874.94	1,891.61	286.19	647.97

ii. Net Defined Benefit recognized in the Statement of Profit and Loss.

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Current Service Cost	238.98	141.99	95.14	49.97
Net Interest cost	27.32	(1.77)	43.93	30.72
Net Defined Benefit recognized in Statement of Profit and Loss	266.30	140.22	139.07	80.69

iii. Recognized in Other Comprehensive Income.

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(66.04)	223.19	(10.60)	76.90
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	--	(0.93)	--	(0.31)
Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments	(159.56)	56.89	(0.46)	217.18
Return on Plan Asset (Excluding Interest)	(16.30)	6.07	--	--
Net actuarial (Gain) /Loss	(241.90)	285.22	(11.06)	293.77

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

iv. Reconciliation of the opening and closing balances of fair value of Plan Assets

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Fair value of Plan Assets at the beginning of year	1,488.67	1,440.58	-	-
Expected return on plan Assets	100.93	112.80	-	-
Employer's Contribution	402.95	--	-	-
Admin Charges	(0.02)	(0.09)	-	-
Remeasurement of the (Gain) / Loss in Other Comprehensive Income	(16.30)	6.07	-	-
Return on Plan Assets excluding interest income	--	-	-	-
Benefits paid	(158.30)	(58.55)	-	-
Fair value of Plan Assets at the end of year	1,850.52	1,488.67	-	-

v. Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Present value of the Defined Benefit Obligation at the end of year	(1,874.94)	(1,891.61)	(286.19)	(647.97)
Fair value of Plan Assets at the end of year	1,850.52	1,488.66	-	-
Net Defined Benefit Assets / (Liability) recognized in the Balance Sheet	(24.42)	(402.95)	(286.19)	(647.97)

vi. Broad categories of Plan Assets as percentage of total assets

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Insurer Managed Funds	100%	100%	N.A.	N.A.

vii. Sensitivity Analysis*

a) Impact of the change in the discount rate

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Present value of the Defined Benefit Obligation at the end of year	1,874.94	1,891.61	286.19	647.97
a) Impact due to increase of 1.00% (Previous year: 1.00%)	(204.26)	(213.81)	(32.99)	(73.68)
b) Impact due to decrease of 1.00% (Previous year: 1.00%)	241.28	253.80	39.47	87.59

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

b) Impact of the change in the salary increase

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Present value of the Defined Benefit Obligation at the end of year	1,874.94	1,891.61	286.19	647.97
a) Impact due to increase of 1.00% (Previous year: 1.00%)	243.96	255.83	39.91	88.29
b) Impact due to decrease of 1.00% (Previous year: 1.00%)	(209.82)	(219.05)	(33.88)	(75.48)

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

*Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

viii. Maturity Profile.

(₹ in Lakhs)

Year	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
0 to 1 year	65.01	56.70	N. A.	
1 to 2 Year	82.84	67.10		
2 to 3 Year	44.28	56.31		
3 to 4 Year	71.05	72.37		
4 to 5 Year	98.56	141.09		
5 Year onwards	1,513.21	1,498.04		

ix. Expected contribution for the next Annual reporting period

(₹ in Lakhs)

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Service Cost	173.48	185.05	36.01	84.21
Net Interest Cost	7.27	27.32	20.26	43.93
Expected Expense for the next annual reporting period	180.75	212.37	56.07	128.14

x. Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2021	Year ended 31 March, 2020	Year ended 31 March, 2021	Year ended 31 March, 2020
Method used	Projected unit credit method			
Discount rate	7.08%	6.78%	7.08%	6.78%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Mortality Rate	IALM (2012-14) (P. Year IALM (2006-08))			
Withdrawal rate up to 30/44 and above 44 years	3%/2%/1%			
Rate of return on plan assets	7.08 P.A.	6.78 P.A.	N.A. as there are no plan assets	

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

40.5 Segment Reporting

a. Primary Segment

Business Segment : The Group has considered business segment as the primary segment for disclosure. The Group is primarily engaged in the manufacturing of the products of same type/class and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the segment reporting.

b. Secondary Segment

Geographical Segment : The analysis of the geographical segment is based on the sales made within India and Outside India by the Group.

