



Date: July 26, 2022

To  
The Secretary  
(Listing Department)  
The BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai-400001

The Manager,  
The National Stock Exchange India  
Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra(E), Mumbai-400051

BSE Scrip Code: 540203

NSE Symbol: SFL

**Subject: Intimation of Annual General Meeting to be held over video conference**

Dear Sir/Madam,

Please find attached Notice of Fiftieth (AGM) and Annual Report for the Financial Year 2022. The same will be made available on the Company's website, at <http://www.sheelafoam.com>

The Company is providing remote e-voting facility to its member to cast their vote electronically on the business as set forth in the Notice of the AGM through the electronic voting system of Link Intime India Private Limited (LIPL). Mr. Amitabh, Partner, AVA Associates, Company Secretaries, appointed as a Scrutinizer. The Result of e-voting shall be declared on August 20, 2022.

The Cut-off" Record date fixed for the purpose of ascertaining the member eligible for e-voting as Friday, August 11, 2022.

The e-voting facility shall be commenced at 10.00 a.m. on August 14, 2022 and ended on 05.00 p-m. on August 17, 2022.

Thanking you.  
Yours faithfully,

For Sheela Foam Limited

(Md. Iquebal Ahmad)  
Company Secretary and Compliance Officer

**SHEELA FOAM LTD.**

#14, Sleepwell Tower , Sector 135, Noida- 201301

Ph: Int-91(0)-120-4162200 • Fax: Int-91-(0)-120-4162282, 4162283 • Email: [contactus@sheelafoam.com](mailto:contactus@sheelafoam.com)  
Regd. Office: 604 Ashadeep, 9 Hailey Road, New Delhi-110001, India • Ph: Int-91(0)-11-22026875-76  
Toll Free: 1800 103 6664 • [www.sleepwellproducts.com](http://www.sleepwellproducts.com) • [www.sheelafoam.com](http://www.sheelafoam.com)

CIN-L74899DL1971PLC005679

**Sheela Foam Limited**

(CIN : L74899DL 1971PLC005679)

**Registered Office** : 604, Ashadeep, 9 Hailey Road, New Delhi 110001

**Email** :investorrelation@sheelafoam.com

**Phone** : + 91 11 2202 6875

## Notice

NOTICE IS HEREBY GIVEN THAT THE FIFTIETH (50TH) ANNUAL GENERAL MEETING OF SHEELA FOAM LIMITED WILL BE HELD ON THURSDAY, 18TH AUGUST 2022 AT 10:00 A.M. (IST) THROUGH VIDEO CONFERENCE (VC)/ OTHER AUDIO VISUAL MEANS (OAVM) (HEREIN AFTER REFERRED TO AS ELECTRONIC MODE) TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year 2022 (Standalone and Consolidated) including audited Balance Sheet as at 31<sup>st</sup> March 2022, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and the Reports of Board of directors and Auditors thereon.
2. To appoint a Director in place of Mr. Tushaar Gautam (DIN 01646487), who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rule, 2014(including any statutory modification(s) or re-enactment(s) thereof, for the time being enforce), M/s. Mahesh Singh & Co, Cost Accountants, appointed by the Board of Directors of the Company to conduct the Audit of the cost records of the Company, for the Financial Year 2022-23, be paid ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable tax."

4. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** the Company hereby accords its approval for the payment of ₹ 15,00,000 (Rupees Fifteen Lakh only) commission to each Independent Directors, for one year of service, that is over and above the sitting fees payable to the Independent Directors."

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Company hereby accords its approval to the reappointment of Mr. Rahul Gautam (DIN 0019299), as the Managing Director for a period of five years with effect from 1<sup>st</sup> April, 2022 on the terms and conditions of appointment and remuneration as approved by the Board/Nomination and Remuneration Committee time to time, material terms of which are set out in the explanatory statement attached to this notice, and the period of his office shall be not be liable to determination by retirement of directors by rotation and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. Rahul Gautam."

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Company hereby accords its approval to the reappointment of Ms. **Namita Gautam** (DIN 00190463), as the Whole-time Director for a period of five years with effect from 1<sup>st</sup> April, 2022 on the terms and conditions of appointment and remuneration as approved by the Board/Nomination and Remuneration Committee time to time, material terms of which

are set out in the explanatory statement attached to this notice, and the period of her office shall be liable to determination by retirement of directors by rotation and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Ms Namita Gautam.

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Company hereby accords its approval to the reappointment of Mr. Rakesh Chahar (DIN 00180587), as the Whole-time Director for a period of five years with effect from 1<sup>st</sup> April, 2022 on the terms and conditions of appointment and remuneration as approved by the Board/Nomination and Remuneration Committee time to time, material terms of which are set out in the explanatory statement attached to this notice, and the period of his office shall be liable to determination by retirement of directors by rotation and the Board of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. Rakesh Chahar.”

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Company hereby accords its approval to the reappointment of Mr. Tushaar Gautam (DIN 01646487), as the Whole-time Director for a period of five years with effect from 1<sup>st</sup> April, 2022 on the terms and conditions of appointment and remuneration as approved by the Board/Nomination and Remuneration Committee time to time, material terms of which are set out in the explanatory statement attached to this notice, and the period of his office shall be liable to determination by retirement of directors by rotation and the Board

of Directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 as may be agreed to by the Board of Directors and Mr. Tushaar Gautam.”

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or enactment thereof for the time being in force) and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time and pursuant to the recommendations of the Nomination and Remuneration Committee and by the Board of Directors of the Company, term of Mr. Som Mittal (DIN: 00074842), Non-executive Independent Director, be increased from four (4) years to five (5) years and he will continue to hold the office of independent director till 6<sup>th</sup> June 2026 and he shall not be liable to retire by rotation.”

10. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or enactment thereof for the time being in force) and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time and pursuant to the recommendations of the Nomination and Remuneration Committee and by the Board of Directors of the Company, term of Mr. Anil Tandon (DIN: 00089404), Non-executive Independent Director, be increased from three (3) years to five (5) years and he will continue to hold the office of independent director till 6<sup>th</sup> June 2026 and he shall not be liable to retire by rotation.”

11. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or enactment thereof for the time

being in force) and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time and pursuant to the recommendations of the Nomination and Remuneration Committee and by the Board of Directors of the Company, term of Lt. Gen. (Dr.) V.K. Ahluwalia (DIN: 08078092), Non-executive Independent Director, be increased from three (3) years to five (5) years and he will continue to hold the office of independent director till 4<sup>th</sup> March 2026 and he shall not be liable to retire by rotation."

12. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or enactment thereof for the time being in force) and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended from time to time and pursuant to the recommendations of the Nomination and Remuneration Committee and by the Board of Directors of the Company, term of Ms. Meena Jagtiani (DIN: 08396893), Non-executive Independent Director, be increased from three (3) years to five (5) years and she will continue to hold the office of independent director till 7<sup>th</sup> April 2027 and she shall not be liable to retire by rotation."

13. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 13, 62 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and the provisions of the Articles of Association of the company, the approval of the company, be and is hereby accorded to increase the authorised share capital of the company from from ₹ 44,01,05,000 (Rupees Forty Four Crore One Lakh Five Thousand Only) divided into 8,80,21,000 (Eight Crore Eighty Lakh Twenty One Thousand) equity shares of ₹ 5 (Rupees Five Only) each to ₹ 100,00,00,000 (Rupees One Hundred Crores Only) divided into 20,00,00,000 (Twenty Crore) equity shares of ₹ 5 (Rupees Five Only) each by way of creating additional capital of ₹ 55,98,95,000 (Fifty-five Crore Ninety Eight Lakh Ninety Five Thousand) consisting of 11,19,79,000 (Eleven Crore Nineteen Lakh Seventy Nine Thousand) equity shares of ₹ 5 (Rupees Five Only) each and consequently clause no. V of the

memorandum of association of the company be substituted by the following:

**"The Authorized Share Capital of the Company is ₹ 100,00,00,000 (Rupees One Hundred Crores Only) divided into 20,00,00,000 (Twenty Crore) equity shares of ₹ 5 (₹ Five Only) each."**

14. To approve 'SHEELA FOAM - Employees Stock Option Plan 2022' and in this regard, pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto ("**the SEBI SBEB and Sweat Equity Regulations**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the SEBI LODR Regulations**"), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as "**the Board**") which term shall be deemed to include the Compensation Committee / Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the '**SHEELA FOAM - Employees Stock Option Plan 2022**' ("**SF ESOP - 2022**") the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, including a non-executive director, but excluding Promoter, Promoter group and independent Directors, a director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "**Employees**") selected on the basis of criteria decided by the Board under the SF ESOP -

2022, such number of stock options convertible into Equity Shares of the Company ("**Options**"), in one or more tranches, not exceeding 2,400,000 (Twenty four Lakhs) equity shares of face value of ₹ 5/- each (Rupees Five), at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the SF ESOP - 2022, and all provisions of applicable laws.

**"RESOLVED FURTHER THAT** the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the SF ESOP - 2022 and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company."

**"RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger, buy-back, scheme of arrangement and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued."

**"RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the SF ESOP - 2022 and the exercise price of Options granted under the SF ESOP - 2022 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 5/- per equity share bears to their revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the SF ESOP - 2022."

**"RESOLVED FURTHER THAT** without prejudice to the generality of the above; the Board, which includes the Compensation/ Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the SF ESOP - 2022, determine the detailed terms and conditions of the aforementioned SF ESOP - 2022 including but not limited to the quantum of the Options to be granted

per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at price, at such time and on such terms and conditions as set out in the SF ESOP - 2022 and as the Board or the Compensation/ Nomination and Remuneration Committee may in its absolute discretion think fit."

**"RESOLVED FURTHER THAT** the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) and Regulation 5(2) of the SEBI SBEB and Sweat Equity Regulations for the purposes of administration of SF ESOP - 2022."

**"RESOLVED FURTHER THAT** the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the SF ESOP - 2022 as it may deem fit, from time to time or to suspend, withdraw or revive the SF ESOP - 2022 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees."

**"RESOLVED FURTHER THAT** the Board shall take necessary steps for listing of the Equity Shares allotted under the SF ESOP - 2022 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI SBEB and Sweat Equity Regulations, the SEBI LODR Regulations and other applicable laws and regulations."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the SF ESOP - 2022 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein to Compensation/ Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such

acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

**15. To extend approval of 'SHEELA FOAM - Employees Stock Option Plan 2022' to the employees of Holding Company, Associate Company(ies), Group Company(ies) and its Subsidiary Company (ies) [present and future] and in this regard, pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013 ("**the Act**") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board Of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 including any modifications thereof or supplements thereto ("**the SEBI SBEB and Sweat Equity Regulations**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the SEBI LODR Regulations**"), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "**the Board**", which term shall be deemed to include any Committee including the Compensation/ Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the Shareholders be and is hereby accorded to extend the benefits of '**SHEELA FOAM - Employees Stock Option Plan 2022**' ("**SF ESOP - 2022**") proposed in the resolution number 14 above to such persons who are in the employment of the Holding Company, Group Company(ies), Associate Company(ies) and its Subsidiary Company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the

prevailing laws, rules and regulations and / or any amendments thereto from time to time), whether working in India or out of India and to the directors of the Holding Company, Group Company(ies), Associate Company(ies) or its Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the SF ESOP - 2022."

**"RESOLVED FURTHER THAT** for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the SF ESOP - 2022 from time to time or to suspend, withdraw, or revive SF ESOP - 2022 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company."

By order of the Board

**Md. Iquebal Ahmad**

Company Secretary and  
Compliance Officer

Date: 12<sup>th</sup> May, 2022  
Place: Noida

## IMPORTANT NOTES:

1. Pursuant to the Ministry of Corporate Affairs ("MCA") General Circular Nos. 14/ 2020 dated April 8, 2020 and 17/ 2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 read with General Circular No.02/2021 dated January 13, 2021, Circular No. 19/21 dated 8<sup>th</sup> December 2021, 21/2021 dated 14<sup>th</sup> December 2021 and 02/2022 dated May 5 2022 (collectively referred to as "MCA Circulars") has permitted the holding of the annual general meeting through Video Conferencing ("VC") or through Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue. The Securities and Exchange Board of India ("SEBI") vide its circular dated January 15, 2021 read with May 12, 2020 ("SEBI Circulars") has granted relaxation in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode.

Therefore the 50<sup>th</sup> Annual General Meeting ("Meeting" or "AGM") of the Company is being held through VC / OAVM on Thursday, August 18, 2022 at 10:00 a.m. (IST). The proceedings of AGM deemed to be conducted at the Registered Office of the Company situated at 604, Ashadeep, 9 Hailey Road, New Delhi 110001.

2. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 18, 2022. Members seeking to inspect such documents can send an email to [investorrelation@sheelafoam.com](mailto:investorrelation@sheelafoam.com).
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 to 15 of the accompanying Notice, is annexed hereto.

5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/ Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [avafirm@gmail.com](mailto:avafirm@gmail.com) with copies marked to the Company at [investorrelation@sheelafoam.com](mailto:investorrelation@sheelafoam.com) and to its RTA at [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)
6. In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/ their email address with the Company/its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration- fill in the details and upload the required documents and submit.

OR

- (ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

7. To prevent fraudulent transactions, members are advised to exercise due diligence and notify any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
8. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 will also be available

on the Company's website [www.sheelafoam.com](http://www.sheelafoam.com); websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
10. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
12. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice. Requisite declarations have been received from the Directors for seeking appointment/ re-appointment.

### 13. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015'), Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 50<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Link Intime India Private Limited (LIPL).
- II. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- III. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- IV. The e-voting period commences on Sunday, August 14, 2022 (10:00 a.m. IST) and ends on Wednesday, August 17, 2022 (5:00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on 11 August, 2022 may cast their votes electronically. The e-voting module will be disabled by Link Intime for voting thereafter.

A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. as on August 11, 2022.

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9<sup>th</sup> June, 2022.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

### Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL
  1. Existing IDeAS user can visit the e-Services website of NSDL viz... <https://eservices.nsdl.com> either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.



2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com> Select "Register Online for IDeAS Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
  3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
    1. Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
    2. After successful login of Easi/Easiest the user will be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
    3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
    4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
  3. Individual Shareholders (holding securities in demat mode) login through their depository participants You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
- Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:**
- Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:
1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>
  2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
    - A. **User ID:**  
Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
    - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

\*Shareholders holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

\*Shareholders holding shares in **NSDL form**, shall provide 'D' above

- Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

3. Click on 'Login' under '**SHARE HOLDER**' tab.

4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

**Cast your vote electronically:**

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

**Guidelines for Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:**

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 – 4918 6000.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22- 23058542-43.

