

**SHEELA FOAM PRIVATE LIMITED**

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 44<sup>th</sup> Annual Report on the business, operations and financial performance of the Company along with the Consolidated Audited Balance Sheet and Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2016.

**1. FINANCIAL INFORMATION**

**(Rs. in Crores)**

Particulars	Consolidated		Standalone	
	2015-16	2014-15	2015-16	2014-15
Total Gross Revenue	1713.07	1563.91	1432.54	1285.80
Profit before Financial Charges, Depreciation & Tax	192.85	101.19	161.80	77.24
Less : Financial Charges	11.67	16.19	6.77	10.47
Cash Profit	181.18	85.00	155.03	66.77
Less : Depreciation	29.27	27.96	22.77	21.50
Profit before Tax	151.91	57.04	132.26	45.27
Add/(Less) : Income Tax- current year	(47.45)	(13.53)	(41.15)	(11.99)
Add/(Less): Deferred Tax - current year	0.25	(1.19)	(0.96)	0.94
Profit after Tax	104.71	42.32	90.15	34.22
Balance Surplus carried to Balance Sheet	104.71	42.32	90.15	34.22

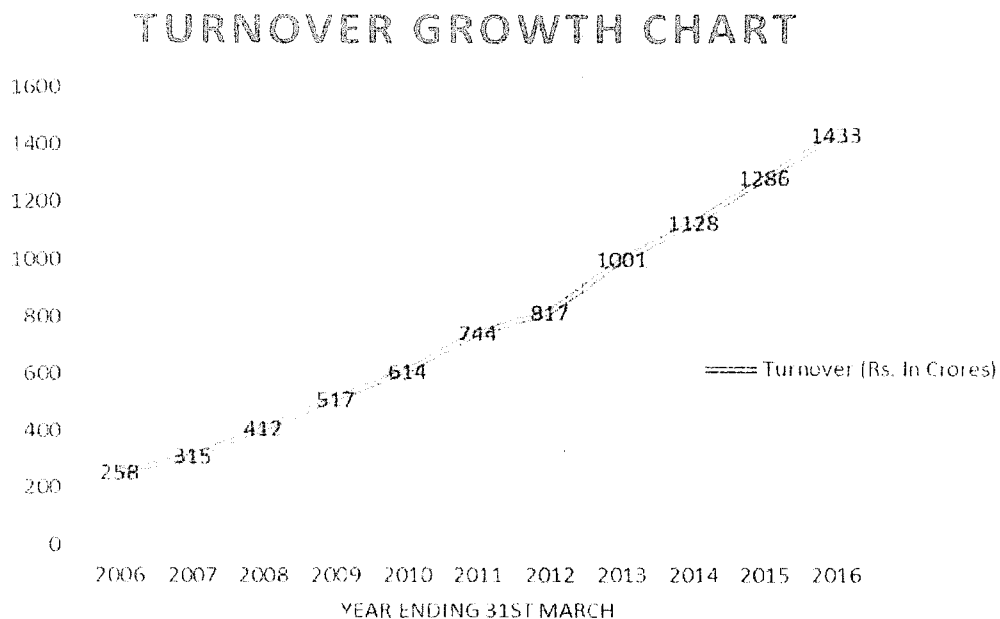
**SHEELA FOAM PVT. LTD.**

37/2, Site-IV, Sahibabad Industrial Area, Ghaziabad, U.P. - 201010, India  
 Ph: Int-91-(0)-120-4162200 | Fax: Int-91-(0)-120-4162282, 4162283 | Email: contactus@sheelafoam.com  
 Regd. Office: C-55, Preet Vihar, Vikas Marg, Delhi-110092, India | Ph: Int-91-(0)-11-22026875-76  
 Toll Free: 1800 103 6664 | www.sleepwellproducts.com | www.sheelafoam.com  
 CIN-U74899DL1971PTC005679

During the current year, Gross Revenue increased from Rs.1285.80 Crores to Rs. 1432.54 Crores, registering a growth of more than 11%. The Profit before tax for the current year increased by 192% to Rs. 132.26 Crores, as against the profit before tax of Rs. 45.27 Crores of last year.

## **2. PRESENT STATUS & FUTURE OUTLOOK**

Your Company is the leading manufacturer of Mattresses (Sleepwell Brand) and other home comfort products . The company has been growingly consistently . The CAGR of the Company is 19% over the last 10 years as depicted hereunder:-



The Company has been consistently profitable during the above period. During the year under review, Profitability of the Company increased substantially due to lower raw material costs, better yields product mix optimization and innovative marketing . The Company expects better results in years to come due to its growth strategy coupled with Brand positioning, which enables it to maintain the profitability despite any increase in raw material prices.

The Company has Manufacturing and Distribution across India, with plants at 11 locations and Distribution Network of more than 100 distributors and 5000 dealers. The Company is increasing its exclusive sales network rapidly . The Company has more than 2200 Exclusive Distribution Network comprising of Sleepwell Worlds, Galleries, Shoppes and exclusive dealers.

The demand for Mattresses and other comfort products is expected to increase steadily considering rise in levels of income and increase in number of households. Introduction of Goods and Service Tax (GST) would also increase the share of organised players in the Industry . As the company expects to maintain its leadership position in the Organised Market ,this would result in higher sales and profitability.

### **3. SUBSIDIARIES**

The Company has one 100% subsidiary in Australia, Joyce Foam Pty. Ltd. Joyce Foam is the largest producer of Foam in Australia and supplies its high quality Foam to Global Mattresses and Furnishing Companies. Joyce recorded a turnover of 58.6 Million Australian Dollars(AUD) in 2015-16, as compared with 55.3 Million AUD in 2014-15, recording a growth of 6% and has posted healthy pretax profit of 3.8 Million AUD in 2015-16, as against 2.2 Million AUD in 2014-15, an increase of around 73%. Joyce Foam deploys most modern technology -Variable Pressure Foaming (VPF), for producing best quality of Foam. Since full scale introduction VPF technology, the revenues and profitability of company have improved.

The Company has another wholly owned subsidiary, Divya Software Solutions Pvt. Ltd. since 2014-15.

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard (AS) - 21 on Consolidated Financial Statements the audited consolidated financial statement is also approved by the Board and attached with the Financial statements of the Company.

### **4. DIVIDEND**

Your Directors do not recommend any dividend for the year 2015-16. The entire profits are being ploughed back in the business.

### **5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

### **6. MEETINGS OF THE BOARD**

During the year 5 meetings of the Board of Directors were held.

### **7. INSURANCE**

All the properties of your company, including its building, plant & machinery, other fixed assets and stocks, where necessary and to the extent required have been adequately insured.

### **8. AUDITORS**

M/s. S.P. Chopra & Co., Chartered Accountants, were appointed as the statutory auditors of the company at the 43<sup>rd</sup> AGM held on September 30, 2014, for a period of two (2) years, subject to ratification at every AGM. Subject to the approval of members, the Board proposes to appoint M/s. S.P Chopra & Company for a period of further 5 years subject to ratification at every AGM. The Company has received letter, from the Auditors, to the effect that the re-appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified for re-appointment.

## **9. AUDITORS' REPORT**

There were 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 do not require further explanation.

## **10. 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.

## **11. FINANCES**

During the year, your company prepaid all long term loan of Bank.

## **12. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

ii) 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.

iii) 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.

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

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

## **13. EXTRACT OF ANNUAL RETURN**

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

## **14. RELATED PARTIES TRANSACTIONS**

The particulars of Contracts or arrangements with related parties, in the prescribed form, are annexed as Annexure-II

## **15. CORPORATE SOCIAL RESPONSIBILITY(CSR)**

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

## **16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

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

1. Compressor auto changeover fitted according to flow requirement, resulting in reduction in idle time running.
2. Metal halides lights changed to LED lights based on replacement requirement
3. Fitment of DG-Main auto changeover through AMF relay.
4. Light on/off through lux sensor fitment.
5. Connecting conveyer through chain assembly drive resulting in reduction of number of motors.
6. Installation of occupancy sensors to regulate air conditioning

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

C. The Company has perfected the technology of producing foam and is continuously innovating new products/techniques to improve the quality of its product. It has also started compression of some grades of foam resulting in savings on freight.

D. The details of earnings from exports and payments in foreign exchange are given in the Notes to the Accounts of the Company.

## **17. 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 2016-17, by the Board of Directors and seeking ratification of remuneration from the members of company at ensuing Annual General Meeting.

## **18. INTERNAL AUDITOR**

The company has engaged S. S. Kothari Mehta & Co., Chartered Accountants as Internal Auditor to conduct internal audit for the year 2016-17. 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.

## **19. RISK MANAGEMENT**

The Company has formulated a Risk Management Policy duly reviewed by the Board of Directors. The policy include risk identification, analysis and prioritization of risk and development of risk mitigation plans.

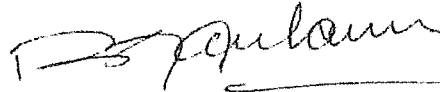
## **20. ACKNOWLEDGEMENT**

Your Directors wish to express and place on record their thanks to the Company's Distributors, Dealers, Stockist 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 Private Limited**



**(Rahul Gautam)**  
**Chairman**  
**DIN-00192999**

**Place: Sahibabad**  
**Date : 06.05.2016**

## Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31<sup>st</sup> March, 2016

[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	U74899DL1971PTC005679
ii) Registration Date	18.06.1971
iii) Name of the Company	Sheela Foam Private Limited
iv) Category / Sub-Category of the Company	Company Limited by Share
v) Address of the Registered office and contact details	C-55, Preet Vihar, Vikas Marg, Delhi-110092 Phone-011-22026875-76
vi) Whether listed company:	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:	NA

**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	% to total turnover of the company
1	PU Foam Sheets/ Mattresses/rolls/bolster/ pillows	39211310/94042920	99.99





<b>B. Public Shareholding</b>	NIL							
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<b>C. Shares held by Custodian for GDRs &amp; GDRs</b>	NIL								
<b>Grand Total (A+B+C)</b>	0	13684983	13684983	84.16	0	13684991	13684991	84.16	-

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Sheela Gautam (Held Jointly with Tushaar Gautam, Sheela Gautam being the first holder)	5853960	36.00	0	5853960	36.00	0	0
2	Rahul Gautam	3318465	20.41	0	3318473	20.41	0	-
3	Polyflex Marketing Pvt. Ltd.	4512558	27.75	0	4512528	27.75	0	0
	<b>Total</b>	<b>13684983</b>	<b>84.16</b>	<b>0</b>	<b>13684991</b>	<b>84.16</b>	<b>0</b>	<b>-</b>

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.	Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Rahul Gautam	3318465	20.41	3318473	20.41

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Core Mouldings Pvt Ltd	4006	0.02	4006	0.02
2	Rangoli Resorts Pvt Ltd	4006	0.02	4006	0.02