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2021		
	Within India	Outside India	Total
Net Sales/Income from Operations	1,68,949.07	74,586.68	2,43,535.75
Total Assets	1,23,467.74	84,117.48	2,07,585.22
Cost incurred during the period to acquire property, plant & equipment	1,764.33	4,710.27	6,474.60

(₹ in Lakhs)

Particulars	Year Ended 31 March, 2020		
	Within India	Outside India	Total
Net Sales/Income from Operations	1,75,476.98	41,886.42	2,17,363.40
Total Assets	96,950.77	67,437.65	1,64,388.42
Cost incurred during the period to acquire property, plant & equipment	5,744.39	410.53	6,154.92

40.6 Related Party Disclosures (Ind AS-24):

A List of Related Parties and relationships

(a) Entities in which Key Management Personnel or their Relatives have significance influence	(b) Key Management Personnel (KMP) :
- Rangoli Resorts Pvt. Ltd.	- Mr. Rahul Gautam (Managing Director) *
- Core Moulding Pvt. Ltd.	- Mr. Rakesh Chahar (Whole-time Director)
- Sleepwell Foundation (Trust)	- Mrs. Namita Gautam (Whole-time Director) *
	- Mr. Tushaar Gautam (Whole-time Director) *
	- Mr. Frank Van Gogh (CEO & Director) **
	- Mr. Edward John Dodds (Finance Manager) **
	- Mr. Alejandro Juan Palao Serrano (Director & Administrator) **
	*Also having significant influence through major shareholding.
	** Of Foreign Subsidiary/Step-down Subsidiary
(c) Relatives of Key management Personnel:	
- Late Mrs. Sheela Gautam (Mother of Mr. Rahul Gautam) (demise on 08.06.2019)*	
- Mrs. Leanne Dodds (Wife of Finance Manager)	

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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

B. Transactions with related parties:

(₹ in Lakhs)			
Transactions	Related Entities	Key Management Personnel	Relatives of Key Management Personnel
(i) Transactions during the year:			
a. Purchase of Material / Capital Goods	--	--	--
	(3.59)	(--)	(--)
b. Sale of Material/ Capital Goods	0.33	--	--
	(0.77)	(--)	(--)
c. Rent received	--	--	--
	(0.24)	(--)	(--)
d. Interest paid/payable	--	--	--
	(--)	(0.29)	(0.67)
e. Remuneration including Performance Incentives	--	1,038.41	--
	(--)	(932.24)	(--)
f. Reimbursement of expenses	--	--	--
	(--)	(--)	(--)
g. Contributions under CSR	325.00	--	--
	(331.25)	(--)	(--)
h. Repayment of long-term loan and advances	--	--	--
	(--)	(54.92)	(60.11)
(ii) Closing balance as at 31st March, 2021 / 31st March, 2020:			
a. Loans and Advances payable	--	111.40	--
	(--)	(92.56)	(--)

Note : (Figures in bracket are for the year ended March 31, 2020)

40.7 Leases:

a. Group as Lessee

Group has taken various properties on Operating Leases in its normal course of business which contain extension option after the initial contract period. The amounts recognized on account of leases are as under:

i Amount recognized in Statement of Profit and Loss.

Particulars	(₹ in Lakhs)	
	Year ended 31 March, 2021	Year ended 31 March, 2020
Interest expense on lease liability	422.88	232.52
Amortization of Right-of-use assets	2,251.84	1,574.20

ii Amount recognized in Balance Sheet.

Particulars	(₹ in Lakhs)		
	As at 1 April, 2020	Addition / (Deletion) during the year	As at 31 March, 2021
Lease liabilities - Non-Current	8,238.51	2,616.56	10,855.07
Lease liabilities - Current	1,594.19	410.98	2,005.17
Right-of-use assets (Gross) (Refer Note 4)	13,262.98	3,796.30	17,059.28

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

iii. Maturity Profile

(₹ in Lakhs)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	2,411.02	1,943.54
Within 2 years	2334.98	1,269.11
Within 3 years	1805.13	1,205.70
Within 4 years	1357.67	812.37
Within 5 years	780.92	660.70
Within 6 years and upto 99 years	8,114.48	7,651.83
Total undiscounted lease liabilities	16,804.20	13,543.26
Impact of discounting and other adjustments	3,943.96	3,710.56
Lease liabilities included in the Balance Sheet	12,860.24	9,832.70

b. Group as Lessor

Group has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

Land & Factory Building situated at Sikkim	The lease agreement was executed on 1 st December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is ₹ 153.12 lakhs (Previous year: ₹ 145.99 lakhs).
Residential Flat situated at Greater Noida	The lease agreement was executed w.e.f. 15 th September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is ₹ 7.08 lakhs (Previous year: ₹ 6.72 lakhs).
Land & Factory Building situated at Silvassa	The lease agreement was executed w.e.f. 31 st August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is ₹ 28.66 lakhs (Previous year: Nil).