**Individual Shareholders holding securities in Physical mode has forgotten the password:**

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

*In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22- 23058542-43.

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

**Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

- Select the "**Company**" and '**Event Date**' and register with your following details: -
  - A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company
  - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/

Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

**Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the specific email id created for the general meeting.

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will

be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

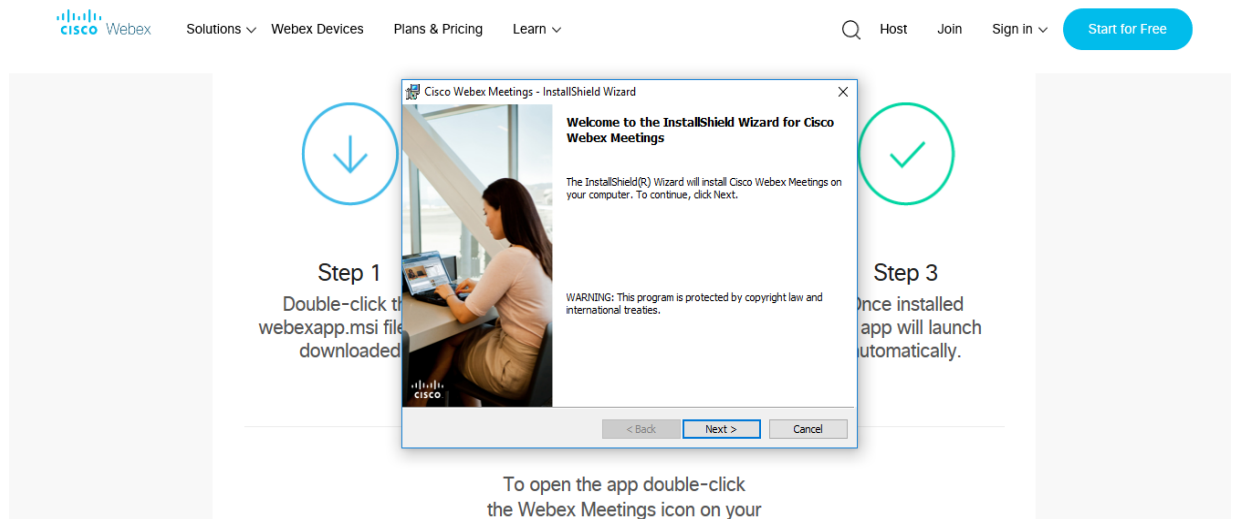
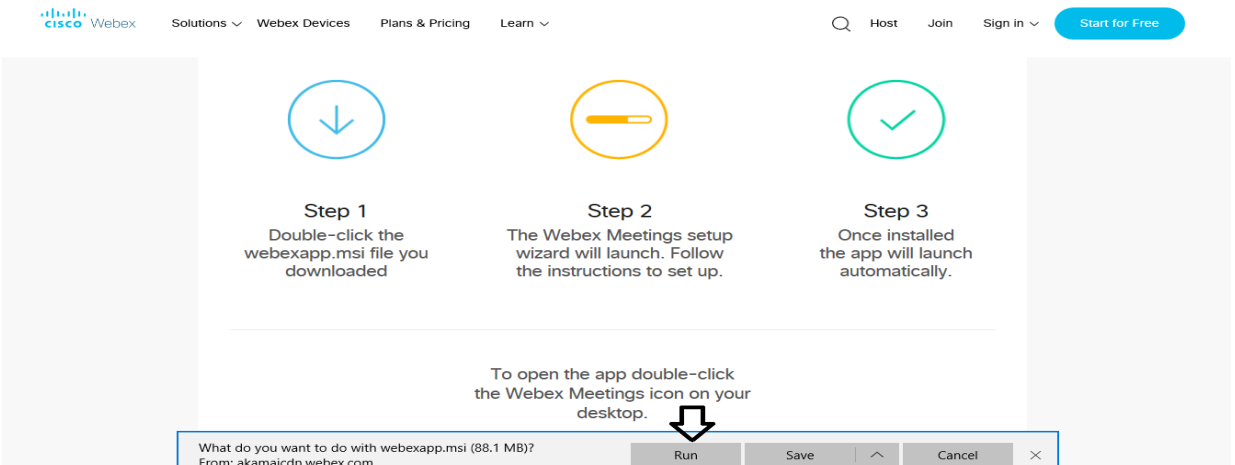
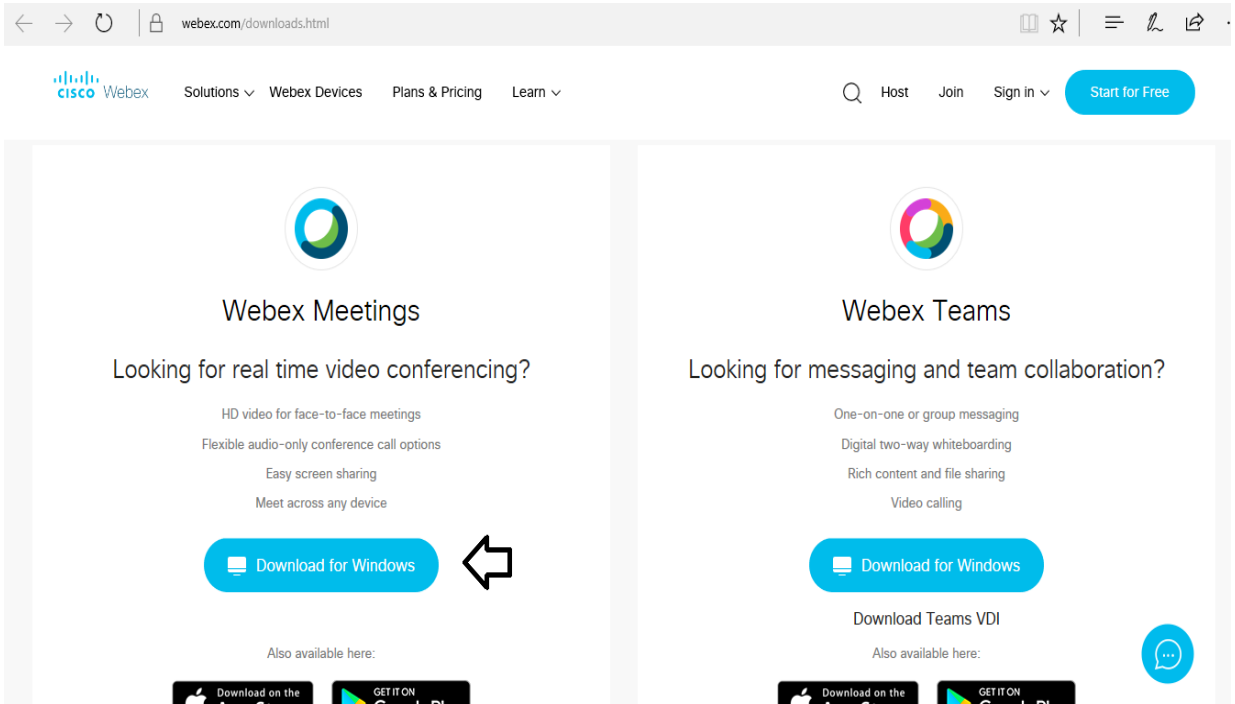
Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET**