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Ms. Namita Gautam				

1	At the beginning of the year	1905293	11.71	1905293	11.71
2	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
3	At the End of the year	1905293	11.71	1905293	11.71

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mr. Tushaar Gautam				
1	At the beginning of the year	662640	4.07	662640	4.07
2	Date wise Increase / Decrease in Share holding during the year	0	0	0	0
3	At the End of the year	662640	4.07	662640	4.07

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6730.66 Lac	421.92 Lac	Nil	7152.58 Lac
ii) Interest due but not paid	32.45 Lac	--	--	32.45 Lac
iii) Interest accrued but not due	4.07 Lac	--	--	4.07 Lac
<b>Total (i+ii+iii)</b>	<b>6767.18 Lac</b>	<b>421.92 Lac</b>	<b>Nil</b>	<b>7189.10 Lac</b>
<b>Change in Indebtedness during the financial year</b>				
Addition				
Reduction	2532.86 Lac	12.82 Lac	--	2545.68 Lac
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4230.76 Lac	409.10 Lac	Nil	4639.86 Lac
ii) Interest due but not paid	0.27 Lac	--	--	0.27 Lac
iii) Interest accrued but not due	3.29 Lac	--	--	3.29 Lac
<b>Total (i+ii+iii)</b>	<b>4234.32 Lac</b>	<b>409.10 Lac</b>	<b>Nil</b>	<b>4643.42 Lac</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**(A) Remuneration of Directors**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			
		Mr. Rahul Gautam	Ms. Namita Gautam	Mr. Tushaar Gautam	Mr. Rakesh Chahar
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	22227548 39600	8283804 39600	12023620 39600	17070244 39600
2	Stock Option	--	--	--	--
2	Sweat Equity	--	--	--	--
3	Commission - as% of profit - others, specify...	--	--	--	--
	Others, please specify	--	--	--	--
	Total	22267148	8323404	12063220	17109844

**(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 Iqebal Ahmad Company Secretary
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	4004076  --	761608  19800
	Stock Option	--	--
	Sweat Equity	--	--
	Commission - as% of profit - others, specify...	--	--
	Others, please specify	--	--
	Total	4004076	781408

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

## Annexure-II

**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.

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

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	M/s Sleepwell Enterprises Pvt Ltd., Associate Company
2	Nature of contracts/arrangements/transaction	Contract for Royalty
3	Duration of the contracts/arrangements/transaction	10 Years
4	Salient terms of the contracts or arrangements or transaction including the value, if any	The Sheela Foam Pvt. Ltd. shall use the trademarks registered in the name of Sleepwell Enterprises Pvt Ltd.
5	Justification for entering into such contracts or arrangements or transactions'	The company is paying royalty
6	Date of approval by the Board	Not applicable as contract in ordinary course of business and at Arm's Length basis
7	Amount paid as advances, if any	Nil
8	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2a. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	M/s Sleepwell Enterprises Pvt Ltd, Associate Company
2	Nature of contracts/arrangements/transaction	Lease of registered office at Delhi.
3	Duration of the contracts/arrangements/transaction	Yearly basis
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Using registered office. Value Rs. 18,000
5	Date of approval by the Board	Not applicable as contract in ordinary course of business and at Arm's Length basis
6	Amount paid as advances, if any	Nil



2b. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	M/s Rangoli Resorts Pvt Ltd, Associate Company
2	Nature of contracts/arrangements/transaction	Lease of registered office at Delhi. Purchase of Materials.
3	Duration of the contracts/arrangements/transaction	Yearly basis
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Using registered office-Value Rs. 18,000
5	Date of approval by the Board	Not applicable as contract in ordinary course of business and at Arm's Length basis
6	Amount paid as advances, if any	Nil

2c. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	M/s Core Mouldings Pvt Ltd, Associate Company
2	Nature of contracts/arrangements/transaction	Lease of registered office at Delhi.
3	Duration of the contracts/arrangements/transaction	Yearly basis
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Using registered office. Value Rs. 6,000
5	Date of approval by the Board	Not applicable as contract in ordinary course of business and at Arm's Length basis
6	Amount paid as advances, if any	Nil

2d. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	M/s Polyflex Marketing Pvt Ltd, Associate Company
2	Nature of contracts/arrangements/transaction	Lease of registered office at Delhi.
3	Duration of the contracts/arrangements/transaction	Yearly basis
4	Salient terms of the contracts or arrangements or	Using registered office.

### Annexure-III

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE YEAR 2015-16:

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The company has vision to do business with a smile for customer delight and a commitment to society. Company has adopted Corporate Social Responsibility (CSR) Policy. The programmes include Education, Swach Bharat, community, rural development and all the Government Notified Fund.
2. The Composition of the CSR Committee	Committee comprising three Directors: 1) Mr. Rahul Gautam- Chairman 2) Mr. Tushaar Gautam-Member 3) Mr. Rakesh Chahar-Member
3. Average net profit of the Company for last three financial years.	Rs. 3636.05 Lac
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	Rs. 72.72 Lac
5. Details of CSR spent during the financial year 2015-16: a. Total amount to be spent for the financial year 2015-16. b. Amount unspent, if any	Rs. 122.43 Lac  NIL

c. Manner in which the amount spent during the financial year 2015-16 is detailed below.

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1)Direct expenditure on projects or Programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing Agency
1	Community Development/education	Relief Operation and Donation	Guwahati, Assam/Aligarh Khurja/Lakhi impurKhiri/Pilibhit,Uttar Pradesh	--	Rs.121.98 Lac	Rs.121.98 Lac	Rs.121.98 Lac
2	Government	Donation	State Government, Sikkim	--	0.45 Lac	0.45 Lac	0.45 Lac

Amount unspent: Nil

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

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

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF 'SHEELA FOAM PRIVATE LIMITED'**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of '**Sheela Foam Private Limited**' (hereinafter referred to as "Holding Company"), and its Subsidiaries (the Holding company and its subsidiaries together referred as "The Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

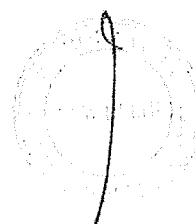
**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

Contd...p/2



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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of our reports referred to in sub-paragraph (a) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

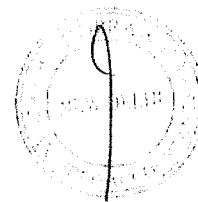
**Opinion**

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 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 Group as at 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Other Matters**

- a. We did not audit the financial statements of Subsidiary company incorporated in India, namely Divya Software Solutions Pvt. Ltd. and Subsidiary company incorporated in Australia, namely Joyce Foam Pty. Ltd., whose financial statements reflect total assets of Rs. 18,623.70 lakhs as at 31<sup>st</sup> March, 2016 total revenues of Rs. 28,574.25 lakhs, profit (net) of Rs. 1,345.58 lakhs and cash inflow of Rs. 277.49 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 and our report in terms of Section 143(3), in so far it relates to these Subsidiaries is based solely on the reports of these auditors.



Our opinion on the consolidated financial statements, and our Report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors and the financial statements certified by the management.

**Report on Other Legal and Regulatory Requirements**

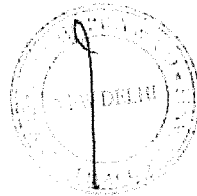
As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- 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 statement
- 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 and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by its Board of Directors, and the report of the statutory auditors of the its Subsidiary company incorporated in India, none of the directors of the Holding Company and its Subsidiary company incorporated in India, is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to Holding Company the adequacy of the internal financial controls over financial reporting of the Company and its Subsidiary company incorporated in India as reported by their auditors, and operating effectiveness of such controls, refer to our separate report in Annexure-'A'; and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group – Refer Note 28.1 to the Consolidated financial statements;
  - ii. The Holding Company and its Subsidiary company incorporated in India, has not entered into any long-term contracts including derivative contracts.

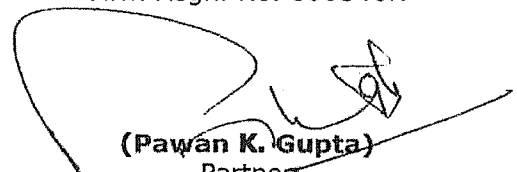


- iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its Subsidiary company incorporated in India.

**Place : New Delhi  
Dated: 06<sup>th</sup> May, 2016**



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

  
**(Pawan K. Gupta)**  
Partner  
M. No. 92529

**ANNEXURE-'A' TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in 'paragraph - f' of the independent auditors report of even date on the consolidated financial statements of Sheela Foam Private Limited for the year ended 31<sup>st</sup> March, 2016.)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2016, we have audited the internal financial controls over financial reporting of Sheela Foam Private Limited (hereinafter referred to as "the Holding Company") and its Subsidiary company incorporated in India as of that date.

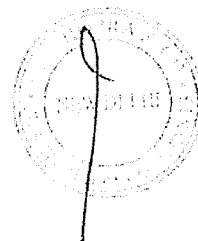
**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its Subsidiary company 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 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') issued by ICAI and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Holding Company and its Subsidiary company incorporated in India has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, 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.

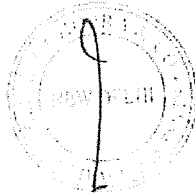
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**Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the Subsidiary company incorporated in India; namely Divya Software Solutions Pvt. Ltd., is based on the corresponding report of the auditor of the said Company.

**Place : New Delhi**  
**Dated : 6<sup>th</sup> May, 2016**



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

**(Pawan K. Gupta)**  
Partner  
M. No. 92529

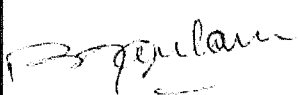
**SHEELA FOAM PRIVATE LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016**

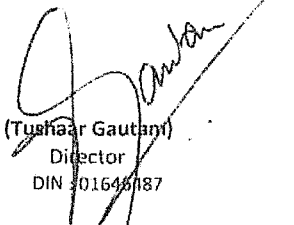
(Rs. In Lakhs)


Particulars	Note No.	As at	
		31st March, 2016	31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	1,626.09	1,626.09
Reserves and surplus	2	32,217.35	22,884.75
		33,843.44	24,510.84
<b>Non-current liabilities</b>			
Long-term borrowings	3	3,462.75	7,264.31
Deferred tax liabilities (net)	4	194.16	238.58
Other Long term liabilities	5	3,421.28	2,748.80
Long-term provisions	6	1,064.18	1,022.36
		8,142.37	11,274.05
<b>Current liabilities</b>			
Short-term borrowings	7	7,882.75	5,387.39
Trade payables		11,262.23	11,396.31
Other current liabilities	8	14,634.97	13,946.24
Short-term provisions	9	3,064.86	1,451.10
		36,844.81	32,181.04
<b>TOTAL</b>		<b>78,830.62</b>	<b>67,965.93</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	28,072.31	27,907.08
Intangible assets		710.74	719.17
Capital work-in-progress		970.01	832.61
		29,753.06	29,458.86
Non-current investments	11	1,000.35	0.35
Long-term loans and advances	12	1,458.46	1,136.62
Other non-current assets	13	145.37	93.20
		32,357.24	30,689.03
<b>Current assets</b>			
Inventories	14	10,461.31	11,815.71
Trade receivables	15	11,706.83	11,466.54
Cash and bank balances	16	21,715.95	11,698.29
Short-term loans and advances	17	1,900.68	1,712.00
Other current assets	18	688.61	584.36
		46,473.38	37,276.90
<b>TOTAL</b>		<b>78,830.62</b>	<b>67,965.93</b>

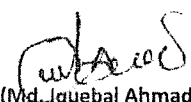
Significant Accounting Policies' and 'Notes 1 to 28' form an integral part of the Financial Statements.