40.8 Earnings per Share:

(₹ in Lakhs)

Particulars	Year ended 31 March, 2021	Year ended 31 March, 2020
Net Profit as per Statement of Profit and Loss-(₹ in Lakhs)	24,015.14	19,428.62
Basic/Diluted weighted average number of equity shares outstanding during the year	4,87,82,808	4,87,82,808
Nominal value of Equity Share (₹)	5.00	5.00
Basic/Diluted Earnings per Share (₹)	49.23	39.83

40.9 Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Holding Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

The contributions towards CSR was on the activities which are specified in Schedule VII of the Companies Act, 2013. The detail of the amount spent during the period is as under:

	(₹ in Lakhs)		
	Amount spent during the current year ended 31 March, 2021	Amount pending for spending as at 31 March, 2021	Total Amount
- Gross Amount lying pending for the earlier year as at 01.04.2020			-
- Gross Amount required to be spent during the year			372.91
- Amount spent during the year:			
a. Construction/acquisition of any asset	-	-	-
b. Contribution to Trusts / NGOs / Societies	489.55	-	489.55

40.10 Financial and Derivative Instruments:

- During the year, there are no Derivative contracts entered by the Company for Hedging Currency (Previous year: ₹ 28.51 lakhs).
- Foreign currency exposures that are not hedged by derivative instruments are given below:

Foreign Currency (FC)	Currency Symbol	As at 31 March, 2021		As at 31 March, 2020	
		FC	INR	FC	INR
Liabilities					
Trade Payables					
United States Dollar	\$	(15.37)	(1,155.46)	(7.71)	(594.36)
Great Britain Pound	£	(0.06)	(6.20)	--	--
Euro	€	(2.47)	(208.94)	(0.51)	(43.39)
Chinese Yuan	¥	--	--	(16.04)	(182.75)
Advance from Customers					
United States Dollar	\$	(1.14)	(85.99)	(0.02)	(1.64)
Assets					
Trade Receivables					
United States Dollar	\$	2.02	150.03	0.76	55.96
Advance to Vendor					
United States Dollar	\$	1.46	104.71	--	--
Euro	€	0.48	39.88	1.78	143.58
Great Britain Pound	£	3.63	356.05	3.64	329.46
Net Liability (in INR)		(805.92)		(293.14)	

40.11 Fair Value Measurements

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

Particulars	(₹ in Lakhs)	
	As at 31 March, 2021	As at 31 March, 2020
Carrying amount/Fair value		
Financial assets		
Carrying amounts/fair value:		
a) Measured at fair value through profit and loss		
Non-current assets		
- Investments	--	1,182.97
Current assets		
- Investments	7,488.71	21,960.09

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for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Carrying amount/Fair value	
	As at 31 March, 2021	As at 31 March, 2020
b) Measured at fair value through other comprehensive income		
Non-current assets		
- Investments	30,359.64	--
Current assets		
- Investments	3,212.45	--
c) Measured at amortised cost		
Non-current assets		
- Investments	0.35	0.35
- Loans	274.52	258.29
- Other non-current financial assets	260.08	212.91
Current assets		
- Trade receivables	30,215.33	21,577.35
- Cash and cash equivalents	5,736.31	4,410.71
- Bank balances other than cash and cash equivalents	73.78	50.93
- Loans	555.24	561.25
- Other current financial assets	1,343.22	554.17
Total	79,519.63	50,769.02
Financial liabilities		
Carrying amounts/fair value:		
a) Measured at fair value through profit and loss		
Financial Guarantee Contracts	--	--
b) Measured at fair value through other comprehensive income	--	--
c) Measured at amortised cost		
Non-current liabilities		
- Borrowings	13,263.48	15,713.15
- Lease Liabilities	10,855.07	8,238.51
- Other non-current financial liabilities	8,444.62	7,372.61
Current liabilities		
- Borrowings	7,299.14	3,601.77
- Lease Liabilities	2,005.17	1,594.19
- Trade payables	22,964.51	15,344.55
- Other current financial liabilities	12,586.54	10,744.55
Total	77,418.53	62,609.33

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. The Group has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.
2. Financial instruments with fixed and variable interest rates are evaluated by the 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Disclosures of fair value measurement hierarchy for financial instruments are given below:

(₹ in Lakhs)

Particulars	Carrying amount/Fair value					
	As at 31 March, 2021			As at 31 March, 2020		
	L-1	L-2	L-3	L-1	L-2	L-3
Financial assets						
Carrying amounts/fair value:						
a) Measured at fair value through profit and loss						
Non-current assets						
- Investments	--	--	--	1,182.97	--	--
Current assets						
- Investments	7,488.71	--	--	21,960.09	--	--
b) Measured at fair value through other comprehensive income						
Non-current assets						
- Investments	--	30,359.64	--	--	--	--
Current assets						
- Investments	--	3,212.45	--	--	--	--
c) Measured at amortised cost						
Non-current assets						
- Investments	--	--	0.35	--	--	0.35
- Loans	--	--	274.52	--	--	258.29
- Other non-current financial assets	--	--	260.08	--	--	212.91
Current assets						
- Trade receivables	--	--	30,215.33	--	--	21,577.35
- Cash and cash equivalents	--	--	5,736.31	--	--	4,410.71
- Bank balances other than cash and cash equivalents	--	--	73.78	--	--	50.93
- Loans	--	--	555.24	--	--	561.25
- Other current financial asset	--	--	1,343.22	--	--	554.17
Total	7,488.71	33,572.09	38,458.83	23,143.06	--	27,625.96

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for the year ended 31st March, 2021

(₹ in Lakhs)

Particulars	Carrying amount/Fair value		
	As at 31 March, 2021		As at 31 March, 2020
Financial liabilities			
Carrying amounts/fair value:			
a) Measured at fair value though profit and loss	--	--	--
b) Measured at fair value though other comprehensive income	--	--	--
c) Measured at amortised cost			
Non-current liabilities			
- Borrowings	--	13,263.48	--
- Lease liabilities	--	10,855.07	--
- Other non-current financial liabilities	--	8,444.62	--
Current liabilities			
- Borrowings	--	7,299.14	--
- Lease liabilities	--	2,005.17	--
- Trade payables	--	22,964.51	--
- Other current financial liabilities	--	12,586.54	--
Total	--	77,418.53	--

40.12 Capital Management

Equity share capital and other equity are considered for the purpose of Group's capital management.

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

40.13 Financial risk management objectives and policies

The Group's principal financial liabilities, comprise of borrowings, security deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

(a) Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2021. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2021.

(i) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future Group's cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EURO, GBP, Chinese Yuan, AED and AUD exchange rates, with all other variables held constant. The impact on the group profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the group that have not been hedged by a derivative instrument or otherwise are as under:

Foreign Currency (FC)	Currency Symbol	As at 31 March, 2021		As at 31 March, 2020	
		FC	INR	FC	INR
Liabilities					
Trade Payables					
United States Dollar	\$	(15.37)	(1,155.46)	(7.71)	(594.36)
Great Britain Pound	£	(0.06)	(6.20)	--	--
Euro	€	(2.47)	(208.94)	(0.51)	(43.39)
Chinese Yuan	¥	--	--	(16.04)	(182.75)
Advance from Customers					
United States Dollar	\$	(1.14)	(85.99)	(0.02)	(1.64)
Assets					
Trade Receivables					
United States Dollar	\$	2.02	150.03	0.76	55.96
Advance to Vendor					
United States Dollar	\$	1.46	104.71	--	--
Euro	€	0.48	39.88	1.78	143.58
Great Britain Pound	£	3.63	356.05	3.64	329.46
Net Liability (in INR)		(805.92)		(293.14)	

(₹ in Lakhs)

Impact on profit before tax and equity	As at	
	31 March, 2021	31 March, 2020
5% Increase	(-)40.30	(-)14.66
5% Decrease	(+)40.30	(+)14.66

Note: Figures in bracket represents payables

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for the year ended 31st March, 2021

(ii) Interest Rate Risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group policy is to minimize interest rate cash flow risk exposure on long term financing. The group is exposed to changes in market interest rates through bank borrowings at fixed & variable interest rates.