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

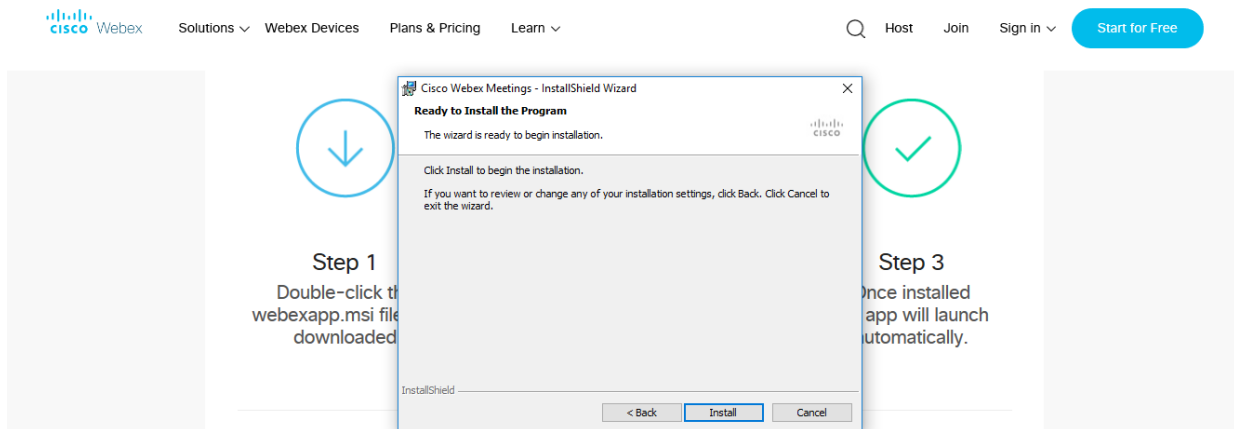
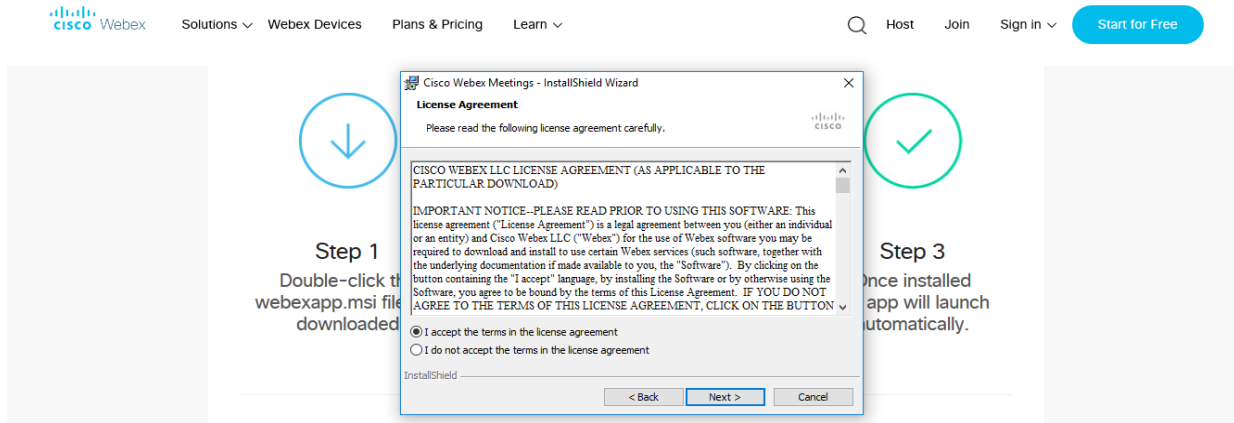
a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>



**Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.**

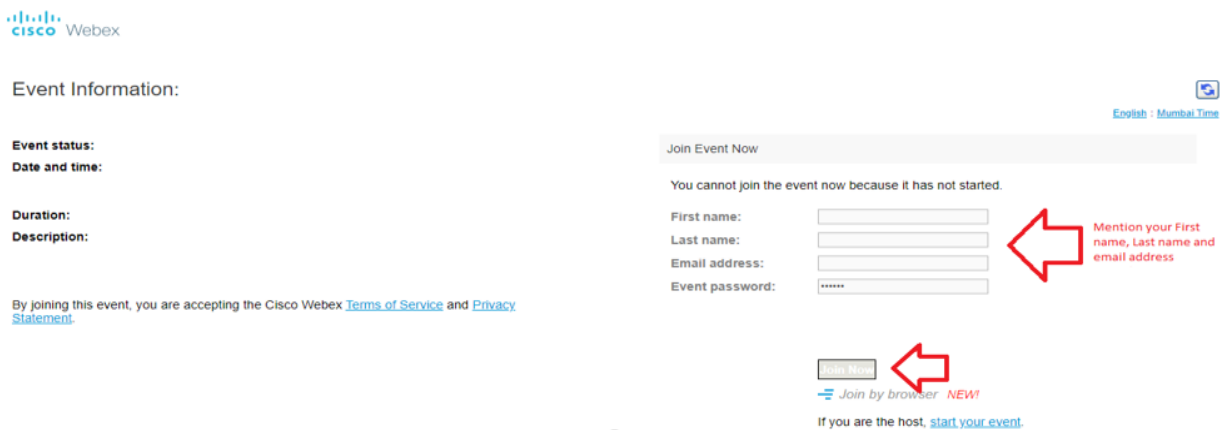
- 1 (A)** If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
- 1 (B)** If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or [Run a temporary application](#).

Click on [Run a temporary application](#), an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now



or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



## EXPLANATORY STATEMENT

### Item No. 3

The Board, on the recommendation of the Audit Committee, has approved at their Meeting held on 12<sup>th</sup> May, 2022 the appointment of M/s. Mahesh Singh & Co., Cost Accountants, New Delhi (Firm Registration No. 100441), as Cost Auditors to conduct the audit of the cost records of the Company pertaining to products covered by Central Excise Tariff Act, manufactured by the Company, for the financial year ending 31<sup>st</sup> March, 2023 at a remuneration of ₹ 1,50,000/- (One Lakh Fifty Thousand only) plus applicable taxes.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 3 of the Notice for ratification of remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2023.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested financially or otherwise, in the proposed resolution. The Board recommends the passing of the resolution as set out at Item No. 3 as an ordinary resolution.

The Board recommends this resolution for your approval.

### Item No. 4

The Board at the meeting held on 12 May, 2022, have recommended for the approval of the Members, payment of ₹ 15,00,000/- (Rupees Fifteen Lakh only) by way of commission to each Independent Directors of the Company for the completion of one year of service .

The Independent Directors (and their relatives) are interested in this Resolution in so far as the same relates to their respective commission.

None of the Key Managerial Personnel of the Company, or their relative, is interested in the resolution set out at Item No. 4.

The Board recommends this Resolution for your approval.

### Item No. 5

The Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on 12<sup>th</sup> May, 2022, proposed the reappointment of Mr. Rahul Gautam as Managing Director for a period of five years with effect from 1<sup>st</sup> April, 2022. Material terms of remuneration are set out herein below and the period of his office shall not be liable to determination by retirement of directors by rotation.