For and on behalf of the Board of Directors.

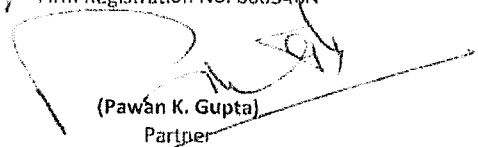
  
(Rahul Gautam)  
Managing Director  
DIN : 00192999

  
(Tushaar Gautam)  
Director  
DIN : 01646187

  
(Dhruv Mathur)  
Chief Financial Officer

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

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

  
(Pawan K. Gupta)  
Partner

Membership No. 92529

Place: New Delhi  
Dated: 6th May, 2016

## SHEELA FOAM PRIVATE LIMITED

### CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(Rs. In Lakhs)

Particulars	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>INCOME :</b>			
Revenue from operations	19	169,618.70	155,330.91
Less: Excise duty		<u>14,619.77</u>	<u>13,564.17</u>
Other income	20	1,687.96	1,060.17
<b>Total Revenue</b>		<u><b>156,686.89</b></u>	<u><b>142,826.91</b></u>
<b>EXPENDITURE :</b>			
Cost of materials consumed	21	80,887.52	85,500.77
Purchases of Stock- in-Trade	22	1,431.74	1,163.92
Other manufacturing expenses	23	7,421.00	6,302.82
Changes in inventories of finished goods, stock-in-process and stock-in-trade	24	438.18	447.28
Employee benefits expenses	25	13,940.89	12,849.07
Finance costs	26	1,166.94	1,619.31
Depreciation and amortization expense		2,926.78	2,795.70
Other expenses	27	33,282.75	26,444.14
<b>Total expenses</b>		<u><b>141,495.79</b></u>	<u><b>137,123.01</b></u>
<b>Profit before tax</b>		<u><b>15,191.10</b></u>	<u><b>5,703.90</b></u>
<b>Tax expense</b>			
Current tax - Current Year's		4,745.31	1,352.45
- Earlier year's		-	(0.15)
		<u>4,745.31</u>	<u>1,352.30</u>
Deferred tax - Current Year's		<u>(25.49)</u>	<u>119.44</u>
		<u><b>4,719.82</b></u>	<u><b>1,471.74</b></u>
<b>Profit for the year carried to Reserve and Surplus</b>		<u><u><b>10,471.28</b></u></u>	<u><u><b>4,232.16</b></u></u>
Earnings per share - Basic/Diluted in Rs.	28.11	64.40	26.03

'Significant Accounting Policies' and 'Notes 1 to 28' form an integral part of the Financial Statements.

For and on behalf of the board of directors.

(Rahul Gautam)  
Managing Director  
DIN : 00192999

(Tushar Gautam)  
Director  
DIN : 01648487

(Dhruv Mathur)  
Chief financial officer

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

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

(Pawan K. Gupta)  
Partner

Membership No. 92529

Place: New Delhi  
Dated: 6th May, 2016

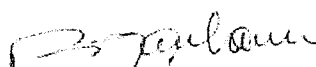
**SHEELA FOAM PRIVATE LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2016**

(Rs. in Lakhs)

Particulars	Year Ended 31st March, 2016		Year Ended 31st March, 2015	
	Amount	Total	Amount	Total
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax as per consolidated statement of profit and loss		15,191.10		5,703.90
Adjustments for:				
Depreciation and amortisation expense	2,926.78		2,795.70	
Profit on sale of investment	(39.60)			
Finance costs	1,166.94		1,619.31	
Provision for doubtful debts and advances	49.47		26.84	
Provision for warranty claim and sales return	280.00		60.00	
Advances/balances written off	1.54		6.65	
Bad debts written off	15.09		26.65	
Liabilities/provisions no longer required written back	(6.62)		(2.64)	
Unrealised foreign exchange loss/(gain) (net)	(70.27)		29.62	
Prior period expenses/(income) (net)	1.06		17.53	
Interest income	(969.71)		(660.33)	
Assets written off (net)	38.34		13.88	
Loss/(Profit) on sale of fixed assets (net)	(139.52)		76.61	
		3,253.50		4,009.82
Operating profit before working capital changes		18,444.60		9,713.72
Adjustment for working capital changes:				
Inventories	1,354.40		596.78	
Trade and other receivables	(760.69)		514.76	
Trade payable and other liabilities and provisions	1,670.78		4,260.18	
Cash Generated from Working Capital Changes		2,264.49		5,371.72
Cash generated from operations		20,709.09		15,085.44
Income Tax paid	(3,677.46)		(819.21)	
Translation gain/(loss)	(1,099.33)		562.95	
Prior period expenses (net)	(1.06)		(17.53)	
		(4,777.85)		(273.79)
Net Cash inflow from Operating Activities -A		15,931.24		14,811.66
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets including capital work In progress	(5,467.52)		(5,834.06)	
Sale of fixed assets	377.05		390.12	
Sale/(purchase) of Investments	960.40			
Interest income	722.59		581.54	
Net Cash outflow from Investing Activities-B		(3,407.48)		(4,862.41)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceed from Secured long term borrowings	(3,767.10)		(743.39)	
Proceeds from Unsecured long term borrowings	(34.46)		(655.49)	
Proceeds from Secured short term borrowings	2,620.64		(2,249.92)	
Proceeds/(repayments) from Unsecured short term borrowings	(125.28)		(650.99)	
Finance costs	(1,199.90)		(1,635.43)	
Net Cash outflow from Financing Activities-C		(2,506.10)		(5,935.23)
Net increase in cash and bank balances (A+B+C)		10,017.66		4,014.02
Cash and bank balances (Opening Balance)		11,698.29		7,684.27
Cash and bank balances (Closing Balance)		21,715.95		11,698.29

Note to Cash flow statement :				
Cash and bank balances consists of cash and cash equivalents and cash and bank balances as under :				
i) Cash and cash equivalents				
- Balance with Banks	3,705.52		1,658.59	
- Cash on Hand	75.86		76.45	
- Deposit with original maturity less than 3 months	2,300.00	6,081.38	9,100.00	10,835.04
ii) Other bank balances				
- Deposits with banks held as margin money	439.57		510.40	
- Deposits with HSBC bank as Lien	-		280.00	
- Deposits with original maturity of more 3 months but less than 12 mo	14,695.00		32.12	
- Deposits with original maturity of more than 12 months	500.00	15,634.57	40.73	863.25
		21,715.95		11,698.29

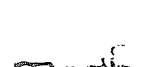
For and on behalf of the Board of Directors



(Rahul Gautam)  
 Managing Director  
 DIN : 00192999



(Tushaar Gautam)  
 Director  
 DIN : 01646987



(Dhruv Mathur)  
 Chief financial officer



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

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

(Pawan K. Gupta)  
 Partner

Place: New Delhi  
 Dated: 06th May 2016

Membership No. 92529

**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016.**

**1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with the generally accepted accounting principles in India ("GAAP"), the provisions of the Companies Act, 2013 to the extent notified and applicable and the mandatory accounting standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable and in the manner so required.

**2. USE OF ESTIMATES**

The preparation of consolidated financial statements in conformity with GAAP in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of consolidated financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. On an ongoing basis, estimates are evaluated based on historical experience and on various other assumptions that are believed to be reasonable, the results of which forms the basis for making judgments about the carrying value of assets and liabilities. Actual results could differ from those estimates. Any revision to estimates or difference between the actual result and estimates are recognised in the period in which the results are known/ materialised.

**3. BASIS OF CONSOLIDATION**

The Consolidated Financial Statements relate to Sheela Foam Private Limited (the "Holding Company") and its two Subsidiary Companies, the Foreign Subsidiary 'Joyce Foam Pty. Limited (and its Controlled Entity Joyce W C NSW Pty Limited)' and Indian Company 'Divya Software Solutions Private Limited'. 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. The financial statements of foreign Subsidiary have been prepared in accordance with the Generally Accepted Accounting Principles of its Country of incorporation.
- ii) In case of foreign Subsidiary, 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 Exchange Fluctuation Reserve.
- iii) The consolidated financial statements have been prepared in accordance with Accounting Standard-21 on "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 Accounting Standard - 21 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 includes the result of following entities:

Name of Company	Country of Incorporation	Proportion (%) of Shareholding as on 31.03.2016	Proportion (%) of Shareholding as on 31.03.2015
<b>Subsidiary Company</b>			
Joyce Foam Pty. Limited and Controlled Entity (Joyce W C NSW Pty Limited)	Australia	100%	100%
Divya Software Solutions Private Limited	India	100%	100%
<b>Associate Company</b>			
Sleepwell Enterprises Private Limited (Note-1)	India	-	38%

Note-1 : The shares held by the Holding Company have been sold during the year, and therefore the said Company is no longer an Associate Company, and has not been considered in the Consolidated Financial Statements for the current year.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Fixed Assets

- Fixed assets 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.
- Expenditure on renovation/ modernisation relating to existing fixed assets is added to the cost of such assets where it increases its performance/life significantly.
- Cost of leasehold land is amortized over the period of lease.

##### 4.2 Depreciation

In the case of the Holding Company (Sheela Foam Private Limited) and Subsidiary (Divya Software Solutions Private Limited)

- Depreciation on fixed assets is provided on written down value basis over the estimated useful life of the assets, in the manner prescribed in Schedule II of the Companies Act, 2013. 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 Holding Company (No. of Years)
<b>Buildings :</b>		
- Factory	30	29
- Office	60	29
- Residential	60	59
<b>Plant &amp; Equipment</b>	15	20
<b>Furniture &amp; Fixtures</b>	10	15
<b>Vehicles :</b>		
- Motor Cars	8	10
<b>Office Equipment</b>	5	20
<b>Date Processing Equipment :</b>		
- Computer Equipment	3	6
<b>Electrical Fittings</b>	10	20

Based on usage pattern, internal assessment and technical evaluation carried out by the technicians, 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.

- b) Depreciation on addition or on sale/discard of an asset is calculated pro-rata from / up to the date of such addition or sale/discard.
- c) The assets costing upto Rs. 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value.