Particulars	As at 31 March, 2021	As at 31 March, 2020
Fixed Rate borrowing	--	--
Variable Rate borrowing	14,757.22	17,579.27
Total borrowings	14,757.22	17,579.27

Impact on profit before tax and equity	As at 31 March, 2021	As at 31 March, 2020
Interest sensitivity	--	--
Interest Rate -Increase by 100 basis points	(+)147.57	(+)175.79
Interest Rate -decrease by 100 basis points	(-)147.57	(-)175.79

(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.

i) Trade Receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Group regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

ii) Financial instruments and cash & bank deposits

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

The Group's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2021 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

Particulars	As at 31 March, 2021	As at 31 March, 2020
Non-current assets		
- Investments	30,359.99	1,183.32
- Loans	274.52	258.29
- Other non-current financial assets	260.08	212.91
Current assets		
- Investments	10,701.17	21,960.09
- Trade receivables	30,215.33	21,577.35
- Cash and cash equivalents	5,736.31	4,410.71
- Bank balances other than cash and cash equivalents	73.78	50.93
- Loans	555.24	561.25
- Other current financial assets	1,343.22	554.17
Total	79,519.64	50,769.02

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be very low.

Maturity profile of financial liabilities

The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Carrying Value	Less than 1 year	More than 1 Year
As at 31st March, 2021			
Borrowings	22,056.36	7,299.14	14,757.22
Lease Liabilities	12,860.24	2,005.17	10,855.07
Trade payables	22,964.51	22,964.51	--
Other non-current financial liabilities	8,444.62	--	8,444.62
Other current financial liabilities	12,586.54	12,586.54	-
Total	69,798.87	44,855.36	34,056.91

Particulars	Carrying Value	Less than 1 year	More than 1 Year
As at 31st March, 2020			
Borrowings	21,181.05	5,467.89	15,713.16
Lease Liabilities	9,832.70	1,594.19	8,238.51
Trade payables	15,344.55	15,344.55	--
Other non-current financial liabilities	7,372.61	--	7,372.61
Other current financial liabilities	8,878.43	8,878.43	-
Total	62,609.34	31,285.06	31,324.28

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for the year ended 31st March, 2021

40.14 Salient Features of financials of Subsidiaries as per the Companies

(₹ in Lakhs)

Particulars	Subsidiaries					
	Joyce Foam Pty. Ltd. And Controlled Entities (Foreign Subsidiary) (Note - c below)	International Foam Technologies SL, Spain and subsidiaries (Foreign Subsidiary) (Note - b and c below)	Sleep X US INC (Foreign Subsidiary) (Note - a below)	Divya Software Solutions Private Limited (Indian Subsidiary)	Sleepwell Enterprises Private Limited (Indian Subsidiary)	Staqo World Private Limited (Indian Subsidiary)
Reporting period of the subsidiary concerned, if different from the Holding Company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reporting currency in case of foreign subsidiaries	AUD	EURO	USD	N.A.	N.A.	N.A.
Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries	₹ 55.70	₹ 85.92	N.A. (Note - a below)	N.A.	N.A.	N.A.
Share Capital	3,668.00	10,313.22		9.46	1.05	1.00
Reserves & Surplus	10,622.88	4,304.79		6,171.89	235.89	369.96
Total Assets	36,265.17	48,397.58		6,198.61	264.24	500.18
Total Liabilities	21,974.30	32,910.56		17.27	27.31	129.22
Investments	--	--		--	100.83	--
Turnover /Total Income	41,767.98	33,673.70	(Note - a below)	27.14	85.66	1,335.70
Profit / (Loss) before tax	3,835.27	4,420.10		(419.22)	77.82	364.67
Provision for tax	1,140.32	909.51		2.73	12.40	73.53
Profit / (Loss) after tax	2,694.95	3,510.59		(421.95)	65.42	291.14
Proposed Dividend						
% of shareholding	100%	100%		100%	100%	100%

- a. During the previous year, the Holding Company had incorporated the said Wholly Owned Subsidiary Company (WOS) in Delaware, USA, for the purpose of marketing of the products of the Holding Company in USA, however, as no share capital had been subscribed or investment had been made therein, there was no impact of the same on the financial statements except that the expenditures incurred for acquisition were capitalised as investment in WOS. Further, during the current year the Company has dissolved the said Subsidiary on 29.03.2021 and expenditure incurred for acquisition has been written off and shown under Note 39 - Other Expenses - Investment written off.
- b. The International Foam Technologies SL, Spain, (the 'IFTS') in the earlier year had signed with the former owners of a running company namely Interplasp, SL Spain for the sale of 93.66% of its share capital. Once the closing actions for transfer of shares were completed, the said contract was released to the public, and IFTS as agreed in the said act, signed an escrow contract and created a deposit charged to the purchase price amounting to 6,874 thousands euros. In the escrow contract derived from the purchase of the shares of Interplasp, S.L. one of the conditions is to release 3.000 thousands euros if a special license is obtained for urban use by public utility in the lands adjacent to the constructions where Interplasp, S.L. develops its activity. The Company had recorded this amount as a higher value of the land, however, the Company has obtained an appraisal that proves that if said urban use were granted, the value of the land would not change and has considered the 3.000 thousands euros as a higher value of goodwill. The Company has recorded this fact retrospectively, modifying the comparative figures from the previous year. The impact on the comparative figures of the previous year is as follows:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