The material terms of remuneration of Mr. Rahul Gautam are as under:

Salary, Allowances and Commission/Incentive (hereinafter referred to as "Remuneration"): a) Salary Comprising

- (i) Basic salary : At the rate not exceeding ₹ 6,00,000 (Rupees Six Lakhs only) per month; and
  - (ii) Allowances/Perquisites : Not exceeding one time of the Basic salary, with increments as per the annual increment decided by the HR, from time to time, subject to a ceiling on increment of 15% in a year (following April to March year) over the existing Basic salary and Allowances, as on 1<sup>st</sup> April every year, commencing from 1<sup>st</sup> April, 2023.
- b) Incentive: At the rate not exceeding 1.5% of the profit before tax.

Except Mr. Rahul Gautam, being an appointee, Ms. Namita Gautam and Mr. Tushaar Gautam, both Whole-time Directors of the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

As per Section 196 of the Companies Act, 2013, a Company shall appoint or continue the employment of any person as Managing Director, who attain the age of seventy years after passing the Special Resolution in General Meeting.

The Board recommends this Resolution for your approval.

### Item No : 6

The Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on 12<sup>th</sup> May, 2022, proposed reappointment of Ms. Namita Gautam as Whole-time Director for a period of five years with effect from 1<sup>st</sup> April, 2022. Material terms of remuneration are set out herein below and the period of her office shall be liable to determination by retirement of directors by rotation.

The material terms of remuneration of Ms. Namita Gautam are as under:

Salary, Allowances and Commission/Incentive (hereinafter referred to as "Remuneration"):

- a) Salary Comprising
  - (i) Basic salary : At the rate not exceeding ₹ 5,00,000 (Rupees Five Lakhs only) per month; and

- (ii) Allowances/Perquisites : Not exceeding one time of the Basic salary, with increments as per the annual increment decided by the HR, from time to time, subject to a ceiling on increment of 15% in a year (following April to March year) over the existing Basic salary and Allowances, as on 1<sup>st</sup> April every year, commencing from 1<sup>st</sup> April, 2023.

- b) Incentive : At the rate not exceeding 0.75% of the profit before tax.

Except Ms. Namita Gautam, being an appointee, Mr. Rahul Gautam, Managing Director and Mr. Tushaar Gautam, Whole-time Directors of the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

As per Section 196 of the Companies Act, 2013, a Company shall appoint or continue the employment of any person as Whole-time Director, who attain the age of seventy years after passing the Special Resolution in General Meeting.

The Board recommends this Resolution for your approval.

#### **Item No 7**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on 12<sup>th</sup> May, 2022, proposed reappointment of Mr. Rakesh Chahar as Whole-time Director for a period of five years with effect from 1<sup>st</sup> April, 2022. Material terms of remuneration are set out herein below and the period of his office shall be liable to determination by retirement of directors by rotation.

The material terms of remuneration of Mr. Rakesh Chahar are as under:

Salary, Allowances and Commission/Incentive (hereinafter referred to as "Remuneration"):

##### a) Salary Comprising

- (i) Basic salary : At the rate not exceeding ₹ 4,00,000 (Rupees Four Lakhs Only) per month; and
- (ii) Allowances/Perquisites : Not exceeding one time of the Basic salary, with increments as per the annual increment decided by the HR, from time to time, subject to a ceiling on increment of 15% in a year (following April to March year) over the existing Basic salary and Allowances, as on 1<sup>st</sup> April every year, commencing from 1<sup>st</sup> April, 2023.

- b) Incentive : At the rate not exceeding 0.75% of the profit before tax.

Except Mr. Rakesh Chahar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the accompanying Notice.

The Board recommends this Resolution for your approval.

#### **Item No 8**

The Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on 12<sup>th</sup> May, 2022, proposed reappointment of Mr. Tushaar Gautam as Whole-time Director for a period of five years with effect from 1<sup>st</sup> April, 2022. Material terms of remuneration are set out herein below and the period of his office shall be liable to determination by retirement of directors by rotation.

The material terms of remuneration of Mr. Tushaar Gautam are as under:

Salary, Allowances and Commission/Incentive (hereinafter referred to as "Remuneration"):

##### a) Salary Comprising

- (i) Basic salary: At the rate not exceeding ₹ 200,000 (Rupees Four Lakhs Only) per month; and (ii) Allowances/Perquisites : Not exceeding one time the Basic salary, with increments as per the annual increment decided by the HR, from time to time, subject to a ceiling on increment of 15% in a year (following April to March year) over the existing Basic salary and Allowances, as on 1<sup>st</sup> April every year, commencing from 1<sup>st</sup> April, 2023.

- b) Incentive: At the rate not exceeding 0.75% of the profit before tax.

Except Mr. Tushaar Gautam, being an appointee, Mr. Rahul Gautam, Managing Director and Ms. Namita Gautam, Whole-time Directors of the Company, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

The Board recommends this Resolution for your approval.

#### **Item No:9**

Considering the plan of expansion and acquisitions ahead, the Company need the guidance of the Independent Directors. The Board recommended to increase the second term of all the Independent Directors to five years.



The Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on 12<sup>th</sup> May, 2022, proposed to increase the term of appointment of Mr. Som Mittal as an Independent Director from four years to five years.

Except Mr. Som Mittal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the accompanying Notice. Mr. Som Mittal is not related to any Director of the Company.

The Board recommends this Resolution for your approval.

**Item 10:**

Considering the plan of expansion and acquisitions ahead, the Company need the guidance of the Independent Directors. The Board recommended to increase the second term of all the Independent Directors to five years.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on 12<sup>th</sup> May, 2022, proposed to increase the term of appointment of Mr. Anil Tandon as an Independent Director of the Company from three years to five years.

Except Mr. Anil Tandon, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the accompanying Notice. Mr. Anil Tandon is not related to any Director of the Company.

The Board recommends this Resolution for your approval.

**Item No 11:**

Considering the plan of expansion and acquisitions ahead, the Company need the guidance of the Independent Directors. The Board recommended to increase the second term of all the Independent Directors to five years.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on 12<sup>th</sup> May, 2022, proposed to increase the term of appointment Lt Gen (Dr.) Vijay Kumar Ahluwalia as an Independent Director from three years to five years.

Except Lt Gen (Dr.) Vijay Kumar Ahluwalia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the accompanying Notice. Lt Gen (Dr.) Vijay Kumar Ahluwalia is not related to any Director of the Company.

The Board recommends this Resolution for your approval.

**Item No : 12**

Considering the plan of expansion and acquisitions ahead, the Company need the guidance of the Independent Directors. The Board recommended to increase the second term of all the Independent Directors to five years.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee at their meeting held on 12<sup>th</sup> May, 2022, proposed to increase the term of appointment Ms. Meena Jagtiani as an Independent Director of the Company from three years to five years.

Except Ms. Meena Jagtiani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the accompanying Notice. Ms. Meena Jagtiani is not related to any Director of the Company.

The Board recommends this Resolution for your approval.

**Item no 13**

The present authorized share capital of the company is 44,01,05,000 (Rupees Forty-Four Crore One Lakh Five Thousand Only) divided into 8,80,21,000 (Eight Crore Eighty Lakh Twenty One Thousand) equity shares of ₹ 5 (Rupees Five Only). The company may need further capital for future bonus, ESOP and other form of issue and has decided to increase the authorised capital to ₹ 100,00,00,000 (Rupees One Hundred Crores Only) divided into 20,00,00,000 (Twenty Crore) equity shares of ₹ 5 (Rupees Five Only). The increase in capital ₹ 55,98,95,000 (Fifty-five Crore Ninety Eight Lakh Ninety Five Thousand) consisting of 11,19,79,000 (Eleven Crore Nineteen Lakh Seventy Nine Thousand) equity shares of ₹ 5 (Rupees Five Only). This increase in the authorised capital needs approval of the shareholders of the company by passing an ordinary resolution. Consequently, the capital clause of the Memorandum of Association of the company, i.e. clause V shall also get amended.