**In the case of foreign Subsidiary (Joyce Foam Pty. Ltd. and its Controlled Entities)**

- a) 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. The estimated useful lives for various categories of assets varies as follows:

Asset	Useful life as assessed / estimated by the Company (No. of Years)
Machinery	10 - 15
Vehicles	4 - 6
Furniture, fittings and equipment	3 - 5

**4.3 Revenue Recognition**

- a) Sale Revenue is recognized net of trade discount, on transfer of the significant risks and rewards of ownership of the goods to the buyer and it is reasonable to expect ultimate collection. Sale revenue is inclusive of excise duty but excludes the sales tax/VAT which is recoverable from the buyer. Sale also includes excise duty charged on inter unit transfers, but excludes the transaction value of the inter unit transfers and sales return including under warranty.
- b) Export incentive such as Duty drawback is recognized on post export basis on the basis of their entitlement rates.
- c) Interest income is recognised on time proportion basis.
- d) Insurances claims are recognised to the extent the Company is reasonably certain of their ultimate receipt.

**4.4 Provisions and contingent liabilities**

- a) The Company creates a provision when there is a present obligation arising as result of past event that probably requires an outflow of resources 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 and are not discounted to its present value.
- b) A disclosure for a contingent liability is made when there is 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.

**4.5 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.

**4.6 Investments**

Investments primarily meant to be held over long term period are valued at cost. Provision is made when in the management's opinion there is a decline, other than temporary, in the carrying value of such investments. Current investments are stated at the lower of cost or quoted price/fair value. Cost of overseas investments comprises the Indian Rupee value of the consideration paid for investment translated at the exchange rate prevalent at the date of investment.



#### 4.7 Inventory Valuation

- a) Inventories are valued at the lower of cost and net realisable value.
- b) In respect of raw material, packing material and stores & spares, cost is computed on first in first out basis.
- c) Finished goods and stock-in-process include cost of input conversion and other costs including manufacturing overheads incurred in bringing them to their present location and condition.
- d) Obsolete, defective and unserviceable stocks are provided for, wherever required.
- e) Excise duty on finished goods manufactured is accounted for on clearance of goods from factory premises.

#### 4.8 Impairment of Assets

The management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impaired loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. 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 been recognized for the asset in prior year/s..

#### 4.9 Employee Benefits

##### In the case of the Holding Company (Sheela Foam Private Limited)

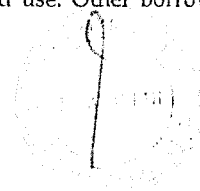
- a) Liability towards Gratuity is considered as the defined benefit scheme and is recognized on the basis of actuarial valuation on projected unit credit method at balance sheet date.
- b) Earned Leave which is encashable is considered as long term benefit and is provided on the basis of actuarial valuation on projected unit credit method at balance sheet date. In the case of foreign Subsidiary such leaves are provided based on the present value of the estimated future cash outflows for the said benefit.
- c) The benefits in the form of contribution to Provident Fund and Employee State Insurance are considered as the defined contribution schemes and are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employees.

##### In the case of foreign Subsidiary (Joyce Foam Pty. Ltd. and its Controlled Entities)

- a) 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.

#### 4.10 Borrowing costs:

Borrowing costs attributable to the acquisition and/or construction of qualifying assets are capitalized as a part of the cost of such assets, upto the date when such assets are ready for intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss.



#### **4.11 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. 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.

#### **4.12 Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership that are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to fair value of the leased property or the present value of minimum lease payments, including any guaranteed residuals values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognized as a liability and amortised on a straight-line basis over the Financial Instruments.

#### **4.13 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 Company's interest in the net fair value of identifiable assets acquired.

#### **4.14 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.

#### **4.15 Transactions with Group Companies**

Transactions including expenses to be shared with group companies are initially recorded under operational heads and reduced on actual or proportionate (where those are not directly identifiable) basis.

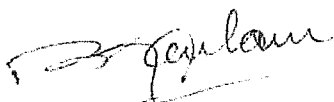
#### **4.16 Taxation**

Provision for current taxes is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961. Deferred Tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that have been substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

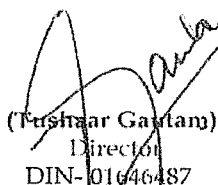
**4.17 Earnings per Share:**

Basic earnings per share is calculated by dividing net profit of the year by the weighted average number of equity shares outstanding during the year. 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.

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



**(Rahul Gautam)**  
Managing Director  
DIN- 00192999



**(Pashaar Gautam)**  
Director  
DIN- 01646487



**(Dhruv Mathur)**  
Chief Financial Officer



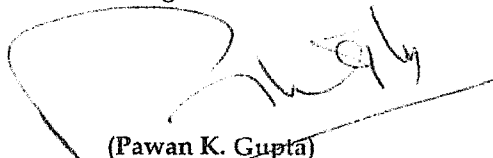
**(Md. Iqbal Ahmad)**  
Company Secretary  
M.No.-A20921

**As per our report of even date attached.**

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

Chartered Accountants

Firm Regn. No. 000346N



**(Pawan K. Gupta)**  
Partner  
M. No. 92529

**Place: New Delhi**  
**Dated: 6<sup>th</sup> May, .2016**



## Consolidated Notes to the Financial Statements for the Year ended 31st March, 2016

NOTE-1 SHARE CAPITAL	(Rs. in Lakhs)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Authorised:</b>		
4,40,10,500 Equity Shares of Rs. 10/- each	4,401.05	4,401.05
<b>Issued, Subscribed and Fully Paid up:</b>		
1,62,60,936 Equity Shares of Rs. 10/- each	1,626.09	1,626.09

**1.1 Right, preferences and restrictions attached to shares:**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity Shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

**1.2 Reconciliation of the number of shares outstanding:**

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Nos.	Rs. in Lakhs	Nos.	Rs. in Lakhs
At the beginning of the year	1,62,60,936	1,626.09	1,62,60,936	1,626.09
At the end of the year	1,62,60,936	1,626.09	1,62,60,936	1,626.09

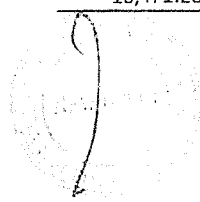
1.3 In an earlier year, 65,396 equity shares of Rs. 10/- each, fully paid up were allotted without payment being received in cash.

**1.4 Details of Shareholders holding more than 5% shares:**

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% held	No. of Shares	% held
Sh. Rahul Gautam	33,18,473	20.41	33,18,465	20.41
Smt. Namita Gautam	19,05,293	11.72	19,05,293	11.72
Smt. Sheela Gautam and Sh. Tushaar Gautam	58,53,960	36.00	58,53,960	36.00
M/s Polyflex Marketing Private Limited	45,12,558	27.75	45,12,558	27.75

**NOTE-2 RESERVES AND SURPLUS**

	As at 31st March, 2016		As at 31st March, 2015	
<b>Capital Reserve</b>				
As per last account	1,577.88		1,656.24	
Add : Exchange gain/(loss) on Reserve	(249.57)	1,328.31	(78.36)	1,577.88
<b>General Reserve</b>				
As per last account		2,529.32		2,529.32
<b>Exchange Translation Reserve</b>				
As per last account	637.40		(21.04)	
Add: Exchange gain/(loss) on fixed assets	458.00		1,189.04	
	1,095.40		1,168.00	
Less : Exchange gain/ (Loss) on others	(1,307.76)	(212.36)	(530.60)	637.40
<b>Surplus</b>				
As per last account	18,140.14		13,907.99	
Less: Adjustment on Sale of Associate Company (Refer Note 28.17.2)	(39.34)		-	
Add : Profit for the year	10,471.28	28,572.08	4,232.16	18,140.15
<b>TOTAL</b>	<b>32,217.35</b>		<b>22,884.75</b>	



(Rs. in Lakhs)

**NOTE-3 LONG TERM BORROWINGS**

	Note No.	As at 31st March, 2016		As at 31st March, 2015	
		Non Current	Current	Non Current	Current
<b>(i) Secured</b>					
Term loans from:					
- Banks	3.1	3,072.63	93.75	6,848.44	1,851.00
- Others	3.2	39.07	19.96	30.36	24.40
		<u>3,111.70</u>	<u>113.71</u>	<u>6,878.80</u>	<u>1,875.40</u>
<b>(ii) Unsecured</b>					
Deferred Sales Tax Liability	3.3	56.05	52.21	108.26	36.41
Deposits (from Shareholders)		-	-	2.25	-
Inter Corporate Deposits	3.4	250.00	-	250.00	-
Loans and advances from related parties :					
- Directors' and their relatives	3.4	45.00	-	25.00	-
		<u>351.05</u>	<u>52.21</u>	<u>385.51</u>	<u>36.41</u>
<b>TOTAL</b>		<u>3,462.75</u>	<u>165.92</u>	<u>7,264.31</u>	<u>1,911.81</u>
Less: Amount disclosed under the head "Other current liabilities" (Refer Note 8)		-	165.92	-	1,911.81
<b>Net amount</b>		<u>3,462.75</u>	<u>-</u>	<u>7,264.31</u>	<u>-</u>

**3.1 Term Loans from Banks referred above to the extent of:****Holding Company (Sheela Foam Private Limited) - Rs. 93.75 lakhs**

- a. Rs. 93.75 lakhs are secured by pari-passu second charge by way of equitable mortgage on Land and Building and hypothecation of movable fixed assets of the Company, present and future, excluding equipments and vehicles exclusively charged to other lenders. Further, this loan is additionally secured by the personal guarantee of some key promoter/directors i.e. Smt. Sheela Gautam, Sh. Rahul Gautam and Smt. Namita Gautam. This term loan carry rate of interest of 12.40% p.a. and entire amount is payable in July, 2016.

**Foreign Subsidiary (Joyce Foam Pty. Ltd.) - Rs. 3,072.63**

- a. Rs. 250.82 lakhs as term loan for purchase of equipments/trucks 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 WOS Joyce WC NSW Pty. Ltd. Further, this loan is additionally secured by the personal guarantee of some directors i.e. Mr. Rahul Gautam & Mr. Tushaar Gautam. This term loan carry rate of interest of 500 bps over 6 months BBSW with quarterly rests , charged on monthly basis and the balance is repayable in 49 equal monthly installments of Rs. 5.02 lakhs each and last instalment of Rs. 4.84 lakhs due in April'21.
- b. Rs. 2008.40 lakhs as demand loan from Bank of Baroda, Sydney is secured by way of irrevocable and unconditional bank guarantee of Central Bank of India of Aud \$ 8.00 million. This term loan carries rate of interest of 300 bps over 6 months BBSW with quarterly rest, charged on monthly basis and the balance is repayable in 2 equal annual installments of Rs. 1004.20 lakhs each and last instalment due in year 2018-19.
- c. Rs. 813.41 lakhs as term loan 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 additionally secured by Corporate Guarantee of holding company M/s Sheela Foam Pvt. Ltd. and further secured by way of 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 & Mr. Tushaar Gautam. This term loan carry rate of interest of 500 bps above BBSW with quarterly rests , charged on monthly basis and the balance is repayable in 28 equal monthly installments of Rs. 28.87 lakhs each and last instalment of Rs. 5.05 lakhs due in June 2023.