Below table describes the restatement made in the financial statements as at 1st April, 2020:

Particulars	As at 31 March, 2020	Restatement	As at 1 April, 2020
Assets			
Property, plant and equipment - Land	3,887.93	(2,492.40)	1,395.53
Goodwill	23,708.21	1,750.80	25,459.00
		(741.60)	
Liabilities			
Non-controlling interest	785.89	(118.51)	667.38
Deferred tax liabilities (Net)	1,715.02	(623.09)	1,091.93
		(741.60)	

- c. The Holding Company has also given financial guarantees of ₹ 17,924 lakhs to the banks towards guarantees for the loans taken by the foreign Subsidiaries in Spain and Australia.

40.15 Additional information pursuant to Schedule III of Companies Act, 2013

Name of Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit	Amount (₹ in lakhs)
Parent / Holding :				
Sheela Foam Limited	88.69	1,05,038.23	75.18	17,874.98
Subsidiaries:				
Indian				
Divya Software Solutions Private Limited	(0.63)	(740.62)	(1.77)	(421.95)
Sleepwell Enterprises Private Limited	0.20	235.89	0.28	65.42
Staço World Private Limited	0.31	369.96	1.22	291.14
Foreign				
Joyce Foam Pty. Ltd. and Controlled Entities	7.84	9,281.71	11.34	2,694.96
International Foam Technologies SL, Spain and Subsidiaries	3.59	4,243.87	13.75	3,267.52

40.16 The Holding Company in the year 2016-17, had lodged an insurance claim towards the fire in its unit at Greater Noida, and as the management was confident of recovery of the said claim, the loss of ₹ 1199.49 lakhs incurred in the fire was accounted for as "Insurance Claim Receivable". However, as in-spite of continuous follow up, there was no concrete evidence / reasonable positive indication of its recovery, the said claim which was lying under receivable had been written off and debited to the Statement of Profit and Loss, as Exceptional Item during the earlier year 2019-20.

40.17 The SARS-CoV-2 virus responsible for COVID-19, which has been declared a Global pandemic by the World Health Organization in 2020, had led to nation-wide lockdown during the year for a quite considerable time. It contributed to a significant decrease in global and local economic activities, and consequently, the revenues and the profitability for the year ended March 31, 2021 have been adversely affected. Further, presently the said pandemic, is re-spreading and is on increasing trend across the globe including India, with various mutating variants. In assessing the recoverability of financial and non-financial assets, the Group has considered internal and external information including economic forecasts available, and based on such information and assessment, the Group expects to recover the carrying amount of these assets. The impact of the pandemic may differ from that estimated as at the date of approval of these financial statements, and such changes, if any, will be prospectively recognised. Further, the extent to which the COVID-19 pandemic will impact the Group's future

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2021

activities and financial results will depend on future developments which are highly uncertain, and as such no impact thereof, if any required, could be taken in these financial statements.

40.18 There are no material differences in the accounting policies of the Holding Company and its Subsidiaries, and the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.

40.19 The previous year's figures have been re-grouped/re-classified wherever considered necessary, and as the accounts for the previous year include the accounts of one foreign subsidiary and one Indian Subsidiary, which have been acquired between the previous year, therefore, the figures for the previous year are not comparable.

As per our Report of even date attached

For **S. P. CHOPRA & CO.**

Chartered Accountants

Firm Registration No. 000346N

(Sanjiv Gupta)

Partner

Membership No. 083364

For and on behalf of the Board of Directors

(Rahul Gautam)

Managing Director

DIN : 00192999

(Tushaar Gautam)

Whole-time Director

DIN : 01646487

(Dhruv Mathur)

Chief Financial Officer

(Md. Iqebal Ahmad)

Company Secretary

M. No. - A20921

Place: Noida

Date : 29th May, 2021

www.sheelafoam.com

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