The consent of the members, therefore, are being sought for passing the aforesaid resolution of the notice as an Ordinary Resolution.

**Item No 14 & 15:**

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in

the Company. Your Company believes in rewarding its Employees including employees of the Holding Company, Group Company(ies), Associate Company(ies) and/or its Subsidiary Company (ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Holding Company, Group Company(ies), Associate Company(ies) and/or its Subsidiary Company (ies) on the growth path.

Keeping in line with the above, 'SHEELA FOAM - Employees Stock Option Plan 2022' ('the Scheme') has been formulated by the Company and to be implemented by Compensation / Nomination & Remuneration Committee constituted under Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee and Sweat Equity Benefits) Regulations, 2021 ("SEBI SBEB and Sweat Equity Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on 12<sup>th</sup> May, 2022, subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company's Compensation Committee / Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Compensation Committee / Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- a. the quantum of options, shares or benefits as the case may be, per employee and in aggregate under a scheme;
  - b. the kind of benefits to be granted under this scheme;
  - c. the conditions under which options, shares or other benefits as the case may be, may vest in employees and may lapse in case of termination of employment for misconduct;
  - d. the exercise period within which the employee can exercise the options and that options would lapse on failure to exercise the same within the exercise period;
  - e. the specified time period within which the employee shall exercise the vested options or in the event of termination or resignation;
  - f. the right of an employee to exercise all the options, as the case may be, vested in him at one time or at various points of time within the exercise period;
  - g. the procedure for making a fair and reasonable adjustment to the entitlement including adjustment to the number of options and to the exercise price
- in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard, the following shall, inter alia, be taken into consideration by the compensation committee:
- i. the number and price of options shall be adjusted in a manner such that total value to the employee of the options remains the same after the corporate action;
  - ii. the vesting period and the life of the options shall be left unaltered as far as possible to protect the rights of the employee(s) who is granted such options;
  - h. the grant, vesting and exercise of shares, options or in case of employees who are on long leave;
  - i. eligibility to avail benefits under this scheme in case of employees who are on long leave;
  - j. the procedure for funding the exercise of options; and
  - k. the procedure for buy-back of specified securities issued under these regulations, if to be undertaken at any time by the company, and the applicable terms and conditions, including:
    - (i) permissible sources of financing for buy-back;
    - (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
    - (iii) limits upon quantum of specified securities that the company may buy-back in financial year.
  - l. shall frame suitable policies and procedures to ensure that there is no violation of securities laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended from time to time, by the trust, the company and its employees, as may be applicable
  - m. Approve forms, writings and/or agreements for use in pursuance of the SF ESOP - 2022. The Board/ Compensation/ NRC Committee shall frame suitable policies and procedures to ensure that there is no violation of securities laws including Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 by the Company and its Employees, as applicable.

**n. Any other related or incidental matters.**

**Major details of the Scheme are as given below: -**

"SHEELA FOAM - Employees Stock Option Plan 2022" ('SF ESOP - 2022') has been formulated by the Company and to be implemented by Compensation Committee/Nomination & Remuneration Committee constituted under Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB and Sweat Equity Regulations") issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on 12.05. 2022, subject to the approval of the members.

The total number of options to be granted

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 2,400,000 (Twenty-four Lakhs) equity shares of face value of ₹5/- each (or such other adjusted figure for any bonus, stock splits, buy-back, scheme of arrangement or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).

SEBI SBEB and Sweat Equity Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, buy-back, scheme of arrangement merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

An employee may surrender his/her vested /unvested options at any time during / post his employment with the company. Any employee willing to surrender

his/her options shall communicate the same to the Board or Committee in writing.

Vested options lapsed due to non-exercise, surrender and/or unvested options that gets cancelled due to resignation or any other separation conditions of Option grantees, surrendered or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled / surrendered options as per the provisions of SF ESOP - 2022.

Identification of classes of employees entitled to participate and be beneficiaries in the Scheme.

All employees working in India or out of India and Directors (whether Managing/Whole time Director or not) of Company and its Holding Company, Group Company(ies), Associate Company(ies) and/or its Subsidiary Company(ies), (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Compensation Committee / Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Compensation Committee / Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

**Requirements of vesting and period of vesting**

Vesting of options may commence after a period of not less than one year from the date of individual grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2022.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

Sr. No.	Separations	Vested Options	Unvested Options
1	Resignation	All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.
2	Termination (With cause like fraud, misconduct etc.)	All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
3	Termination (Without cause)	All Vested Options which were not allotted at the time of such termination may be exercised by the Option Grantee on or before his last working day with the Company.	All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date.
4	Retirement or early Retirement approved by Company	All vested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.	All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the originally allowed exercise period.
5	Death	All Vested options, granted under a scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be and such options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death.	All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Death.
6	Permanent Disability	All Vested options, granted to him/her under a scheme as on the date of permanent incapacitation shall vest in him/her on that day and such options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability.	All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability.
7	Abandonment*	All the Vested Options shall stand cancelled.	All the Unvested Options shall stand cancelled.
8	Any other reason not specified above	The NRC / Compensation Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of separation shall stand cancelled with effect from that date.

\*In case of any regulatory changes warranting any change in vesting schedule/ conditions/exercise period in any of the above separation conditions, the provisions of such change shall apply.

\*\*The Board/Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned. Provided that, in accordance with Applicable Law, notwithstanding anything to the contrary contained herein, the Company shall not vary the terms of the Scheme in any manner which may be detrimental to the interests of the Employees.

**Maximum period within which the options shall be vested**

The maximum vesting period may extend up to 5 (five) years from the date of grant of options, unless otherwise decided by the Compensation / Nomination and Remuneration Committee.

**Exercise price or pricing formula**

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be as may be decided by the Committee as is allowed under the SBEB and Sweat Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of employees for options granted on same / different dates. The same shall be subject to any fair and reasonable adjustments that may be made on account of corporate actions of the Company in order to comply with the applicable laws.

No amount shall be payable by the option grantee at the time of grant.

Notwithstanding anything contained hereinabove, amount paid/payable, if any, by the employee at the time of the grant, vesting or exercise of the options will be forfeited if the employee does not exercise the same within the exercise period.

**Exercise period and process of exercise**

The Exercise period shall not be more than 5 (five) years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Compensation / Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.

Appraisal Process for determining the eligibility of Employees to the Scheme.

The appraisal process for determining the eligibility of the Employee will be specified by the Compensation / Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Compensation / Nomination and Remuneration Committee.

**Maximum number of options to be issued per Employee and in the aggregate**

The maximum number of options to be granted per employee per grant and in aggregate shall not exceed 2,400,000 (Twenty-four Lakhs).

Further the number of Options that may be granted to any specific identified employee under SF ESOP - 2022 shall not be equal to or exceeding the number of Shares equivalent to one per cent (01%) of the Issued Capital (excluding outstanding warrants and conversions) of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

**Maximum quantum of benefits to be provided per employee under a Scheme**

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.

**Whether the scheme is to be implemented and administered directly by the Company or through a trust**

The Scheme will be implemented directly by the Company under the guidance of the Compensation / Nomination and Remuneration Committee of the Board.

**Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust**

The Scheme will involve only new issue of shares by the Company.

**The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc**

Not Applicable

**Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s).**

Not Applicable

### **Disclosure and accounting policies**

The Company shall conform to the accounting policies specified in Regulation 15 of the SEBI (SBEB and Sweat Equity) Regulations.

Further the Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB and Sweat Equity) Regulations or any other Applicable Laws as in force. Further the Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI (SBEB and Sweat Equity) Regulations, section 133 of the Companies Act, 2013 as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

### **Method of Valuation of options**

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements for accounting of the Stock options as are applicable to the Company for the same.

Since the company opts for expensing of share-based employee benefits using the fair value method, the following statement will not be applicable viz.

In case the company opts for expensing of share-based employee benefits using the intrinsic value intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

### **Lock-in**

The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise. However, the Board or the Committee as may be authorized by the Board, may, in some cases, provide for lock-in of shares issued upon the exercise of Options.

Provided that the transferability of the Shares shall be subject to the restriction for such period in terms of the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading.

Terms & conditions for buyback, if any, of specified securities covered under the SEBI SBEB and Sweat Equity Regulations.

The Board of Directors / the Compensation Committee shall, subject to the applicable provisions of any of the SEBI Regulations and Companies Act, 2013 and other applicable provisions, have right to specify the procedure for buy-back of the Employee Stock Options issued under this Scheme, if to be undertaken at any time by the company, and the applicable terms and conditions, including:

- (i) permissible sources of financing for buy-back;
- (ii) any minimum financial thresholds to be maintained by the company as per its last financial statements; and
- (iii) limits upon quantum of the Employee Stock Options that the company may buy-back in financial year.

### **Rights of the option holder**

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

### **Consequence of failure to exercise option**

All unexercised options shall lapse if not exercised on or before the exercised period ends.

No amount shall be payable by the option grantee at the time of grant and hence no amount is required to be forfeited even if an employee does not exercise the options within exercise period and accordingly no adjustment is required to be made for the same.

### **Other terms**

The Board or Compensation / Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Compensation / Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the SF ESOP - 2022, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

### **Certificate from Secretarial Auditors**

In the case of every company which has passed a resolution for the scheme(s) under these regulations, the Board of Directors shall at each annual general meeting

place before the shareholders a certificate from the secretarial auditors of the company that the scheme(s) has been

implemented in accordance with these regulations and in accordance with the resolution of the company in the general meeting.

**Terms of the scheme:**

A company may by special resolution of its shareholders vary the terms of the schemes offered

pursuant to an earlier resolution of the general body but not yet exercised by the employees, if such variation is not prejudicial to the interests of the employees:

Notwithstanding the provisions of sub-regulation (1), a company shall be entitled to vary the terms of the schemes to meet any regulatory requirement without seeking shareholders' approval by special resolution.

Subject to the proviso to clause (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.

The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.

The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market;

Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

**Transferability of Employee Stock Options:**

The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.

In the event of death of the employee while in employment, all the options, SAR or any other benefit granted under a scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be.

In case the employee suffers a permanent incapacity while in employment, all the options, SAR or any other benefit granted to him/her under a scheme as on the date of permanent incapacitation, shall vest in him/her on that day.

In the event of resignation or termination of an employee, all the options, SAR or any other benefit which are granted and yet not vested as on that day, shall expire:

Provided that an employee shall, subject to the terms and conditions formulated by the

compensation committee under sub-regulation (3) of regulation 5 of these regulations, be entitled to retain all the vested options, SAR or any other benefit covered by these regulations.

In the event that an employee, who has been granted benefits under a scheme, is transferred or deputed to an associate company prior to vesting or exercise, the vesting and exercise as per the

terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

In the event that an employee who has been granted benefits under a scheme, is transferred pursuant to scheme of arrangement, amalgamation, merger or demerger or continued in the existing company, prior to the vesting or exercise, the treatment of options in such case shall be specified in such scheme of arrangement, amalgamation, merger or demerger provided that such treatment shall not be prejudicial to the interest of the employee.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI SBEB and Sweat Equity Regulations as and when applicable to the Company.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 14 and 15, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in Item No. 14 and 15 of the Notice for adoption by the Shareholders as Special Resolution/s.

By order of the Board

Md. Iquebal Ahmad  
Company Secretary and  
Compliance Officer

Date: 12<sup>th</sup> May 2022  
Place: Noida

**DETAIL OF DIRECTOR SEEKING RE-APPOINTMENT/CHANGE IN TERM AT THE ENSUING ANNUAL GENERAL MEETING**

**Pursuant to Regulation 36 of Securities Exchange Board of India.  
(Listing Obligation and Disclosure Requirements) Regulations 2015)**

**MR. RAHUL GAUTAM**

Director Identification Number (DIN)	00192999
Date of joining of the board	01/04/1996
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Rahul Gautam, aged 69 years, is the Managing Director of the Company. He has been associated with the Company since 1971 and as the Managing Director since 1 <sup>st</sup> April, 1996. He holds a bachelor's degree in technology (chemical engineering) from the Indian Institute of Technology, Kanpur and a master's degree in science (chemical engineering) from the Polytechnic Institute of New York. He has over 46 years of experience in the home comfort products and PU foam industry, and is the Chairman Emeritus of the Indian Polyurethane Association.
Relationship of directors inter-se	Mr. Rahul Gautam is the husband of Ms Namita Gautam and father of Mr. Tushaar Gautam
Number of shares held in the company	62,09,485
Directorship and Committee memberships held in other companies	<ol style="list-style-type: none"> <li>1. Divya Software Private Limited</li> <li>2. Sleepwell Enterprises Private Limited</li> <li>3. Rangoli Resorts Private Limited</li> <li>4. Joyce Foam Pty Ltd.</li> <li>5. International Comfort Technologies Private Limited</li> <li>6. Core Mouldings Private Limited</li> <li>7. Staqa World Private Limited</li> <li>8. Interplasp S.L.U (Spain)</li> <li>9. International Foam Technologies Spain S.L.U.</li> </ol>

**MS NAMITA GAUTAM**

Director Identification Number (DIN)	00190463
Date of joining of the board	14/11/2003
Brief resume of the Director including nature of expertise in specific functional areas	Ms. Namita Gautam, aged 68 years, is a Whole-time Director of the Company. She has been associated with the Sheela group for the last 30 years and as a Whole-time Director of the Company since 14 <sup>th</sup> November, 2003. During her tenure, marketing and projects departments of the Company. She currently heads our CSR initiative through "Sleepwell Foundation" and heads Special Projects. She holds a bachelor's degree in law and a master's degree in economics from Kanpur University. She has held various positions with FICCI Ladies Organization, including as its National President in 2004- 05. She is also the chairperson of the Institute Management Committee of Jija Bai ITI for Women and is on the board of trustees of Indraprastha Educational Trust, which runs the Indraprastha College for Women, Delhi. She was a member of Special Task Force on skills, education and entrepreneurship development formulated by CII, Northern Region for the fiscal 2015-16 and is the convenor of the Panel on Skills Development, CII Delhi, a member of the NZ Skill Council and National Skill Council of CII for 2016-17
Relationship of directors inter-se	Ms. Namita Gautam is the wife of Mr. Rahul Gautam and mother of Mr Tushaar Gautam
Number of shares held in the company	57,15,879
Directorship and Committee memberships held in other companies	<ol style="list-style-type: none"> <li>1. Rangoli Resorts Private Limited</li> <li>2. Core Mouldings Private Limited</li> </ol>