- 3.2 Term Loans of Rs. 59.03 lakhs from other parties are secured against specific vehicles, repayable in monthly installments comprising not more than 48 installments in the case of each loan and carry rate of interest ranging from 9.72 % to 10.35 %. The maturity profile of non-current portion is as under:

Rate of Interest	Maturity Profile	
	1-2 Years	2-3 Years
09.72 % - 10.00 %	15.53	-
10.01 % - 10.35 %	21.80	1.74
	<u>37.33</u>	<u>1.74</u>

- 3.3 Deferred sales tax liability consists of sales tax deferment availed under the scheme framed by Govt. of Andhra Pradesh. The deferment of sales tax (based on capital investment) was allowed for Rs. 219.62 lakhs for the period April, 1996 to April, 2010 and for Rs. 233.25 lakhs (based on production over and above base production) for June, 1998 to June, 2012. These are non interest bearing and are payable after the end of 14 years from the year of deferment. The maturity profile of non-current portion is as under :

Maturity Period	1-2 Years	2-3 Years
Amount due for repayment (Rs.)	1.40	54.65
	<u>1.40</u>	<u>54.65</u>

- 3.4 Inter Corporate Deposits and Loans and advances from related parties are on long term basis carrying interest rate of 9% p.a. However, terms of repayment of the same have not been stipulated by the management.

(Rs. in Lakhs)

NOTE-4 DEFERRED TAX LIABILITIES (NET)	As at 31st March, 2016	As at 31st March, 2015
<b>Deferred Tax Liability:</b>		
-Depreciation:	941.20	794.07
<b>Deferred Tax Assets:</b>		
-Expenses allowable on Payment basis	390.83	270.72
-Provision for Doubtful Debts		2.85
-Provision for employee benefits	355.57	279.94
-Disallowances u/s 35DD	0.64	1.98
	(747.03)	(555.49)
<b>Net Deferred Tax Liabilities</b>	<b>194.16</b>	<b>238.58</b>
<b>NOTE-5 OTHER LONG TERM LIABILITIES</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Security deposits	3,421.28	2,748.80
<b>TOTAL</b>	<b>3,421.28</b>	<b>2,748.80</b>
<b>NOTE-6 LONG TERM PROVISIONS</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>Provision for employee benefits</b>		
-Gratuity	769.64	621.88
-Leave encashment	294.54	400.48
<b>TOTAL</b>	<b>1,064.18</b>	<b>1,022.36</b>
<b>NOTE-7 SHORT TERM BORROWINGS</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>(i) Secured</b>		
Working Capital Loans from Banks	7,726.28	5,105.64
<b>(ii) Unsecured</b>		
Book overdraft	5.84	21.55
Others	150.63	260.20
<b>TOTAL</b>	<b>7,882.75</b>	<b>5,387.39</b>

**7.1 Working Capital Loans from Banks are secured by way of:****Holding Company (Sheela Foam Private Limited) - Rs. 4,077.98 lakhs**

- All loans are secured by pari-passu first charge by way of hypothecation on stocks i.e. raw material, stock-in-process, finished goods, stores and spares and receivables, book debts and all other current assets of the Company both present and future. Further, these loans are additionally secured by the personal guarantee of some key promoter/Directors i.e. Smt. Sheela Gautam, Sh. Rahul Gautam and Smt. Namita Gautam.
- Loan of Rs. 740.91 lakhs from Central Bank of India is additionally secured by way of equitable mortgage on Land and Building of the Company located at Kala Amb, Erode, Talwada, Greater Noida, Surajpur, Hyderabad, Delhi and Sahibabad.
- Loan of Rs. 2,944.15 lakhs from Yes Bank is additionally secured by pari-passu second charge on all movable and immovable fixed assets of the Company both present and future.
- Loan of Rs. 392.92 lakhs from Citi Bank is secured by way of pari-passu second charge on all movable and immovable fixed assets of the Company both present and future.

**Foreign Subsidiary (Joyce Foam Pty. Ltd.) - Rs. 3,648.30 lakhs**

- Loan of Rs. 2598.91 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 Pvt. 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 & Mr. Tushaar Gautam. This term loan carry rate of interest of 500 bps over 6 months BBSW with quarterly rests , charged on monthly basis.
- Rs. 45.19 lakhs as term loan for purchase of equipments/trucks 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 WOS Joyce WC NSW Pty. Ltd. also by way of personal guarantees of , Directors of Joyce Foam Pty. Ltd. Further, this loan is additionally secured by the personal guarantee of some directors i.e. Mr. Rahul Gautam & Mr. Tushaar Gautam. This term loan carry rate of interest of 500 bps over 6 months BBSW with quarterly rests , charged on monthly basis.
- Rs. 1004.20 lakhs as demand loan from Bank of Baroda, Sydney is secured by way of irrevocable and unconditional bank guarantee of Central Bank of India of Aud \$ 8.00 million. This term loan carries rate of interest of 300 bps over 6 months BBSW with quarterly rest, charged on monthly basis.

(Rs. in Lakhs)

<b>NOTE-8 OTHER CURRENT LIABILITIES</b>	<b>Note No.</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Current maturities of Long term borrowings	3	165.92	1,911.81
Interest accrued but not due on borrowings		3.29	4.07
Interest accrued and due on borrowings		0.27	32.45
Advance from Customers		4,236.02	2,090.01
Statutory liabilities		801.64	441.01
Accrued expenses		5,838.87	6,819.76
Creditors for assets		106.43	194.63
Creditors for expense		2,504.91	1,566.58
Other liabilities	8.1	977.62	885.92
<b>TOTAL</b>		<b>14,634.97</b>	<b>13,946.24</b>

8.1 Other Liabilities comprise of advance received from others etc.

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

<b>NOTE-9 SHORT TERM PROVISIONS</b>	<b>Note No.</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
<b>Provision for employee benefits:</b>			
-Gratuity		42.73	43.32
-Leave Encashment		762.03	521.54
Warranty Claims	9.1	640.00	360.00
Provision for Income Tax (Net of Advance Taxes)		1,620.10	526.24
<b>TOTAL</b>		<b>3,064.86</b>	<b>1,451.10</b>

**9.1 Provision for Warranty Claims:**

Provision in accordance with the Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets" is created for warranty claims on mattresses sold, based on past experience of the level of returns. Assumptions used for the said provision is based on sales and current information available about returns based on warranty period. The table below gives information about movement in warranty provision:

	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Opening Balance	360.00	300.00
Less : Amount utilized during the year	350.20	278.69
	9.80	21.31
Add: Provision made during the year	630.20	338.69
Closing Balance	<b>640.00</b>	<b>360.00</b>

NOTE-10 - CONSOLIDATED FIXED ASSETS

(Rs. in Lakhs)

Description	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As at 01.04.2015	Additions during the year	Sales/disposal/ adjustments during the year	Deletion pursuant to Sale of Associate Company	As at 31.03.2016	As at 01.04.2015	For the year	Sales/disposal/ adjustments during the year	Deletion pursuant to Sale of Associate Company	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	
(i) Tangible Assets													
Land													
- Freehold	795.44	-	204.23	-	591.21	-	-	-	-	-	591.21	795.44	
- Leasehold	1,959.50	12.02	(10.79)	-	1,982.31	125.09	13.02	-	-	138.11	1,844.20	1,834.41	
Buildings	13,353.12	1,499.46	232.78	21.76	14,598.04	3,669.98	776.78	26.16	7.14	4,413.46	10,184.58	9,683.14	
Plant & Equipment	27,108.18	2,189.96	1,646.13	-	27,652.01	12,999.39	1,793.11	1,070.01	-	13,722.49	13,929.52	14,108.79	
Furniture & Fixtures	538.92	15.57	(27.72)	41.36	540.85	270.30	52.01	(34.52)	41.36	315.47	225.38	268.62	
Vehicles	643.68	109.24	68.29	-	684.63	320.41	101.18	52.26	-	369.33	315.30	323.27	
Office equipment	946.00	85.07	60.95	7.29	962.83	596.63	98.44	55.88	6.43	632.76	330.07	349.37	
Electrical fittings	1,097.07	200.57	0.58	0.19	1,296.87	553.03	92.24	0.30	0.15	644.82	652.05	544.04	
<b>Current year's total</b>	<b>46,441.91</b>	<b>4,111.89</b>	<b>2,174.45</b>	<b>70.60</b>	<b>48,308.75</b>	<b>18,534.83</b>	<b>2,926.78</b>	<b>1,170.09</b>	<b>55.08</b>	<b>20,236.44</b>	<b>28,072.31</b>	<b>27,907.08</b>	
Previous year's total	41,550.79	6,002.73	1,111.61	-	46,441.91	16,361.34	2,795.70	622.22	-	18,534.83	27,907.08	-	
(ii) Intangible Assets													
Goodwill	719.17	-	8.43	-	710.74	-	-	-	-	-	710.74	719.17	
<b>Current Year's Total</b>	<b>719.17</b>	<b>-</b>	<b>8.43</b>	<b>-</b>	<b>710.74</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>710.74</b>	<b>719.17</b>	
Previous year's total	33.75	685.42	-	-	719.17	-	-	-	-	-	719.17	33.75	
(ii) Capital Work-in-progress	832.61	1,836.53	1,699.13	-	970.01	-	-	-	-	-	970.01	832.61	
<b>Current year's total (i+ii)</b>	<b>47,993.69</b>	<b>5,948.42</b>	<b>3,882.01</b>	<b>70.60</b>	<b>49,989.50</b>	<b>18,534.83</b>	<b>2,926.78</b>	<b>1,170.09</b>	<b>55.08</b>	<b>20,236.44</b>	<b>29,753.06</b>	<b>29,458.86</b>	

10.1 Refer 'Para- 4.2 of Significant Accounting Policies' for depreciation on assets.

10.2 The leasehold land has been amortised during the year by Rs. 13.02 lakhs (Previous year : Rs. 13.65 lakhs) as per the accounting policy in terms of the AS-6 on 'Depreciation Accounting'.

10.3 Capital Work-in-progress includes under noted pre-operative expenditure pending allocation on commencement of commercial production.

Nature of Expense	Opening as on		Additions during		Capitalisation / adjustment during		Closing as on	
	01.04.2015	31.03.2016	2015-16	2016-17	2015-16	2016-17	31.03.2016	31.03.2017
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
Travelling expenses	4.68	-	3.48	4.68	-	-	3.48	-
Electricity & Power expenses	-	-	3.45	-	-	-	3.45	-
Interest Expenses	-	-	48.23	-	-	-	48.23	-
Security Service charges	-	-	1.29	-	-	-	1.29	-
Legal & Professional charges	31.38	-	18.38	31.38	-	-	18.38	-
Power and fuel	0.26	-	-	0.26	-	-	-	-
<b>Total</b>	<b>36.32</b>	<b>36.32</b>	<b>74.83</b>	<b>36.32</b>	<b>36.32</b>	<b>36.32</b>	<b>74.83</b>	<b>74.83</b>

10.4 One of the Subsidiary Company namely Joyce Foam Pty. Ltd., Australia had been following straight line method for charging depreciation since its inception, which is different from the written down value method used by Holding Company and other Subsidiary Company. The depreciation of Rs. 724.09 Lakhs (P.Y. 640.81 Lakhs) on straight line method is included in above on a proportionate net assets of 25.93% (P.Y. 29.15%). As explained by the management, it is impracticable to follow similar depreciation method for all the Companies in the Group.



NOTE-11 NON CURRENT INVESTMENTS	As at 31st March, 2016		(Rs. In Lakhs) As at 31st March, 2015	
	Nos.	Amount	Nos.	Amount
<b>Other Investments</b>				
<b>In Bonds &amp; Debentures of Other Company - fully paid up</b>				
IDBI Investment Deposit Account Scheme, 1986 (Unquoted)		0.35		0.35
Secured Rated Fully Redeemable Index Linked Non-convertible Debentures of Citi Corp Finance (India) Limited of Rs. 1,00,000/- each (Quoted)	1,000	1,000.00		
		<u>1,000.35</u>		<u>0.35</u>
<b>Total Non Current Investments</b>		<u><b>1,000.35</b></u>		<u><b>0.35</b></u>
Aggregate amount of Quoted Investments		1,000.00		-
Market value of Quoted Investments		1,012.65		-
Aggregate amount of Unquoted Investments		0.35		0.35
Aggregate provision for diminution in value of Unquoted Investments		Nil		Nil

NOTE-12 LONG TERM LOANS AND ADVANCES	As at 31st March, 2016		As at 31st March, 2015	
(Unsecured, considered good)				
Capital Advances		1,285.46		927.08
Security Deposits		138.46		171.31
Advance to Distributors/Dealers				
- For Vehicles	24.95		17.98	
- For Mattress Service Centres	-	24.95	11.32	29.30
Loans to Staff		9.57		8.93
Advances taxes (Net of Provisions)		0.02		
<b>TOTAL</b>		<u><b>1,458.46</b></u>		<u><b>1,136.62</b></u>

NOTE-13 OTHER NON-CURRENT ASSETS	As at 31st March, 2016		As at 31st March, 2015	
(Unsecured, considered good)				
Margin money deposits with Banks		50.87		3.31
Deposits with banks		94.26		88.82
Interest accrued but not due on margin money deposits with banks.		0.24		1.07
<b>TOTAL</b>		<u><b>145.37</b></u>		<u><b>93.20</b></u>

(Rs. in Lakhs)

**NOTE-14 INVENTORIES**

	As at 31st March, 2016		As at 31st March, 2015	
Raw Materials	3,342.98		3,736.93	
- In Transit	<u>1,110.32</u>	4,453.30	<u>1,665.96</u>	5,402.89
Stock-In-process		3,257.20		3,627.46
Finished Goods		910.20		962.66
Stock-In-trade		2.82		18.28
Packing Material	482.18		485.33	
- In Transit	<u>30.42</u>	512.60	<u>12.25</u>	497.58
Stores and Spares	1,276.17		1,271.04	
- in Transit	<u>49.02</u>	1,325.19	<u>35.80</u>	1,306.84
<b>TOTAL</b>		<b><u>10,461.31</u></b>		<b><u>11,815.71</u></b>

14.1 Refer 'Para-4.7' of Significant Accounting Policies' for method of valuation.'

**NOTE-15 TRADE RECEIVABLES**

	As at 31st March, 2016		As at 31st March, 2015	
Outstanding for a period exceeding six months :				
-Unsecured, considered good	183.48		228.62	
-Unsecured, considered doubtful	<u>76.95</u>		<u>32.91</u>	
	260.43		261.53	
Less: Provisions for doubtful debt	<u>76.95</u>	183.48	<u>32.91</u>	228.62
Others		11,523.35		11,237.92
<b>TOTAL</b>		<b><u>11,706.83</u></b>		<b><u>11,466.54</u></b>

**NOTE-16 CASH AND BANK BALANCES**

	As at 31st March, 2016		As at 31st March, 2015	
(i) Cash and cash equivalents				
a. Balance with banks	3,705.52		1,658.59	
b. Cash on hand	75.86		76.45	
c. Deposits with original maturity of less than 3 months	<u>2,300.00</u>	6,081.38	<u>9,100.00</u>	10,835.04
(ii) Other bank balances				
a. Deposits with Banks held as margin money	439.57		510.40	
b. Deposits with HSBC Bank as lien marked			280.00	
c. Deposits with original maturity of more than 3 months but less than 12 months	14,695.00		32.12	
d. Deposits with original maturity of more than 12 months	<u>500.00</u>	15,634.57	<u>40.73</u>	863.25
<b>TOTAL</b>		<b><u>21,715.95</u></b>		<b><u>11,698.29</u></b>

(Rs. in Lakhs)

<b>NOTE-17 SHORT TERM LOANS AND ADVANCES</b> (Unsecured, considered good)	<b>Note No.</b>	<b>As at 31st March, 2016</b>		<b>As at 31st March, 2015</b>	
Loans and advances to related parties:					
- Related Company		<u>289.16</u>	289.16	<u>272.48</u>	272.48
Advance to contractors/suppliers			418.62		429.30
Balances with Statutory/Government authorities:					
- Excise & Custom		466.12		375.67	
- VAT/Sales Tax		197.10	663.22	175.74	
- Others				<u>0.05</u>	551.46
Prepaid Expenses			379.74		349.93
Loans to Staff			30.92		16.02
Advance to Distributors/Dealers					
- For Vehicles		27.47		22.18	
- For Mattress Service Centres		<u>57.12</u>	84.59	<u>30.28</u>	52.46
Other Loans & Advances	17.1		34.43		40.35
<b>TOTAL</b>			<u><b>1,900.68</b></u>		<u><b>1,712.00</b></u>

17.1 Others Loans & Advances comprise of staff advances for expenses, other party advances etc.

<b>NOTE-18 OTHER CURRENT ASSETS</b>	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
Subsidy receivable	139.08	139.08
Interest accrued but not due on fixed deposits/Bonds	366.14	118.19
Income tax refund	91.36	91.66
Excise Duty Refundable	3.56	9.86
Discount receivable	88.46	225.57
<b>TOTAL</b>	<u><b>688.61</b></u>	<u><b>584.36</b></u>



(Rs. In Lakhs)

**NOTE-19 REVENUE FROM OPERATIONS**

Note No.

**2015-16****2014-15**

Sale of products (Gross):

- Finished Goods

19.1.a

167,121.29

153,249.22

- Traded Goods

19.1.b

2,364.81

169,486.10

1,913.43

155,162.65

Other operating revenue:

- Duty drawback

3.98

6.08

- Sale of process scrap

128.62

132.60

162.18

168.26

**TOTAL****169,618.70****155,330.91****19.1 Detail of sale of products****2015-16****2014-15**

a Finished Goods :

- PU Foam sheets/mattresses/rolls/bolster/pillows etc.

167,121.29

153,249.22

**167,121.29****153,249.22**

b Traded Goods

- PU Foam/Spring/Coir mattresses etc.

2,364.81

1,913.43

**2,364.81****1,913.43****TOTAL****169,486.10****155,162.65****NOTE-20 OTHER INCOME****2015-16****2014-15**

Interest income :

- Bank deposits

904.20

534.08

- Others

65.51

969.71

126.25

660.33

Liabilities/provisions no longer required written back

6.62

2.64

Rent

6.90

14.88

Insurance claim realised

-

2.75

Profit/(loss) on sale of fixed assets (net)

139.52

(76.61)

Profit on sale of Investments in Associates

39.60

-

Sale of non-process scrap

473.65

374.23

Other miscellaneous income

51.96

81.95

**TOTAL****1,687.96****1,060.17**

(Rs. In Lakhs).

**NOTE-21 COST OF MATERIALS CONSUMED**

	2015-16		2014-15	
<b>Raw material</b>				
Opening Stock	3,736.93		4,327.11	
Purchases (less returns)	77,102.69		81,472.61	
	80,839.61		85,799.72	
Less : Sales f	1,066.16		858.11	
Less : Closing Stock	3,342.98	76,430.48	3,736.93	81,204.68
<b>Packing Material</b>				
Opening Stock	485.33		426.75	
Purchases (less returns)	4,586.37		4,431.36	
	5,071.70		4,858.11	
Less : Sales	132.48		76.69	
Less : Closing Stock	482.18	4,457.04	485.33	4,296.09
<b>TOTAL</b>		<b>80,887.52</b>		<b>85,500.77</b>

21.1 Value of imported and indigenous Raw material and Packing material consumed and the percentage of each to the total consumption:

Particulars	2015-16		2014-15	
	Amount	Percentage	Amount	Percentage
(a) Raw material - imported	29,153.23	38.14%	32,134.10	39.57%
Raw material - indigenous	47,277.25	61.86%	49,070.58	60.43%
<b>Total</b>	<b>76,430.48</b>	<b>100.00%</b>	<b>81,204.68</b>	<b>100.00%</b>
(a) Packing material - imported	304.62	6.83%	300.05	6.98%
Packing material - indigenous	4,152.42	93.17%	3,996.04	93.02%
<b>Total</b>	<b>4,457.04</b>	<b>100.00%</b>	<b>4,296.09</b>	<b>100.00%</b>
<b>Total</b>	<b>80,887.52</b>		<b>85,500.77</b>	

21.2 Detail of raw material consumed

Particulars	2015-16		2014-15	
	Amount	Percentage	Amount	Percentage
- T.D.I	17,431.57	22.81%	21,108.36	25.99%
- Polyol	37,129.04	48.58%	40,741.70	50.17%
- Others (includes coir sheets, catalyst, cloth, chemicals etc.	21,869.87	28.61%	19,354.62	23.83%
<b>Total</b>	<b>76,430.48</b>	<b>100.00%</b>	<b>81,204.68</b>	<b>100.00%</b>

**NOTE-22 PURCHASES OF STOCK-IN-TRADE**

	2015-16	2014-15
Traded goods - PU Foam/Spring/Coir mattresses etc.	1,431.74	1,163.92
<b>TOTAL</b>	<b>1,431.74</b>	<b>1,163.92</b>

(Rs. In Lakhs) -

NOTE-23 OTHER MANUFACTURING EXPENSES	2015-16	2014-15
Stores consumed	3,196.87	2,661.06
Power & fuel	1,059.16	1,118.60
Repair and maintenance:		
-Buildings	322.00	102.45
-Plant & machinery	1,071.94	948.55
Processing & other charges	1,771.03	1,472.16
<b>TOTAL</b>	<b>7,421.00</b>	<b>6,302.82</b>

23.1 Value of imported and indigenous stores consumed and the percentage of each to the total consumption:

Particulars	2015-16		2014-15	
	Amount	Percentage	Amount	Percentage
Stores - imported	164.95	5.16%	274.18	10.30%
Stores - indigenous	3,031.92	94.84%	2,386.88	89.70%
<b>Total</b>	<b>3,196.87</b>	<b>100.00%</b>	<b>2,661.06</b>	<b>100.00%</b>

NOTE-24 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS AND STOCK-IN-TRADE	2015-16	2014-15
<b>Inventories at the end of the year</b>		
Finished goods	910.20	962.66
Stock-in-trade	2.82	18.28
Stock-in-process	3,257.20	3,627.46
<b>Inventories at the beginning of the year</b>		
Finished goods	962.66	1,223.52
Stock-in-trade	18.28	16.04
Stock-in-process	3,627.46	3,816.12
<b>TOTAL</b>	<b>438.18</b>	<b>447.28</b>

24.1 Detail of stock-in-process	2015-16	2014-15
- Foam Blocks	3,257.20	3,627.46
<b>TOTAL</b>	<b>3,257.20</b>	<b>3,627.46</b>

NOTE-25 EMPLOYEE BENEFITS EXPENSES	2015-16	2014-15
Salaries, wages, bonus, gratuity, allowances etc.	12,508.61	11,451.97
Contribution to provident, ESI and other funds etc.	414.87	350.03
Workmen & staff welfare expenses	1,017.41	1,047.07
<b>TOTAL</b>	<b>13,940.89</b>	<b>12,849.07</b>

NOTE-26 FINANCE COSTS	2015-16	2014-15
Interest Expense on :		
- Term loans	167.56	475.24
- Working capital loans	79.93	96.69
- Loans from others	9.30	31.43
- Advance income tax	52.74	7.07
- Others	686.00	779.18
Bank Charges	171.41	229.70
<b>TOTAL</b>	<b>1,166.94</b>	<b>1,619.31</b>

NOTE-27 OTHER EXPENSES	Note No.	(Rs. In Lakhs)	
		2015-16	2014-15
Rent		1,480.17	1,456.12
Insurance		391.10	406.10
Rates & taxes		358.49	338.64
Repair & maintenance others		497.79	421.40
Advertisement expenses		6,810.24	4,932.12
Travelling and conveyance		818.74	732.71
Payment to Auditors:			
- Audit Fees		27.58	22.93
- Taxation matters		-	1.75
- Certification work		8.34	-
- Reimbursement of expenses		1.37	3.03
Contributions towards CSR	28.12	122.44	12.30
Advances/Balances written off		1.54	6.65
Bad debts written off		23.50	26.65
Less : Transfer from Provision for doubtful debts		8.41	15.09
Provision for doubtful debts and advances		49.47	26.84
Provision for warranty and sales return	9.1	280.00	60.00
Prior period expenses/(income) (net)		1.06	17.53
Selling & promotional expenses		3,105.25	5,430.34
Sales promotion schemes		6,418.06	1,752.63
Freight & cartage (net)		3,006.14	2,906.14
Incentives & Rebates		7,345.87	5,895.62
Exchange fluctuation loss (net)		45.16	57.61
Assets written off (net)		38.34	13.88
Miscellaneous expenses		2,460.51	1,923.15
<b>TOTAL</b>		<b>33,282.75</b>	<b>26,444.14</b>

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**NOTE - 28 : OTHER NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

**28.1 Contingent Liabilities and Commitments:-**

		(Rs. in Lakhs)			
Sr. No.	Particulars	As at 31.03.2016		As at 31.03.2015	
		(i)	Contingent Liabilities (to the extent not provided for)		
a	Guarantees to Banks and Financial Institutions against credit facilities extended		8,555.88		9,561.30
b	Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards (a) :				
	- Sales tax	521.90		630.53	
	- Entry tax	104.54		104.54	
	- Income tax	501.25		946.92	
	- Excise Duty	839.74	1,967.43	476.52	2,158.51
c	Guarantees given by the Bankers on behalf of the Company to third parties		78.50		86.12
d	Others		75.00		-
(ii)	Commitments				
a	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)		1,360.62		1,872.61
	<b>TOTAL</b>		<b>12,037.43</b>		<b>13,678.54</b>

(a) The Group is contesting these demands and the management including its experts are of the view that these demands shall 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.

28.2 Income Tax search was carried out by Addl. Director of Income Tax (Investigation), New Delhi at the Head Office of the Holding Company in 2011-12, wherein certain documents and the cash of Rs 60.83 lakhs (stated to be unaccounted) was seized. Reassessment for the assessment years 2006-07 to 2011-12 was carried out by the Income Tax department in the earlier year, wherein demand of Rs. 510.75 lakhs had been raised. The Holding Company has got relief from Hon'ble CIT(A) in all years on all grounds of appeal, except for one disallowance on account of cash of Rs. 60.83 lakhs (stated to be unaccounted) pertaining to assessment year 2012-13, which the Holding Company has contested before the Hon'ble ITAT, New Delhi, and is pending disposal, however, the management is confident of relief, hence no provision is considered necessary at this stage, but the amount raised under demand has been shown as contingent liability under Para 28.1.i(b).

28.3 The Holding Company is in the process to assess the reasonableness of its Transfer Pricing documentation as required under the relevant provisions of the Income Tax Act, 1961 and obtain the Accountant's report in form 3CEB for the year under audit. The Holding Company is confident that all the transactions were carried out at arm's length pricing. As in the earlier year's report and based on the last assessment under Income Tax Provisions, the transactions are held to be at arm's length pricing. Accordingly, the Holding Company during the year is confident of pricing at arm's length for all the transactions.

28.4 In the opinion of the management, the value of assets other than fixed assets and non-current investments, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

28.5 The Holding Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 as per the vendor registration system of the Holding Company. Hence disclosures, if any, relating to amounts unpaid at the yearend together with interest paid/payable as required under the said Act are not applicable.

28.6 The letters have been sent to majority of the parties for confirmation of the balances under trade receivables, advances and trade payables, however, due to non receipt of the response from parties, the balances are subject to confirmation / reconciliation in some cases. The impact, if any, subsequent to the confirmation/reconciliation will be taken in the year of confirmation/reconciliation, which in the view of the management will not be material.



28.7 Employee Benefits:-

(a) Defined Benefit Scheme:

Gratuity : Payable on separation as per the Employees Gratuity Act @ 15 days pay for each completed year of service to Holding Company's eligible employees who render continuous service of 5 years or more.

(b) Defined Contribution Scheme

Holding Company's employees are covered by Provident Fund and Employees State Insurance to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year amount of Rs. 414.87 lakhs (Previous Year : Rs. 350.03 lakhs) has been charged to the Statement of Profit & Loss towards contribution to above schemes/benefits.

(c) Other Long term Benefits

Holding Company's Employees are entitled to accumulate their earned/privilege leave up to a maximum of 120 days which is payable/encashable as per the policy on their separation. During the year amount of Rs. 106.26 lakhs (Previous Year : Rs. 65.28 lakhs) has been charged to the Statement of Profit and Loss towards provision for the said benefits based on actuarial valuation.

(d) Other disclosures as required under AS-15 (Revised 2005) on "Employee Benefits" are as under:-

i) Change in present value of obligation:

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Present Value of obligation at the beginning of year	665.20	623.04	158.39	139.15
Interest cost	53.22	52.96	12.67	11.83
Current Service Cost	81.17	67.70	32.13	25.10
Benefit Paid	(53.98)	(13.34)	(49.61)	(46.04)
Net actuarial (Gain) / Loss on obligation	66.76	(65.16)	61.46	28.35
Present value of the defined benefit at the end of year	812.37	665.20	215.05	158.39

ii) Expense recognized in the Statement of Profit and Loss.

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Current Service Cost	81.17	67.70	32.13	25.10
Interest cost on benefit obligation	53.22	52.96	12.67	11.83
Expected return on plan assets	-	-	-	-
Net actuarial (Gain) / Loss	66.76	(65.16)	61.46	28.35
Amount recognised in Statement of Profit and Loss	201.15	55.50	106.26	65.28

iii. Disclosure of the current year and for the previous four years as required by paragraph 120(n) of AS-15.  
(Rs. in Lakhs)

Particulars/ Year	2011-12 (Rs.)	2012-13 (Rs.)	2013-14 (Rs.)	2014-15 (Rs.)	2015-16 (Rs.)
<b>Gratuity</b>					
Present Value of obligation at the end of year	371.38	494.33	623.04	665.20	812.37
Fair Value of Plan assets at the end of year	-	-	-	-	-
Difference i.e. Assets/ (Liabilities)	(371.38)	(494.33)	(623.04)	(665.20)	(812.37)
<b>Net Assets / (Liability) recognised in the Balance Sheet</b>	(371.38)	(494.33)	(623.04)	(665.20)	(812.37)
<b>Experience Adjustment arising on :</b>					
- The Plan Liabilities / PVO	1.19	(13.82)	(107.67)	104.50	(66.76)
- The Plan Assets	N.A. as there are no plan assets				
<b>Leave Encashment</b>					
Present Value of obligation at the end of year	27.75	105.73	139.15	158.39	215.05
Fair Value of Plan assets at the end of year	-	-	-	-	-
Difference i.e. Assets/ (Liabilities)	(27.75)	(105.73)	(139.15)	(158.39)	(215.05)
<b>Net Assets / (Liability) recognised in the Balance Sheet</b>	(27.75)	(105.73)	(139.15)	(158.39)	(215.05)
<b>Experience Adjustment arising on :</b>					
- The Plan Liabilities / PVO	(12.58)	(62.11)	(57.35)	(18.87)	(61.46)
- The Plan Assets	N.A. as there are no plan assets				

iv) Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

Particulars	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Method used	Projected unit credit method			
Discount rate	8.00%	8.00%	8.00%	8.00%
Salary Escalation	5.00%	5.00%	5.00%	5.00%
Mortality Rate	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Withdrawal rate up to 30/44 and above 44 years	3%/2%/1%			
Rate of return on plan assets	N.A., as there are no plan assets			

28.8 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 Accounting Standard (AS-17) dealing with the segment reporting.

b. Secondary Segment

Geographical Segment : The analysis of the geographical segment is based on the sales made within India and Outside India by the Group.

(Rs. in Lakhs)

Particulars	For the year ended 31.03.2016		
	Within India	Outside India	Total
Net Sales/ Income from Operations	1,26,471.54	28,527.39	1,54,998.93
Total Assets	61,821.10	17,009.52	78,830.62
Cost incurred during the period to acquire fixed assets	3,599.14	512.75	4,111.89

28.9 Related Party Disclosures (AS-18):

A. List of Related Parties and relationships

(a) Entities in which Key Management Personnel or their Relatives have significance influence

- Polyflex Marketing Pvt. Ltd.
- Rangoli Resorts Pvt. Ltd.
- Core Moulding Pvt. Ltd.
- Sleepwell Foundation (Trust)
- Sleepwell Enterprises Pvt. Ltd.

(b) Key Management Personnel:

- Mr. Rahul Gautam (Managing Director)
- Mr. Rakesh Chahar (Wholetime Director)
- Mr. Frank Van Gogh (CEO & Director)
- Mr. Edward John Dodds (Finance Manager)

(c) Relatives of Key management Personnel:

- Mrs. Sheela Gautam (Mother of Mr. Rahul Gautam)
- Mrs. Namita Gautam (Wife of Mr. Rahul Gautam)
- Mr. Tushaar Gautam (Son of Mr. Rahul Gautam)
- Mrs. Rajul Devendra (Sister of Mr. Rahul Gautam)
- Mrs. Lisa Chahar (Wife of Mr. Rakesh Chahar)
- Mrs. Leanne Dodds (Wife of Finance Manager)

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

B. Transactions with related parties:

Transactions	Related Entities	Key Management Personnel	(Rs. in Lakhs)
			Relatives of Key Management Personnel
<b>(i) Transactions during the period:</b>			
a. Sale of Material/ Capital Goods	0.68 (1.38)	-- (--)	-- (--)
b. Rent received	0.60 (0.60)	-- (--)	-- (--)
c. Royalty paid	10.00 (5.00)	-- (--)	-- (--)
d. Investment sold	-- (--)	-- (--)	40.00 (--)
e. Loans & Advances Recd. back	13.57 (14.35)	-- (--)	-- (--)
f. Inter Corporate Deposit (ICD)/Deposit recd.	-- (--)	-- (--)	20.00 (5.00)
g. Inter Corporate Deposit(ICD) /Deposit repaid	-- (--)	2.25 (--)	-- (3.80)
h. Remuneration including Performance Incentives	-- (--)	397.47 (943.53)	217.86 (172.99)
i. Interest received	33.61 (30.93)	-- (--)	-- (--)
j. Interest paid	-- (--)	0.10 (0.19)	2.62 (2.00)
k. Rent paid	0.18 (0.18)	-- (--)	-- (--)
l. Donation under CSR	100.00 (--)	-- (--)	-- (--)
<b>(ii) Closing balance as at 31<sup>st</sup> March, 2016 :</b>			
a. Loans & Advances receivable	289.16 (272.48)	-- (--)	-- (--)
b. Inter Corporate Deposit(ICD)/Deposit Payable	-- (--)	-- (2.25)	45.00 (25.00)
c. Investment	-- (0.40)	-- (--)	-- (--)

Note : (Figures in bracket are for the year ended March 31, 2015)

28.10 Capital and Leasing Commitments:

Holding Company:

The Company has taken various properties under cancellable operating leases. The lease agreements are normally renewed on expiry. There are no restrictions placed upon the Holding Company by entering into these leases and there are no subleases. Lease payments amounting to Rs. 92.09 lakhs (Previous year: Rs. 164.50 lakhs) are included in 'Rent' under Note-27.

Foreign Subsidiary Company : Joyce Foam Pty. Ltd.

Non-cancellable operating leases contracted for but not capitalized in the financial statements.

Particulars	(Rs. in lakhs)	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Payable-minimum lease payments		
- not later than 12 months	1,610.78	1,010.90
- between 12 months and five years	3,808.45	1,892.92
- greater than five years	1,112.65	808.08
<b>TOTAL</b>	<b>6,531.88</b>	<b>3,711.90</b>

28.11 Earnings per Share:

Particulars	Current Year	Previous Year
Net Profit as per Statement of Profit and Loss - (Rs. in lakhs)	10,471.28	4,232.15
Basic/Diluted weighted average number of equity shares outstanding during the year	16260936	16260936
Nominal value of Equity Share (Rs.)	10.00	10.00
Basic/Diluted Earnings per Share (Rs.)	64.40	26.03

28.12 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 year is as under:

	Amount spent during the current year (Rs. in lakhs)	Amount pending for spending as at 31.03.2016 (Rs. in lakhs)	Total Amount (Rs. in lakhs)
- Gross Amount which was lying pending for the earlier year as at 01.04.2015			47.99
- Gross Amount required to be spent during the current year			72.72
- Amount spent during the year on :			
c. Construction/acquisition of any asset	-	-	-
d. Contribution to Trusts / NGOs / Societies	122.44	-	122.44

28.13 Financial and Derivative Instruments:

a. Derivative contracts entered into by the Company and outstanding as on 31st March, 2016 for hedging Currency and Interest Rate Related Risks:

Nominal amounts of derivative contracts entered into by the Company and outstanding as on 31st March, 2016 amount to Rs. 2924.05 lakhs (Previous Year : Rs. 697.69 lakhs). Category wise break up is given below:

Sr. No.	Particulars	As at March 31, 2016 (Rs. in lakhs)	As at March 31, 2015 (Rs. in lakhs)
1.	Interest Rate Swaps	-	216.00
2.	Forward Contracts	2,924.05	481.69
	<b>TOTAL</b>	<b>2,924.05</b>	<b>697.69</b>

- b. Foreign currency exposures that are not hedged by derivative instruments as on 31st March, 2016 amount to Rs. 3,337.03 lakhs (Previous Year Rs. 1547.27 lakhs).

28.14 Value of imports on CIF basis:

Particulars	(Rs. in Lakhs)	
	2015-16	2014-15
Raw Materials	17,427.68	21,557.45
Packing Materials, Store & Spare & Components etc.	723.44	774.62
Capital Goods	954.54	1,156.02
<b>TOTAL</b>	<b>19,105.66</b>	<b>23,488.09</b>

28.15 Expenditure in Foreign currency:

Particulars	(Rs. in Lakhs)	
	2015-16	2014-15
Travelling	6.15	13.09
Sales & business promotion	27.71	24.03
Interest to Bank	20.21	34.98
Consultancy Charges	26.70	0.24
<b>TOTAL</b>	<b>80.77</b>	<b>72.34</b>

28.16 Earnings in Foreign exchange:

Particulars	(Rs. in Lakhs)	
	2015-16	2014-15
F.O.B value of Exports of goods	1,609.95	1,453.72
<b>TOTAL</b>	<b>1,609.95</b>	<b>1,453.72</b>

28.17 Salient Features of financials of Subsidiaries as per the Companies Act, 2013:

(Rs. in Lakhs)

Sl. No.	Particulars	Subsidiary	
		Joyce Foam Pty. Ltd. (Foreign Subsidiary)	Divya Software Solutions Private Limited (Indian Subsidiary) (Note-1)
1.	Reporting period of the subsidiary concerned, if different from the Holding Company's reporting period	N.A.	N.A.
2.	Reporting currency in case of foreign subsidiaries	AUD	N.A.
3.	Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries	50.21	-
4.	Share Capital	3,306.33	2.55
5.	Reserves & Surplus	1,881.10	1224.15
6.	Total Assets	17,009.52	1,236.69
7.	Total Liabilities	11,822.09	9.98
8.	Investments	Nil	Nil
9.	Turnover /Total Income	28,574.04	0.22
10.	Profit / (Loss) before tax	2,027.84	(14.88)
11.	Provision for tax	508.14	Nil
12.	Profit / (Loss) after tax	1519.71	(14.88)
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	100%

Note-1 : The Subsidiary has yet to start its commercial operations.

Note-2 : As the shares held by the Holding Company in 'Sleepwell Enterprises Private Limited' have been sold during the year, therefore the said Company is no longer an Associate Company, and has not been considered in the Consolidated Financial Statements for the current year.

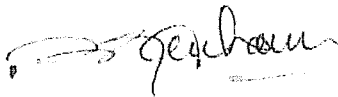
28.18 Additional information pursuant to Schedule III of Companies Act, 2013

Name of Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit	
	As % of consolidated net assets	Amount (Rs. in lakhs)	As % of consolidated profit	Amount (Rs. in lakhs)
<b>Parent / Holding :</b>				
Sheela Foam Private Limited	91.76%	31,053.35	81.94%	8,580.49
<b>Subsidiaries:</b>				
<b>Indian</b>				
Divya Software Solutions Private Limited	(0.13)%	(42.51)	(0.14)%	(14.67)
<b>Foreign</b>				
Joyce Foam Pty. Ltd.	8.37%	2,832.60	18.20%	1,905.46

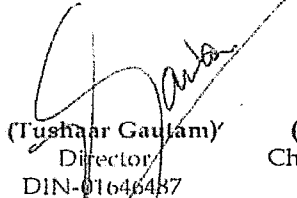
28.19 There are no material differences in the accounting policies of the Holding Company and its Subsidiaries.

28.20 The previous year's figures have been re-grouped/re-classified wherever considered necessary. Further, as the shares held by the Holding Company in the Associate Company namely 'Sleepwell Enterprises Private Limited' have been sold during the year, therefore the said Company is no longer an Associate Company, and has not been considered in the Consolidated Financial Statements for the current year. However, as the same was considered in the Consolidated Financial Statements for the earlier year, the current year's figures are not comparable with the previous year's figures.

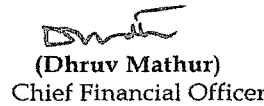
For and on behalf of the Board of Directors.



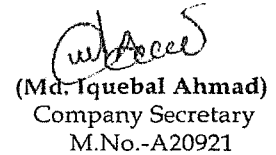
(Rahul Gautam)  
Managing Director  
DIN-00192999



(Tushaar Gautam)  
Director  
DIN-01646487



(Dhruv Mathur)  
Chief Financial Officer



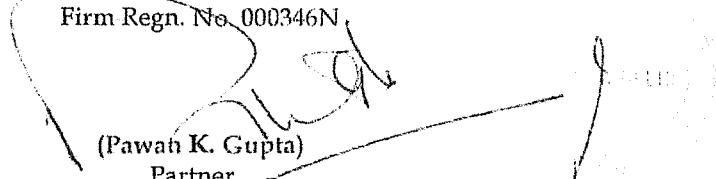
(Md. Iqbal Ahmad)  
Company Secretary  
M.No.-A20921

As per our report of even date attached.

For S.P. CHOPRA & CO.

Chartered Accountants

Firm Regn. No. 000346N



(Pawan K. Gupta)  
Partner  
M. No. 92529

Place: New Delhi  
Dated: 6<sup>th</sup> May, 2016