## MR. RAKESH CHAHAR

Director Identification Number (DIN)	00180587
Date of joining of the board	14/11/2003
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Rakesh Chahar, aged 57 years, is a Whole-time Director of the Company. He has been associated with the Company since 1 <sup>st</sup> November, 1990 and as the Whole-time director since 14 <sup>th</sup> November, 2003. He is currently the chairman of the Indian Sleep Products Federation. He has over 31 years of experience in the business of selling and marketing of bedding products and polyurethane foam.
Relationship of directors inter-se	None
Number of shares held in the company	None
Directorship and Committee memberships held in other companies	None

## MR. TUSHAAR GAUTAM

Director Identification Number (DIN)	01646487
Date of joining of the board	01/04/2007
Brief resume of the Director including nature of expertise in specific functional areas	Mr. Tushaar Gautam, aged 43 years, is a Whole-time Director of the Company. He has been associated with our Company since 7 <sup>th</sup> January, 2002 and as a Whole-time Director since 1 <sup>st</sup> April, 2007. He holds a bachelor's degree from Purdue University, USA, where his courses of study included financial, marketing and operations management. In May 2005, he was recognized by the President's Council of Purdue University for pursuit of excellence. He heads operations of the Company and also oversees the business and operations of our subsidiary Joyce Foam Pty Ltd and is a director on its board of directors. He has over 19 years of experience in heading production, research and development.
Relationship of directors inter-se	Mr Tushaar Guatam is the son of Mr Rahul Gautam and Ms Namita Gautam
Number of shares held in the company	1,70,86,314
Directorship and Committee memberships held in other companies	<ol style="list-style-type: none"> <li>1. Divya software Priavte Limited</li> <li>2. Sleepwell Enterprises Priavte Limited</li> <li>3. Rangoli Resorts Private Limited</li> <li>4. Joyce Foam Pty Ltd.</li> <li>5. International Comfort Technologies Private Limited</li> <li>6. Staqo World Private Limited</li> <li>7. Interplasp S.L.U (Spain)</li> <li>8. International Foam Technologies Spain S.L.U.</li> <li>9. Staqo World KFT (Hungry)</li> </ol>

**MR. SOM MITTAL**

Director Identification Number (DIN)	00074842	
Date of joining of the board	07/06/2016	
Brief resume of the Director including nature of expertise in specific functional areas	<p>Mr. Som Mittal, aged 70 years, is holding a bachelor's degree in metallurgical engineering from Indian Institute of Technology, Kanpur, and a post graduate diploma in business administration from the Indian Institute of Management, Ahmedabad. In the past, he was associated with Larsen &amp; Toubro, Escorts and Denso and held leadership roles in Digital, HP and Compaq. He was also the Chairman of National Association of Software and Services Companies (NASSCOM). He has won the lifetime achievement award for outstanding dedication to the growth of the Global ICT industry and leadership from the World Information Technology and Services Alliance and a distinguished alumnus award from the Indian Institute of Technology Kanpur in 2000. Additionally, he has also served as a member of the Indian Prime Minister's Committee on National e-Governance and the Global Advisory Council of the World Information Technology and Services Alliance. He has several years of experience in manufacturing and information technology sectors.</p>	
Relationship of directors inter-se	None	
Number of shares held in the company	None	
Directorship and Committee memberships held in other companies	<b>Directorship</b>	<b>Committee</b>
	1. Apollo Hospitals Enterprise Limited	-
	2. Tata Sia Airlines Limited	1. Audit Committee 2. Nomination and Remuneration Committee
	3. Exl Services holdings Inc. (Usa)	1. Nomination and Governance Committee 2. Compensation Committee
	4. Vodafone India Services Private Limited	-

**MR. ANIL TANDON**

Director Identification Number (DIN)	00089404	
Date of joining of the board	07/06/2016	
Brief resume of the Director including nature of expertise in specific functional areas	<p>Mr. Anil Tandon aged 69 years, is holding a bachelor's degree of technology in electrical engineering from Indian Institute of Technology, Kanpur and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. Since 1995, he has been the Managing Director of Tex Corp Limited which a leading organization in the field of fastening products. He has several years of national and international experience in the zip fastening products sector. He is an active member of the Board and is holding the Chairman position of the Corporate Social Responsibility Committee of the Company. During his tenure, the company has got immense benefit of his expertise and knowledge.</p>	
Relationship of directors inter-se	None	
Number of shares held in the company	None	
Directorship and Committee memberships held in other companies	<b>Directorship</b>	<b>Committee</b>
	1) Shibumi Accessories Pvt. Ltd.	-
	2) Tex Corp Private Limited	Corporate Social Responsibility Committee
	3) Anvi Management Consultants Private Limited	-
	4) Shibhumi Ventures Limited	-
	5) Tex Zippers (Bd) Limited	-
	6) Tex Vietnam Co Ltd	-

### LT GEN (DR.) V. K. AHLUWALIA

Director Identification Number (DIN)	08078092
Date of joining of the board	05/03/2018
Brief resume of the Director including nature of expertise in specific functional areas	Lt Gen (Dr.) Vijay Kumar Ahluwalia aged 70 years is holding a master's degree in "Defence Studies and Management" from Madras University, M. Phil in Defence Studies from Indore University and PhD in Management (Internal Security and Conflict Resolution) from Amity University, Noida. He has several years of experience in Defence Services. He served as a Judge of Armed Force Tribunal. He also served as Director General of Raffles Group of Institutions, Raffles University, Neemrana, Rajasthan. He is a good contributor to the Board and is holding the Chairman position of the Risk Management Committee of the Company. During his tenure, the company has got immense benefit of his expertise and knowledge.
Relationship of directors inter-se	None
Number of shares held in the company	None
Directorship and Committee memberships held in other companies	None

### MS. MEENA JAGTIANI

Director Identification Number (DIN)	08396893
Date of joining of the board	08/04/2019
Brief resume of the Director including nature of expertise in specific functional areas	Ms. Meena Jagtiani, aged 56 year is an MBA from the symbiosis institute of business management. She has done an executive development programme from wharton Business School, University of Pennsylvania and she is working as an Independent HR Advisor.  She has three decades rich industry experience in the field of HR. She served in various corporate such as Aditya Birla Group, Daksh e-services private limited and Korn/Ferry International (the world's leading search firm) etc. She is a good contributor to the Board and during her current tenure she has contributed and advised to the Company on various matters.
Relationship of directors inter-se	None
Number of shares held in the company	None
Directorship and Committee memberships held in other companies	A. Morton Foods Limited B. Svantra Microfin Private Limited







SPAIN

MURCIA



INDIA

Joyce<sup>®</sup>

AUSTRALIA

BRISBANE

PERTH

ADELAIDE

SYDNEY

MELBOURNE

AUCKLAND

NEW ZEALAND

*Leading the science of comfort  
in three continents.*

# In this Report

## CORPORATE OVERVIEW 01 ..... 26

About Us	02
50 Years of our Glorious Journey	06
Performance Scorecard	08
50 Years of Providing Absolute Comfort and Rest	10
50 Years of Constant Innovation and Growth	12
Chairman's Message	14
Board of Directors	16
Corporate Social Responsibility	18
Corporate Information	26

## STATUTORY REPORTS 27 ..... 70

Management Discussion & Analysis	27
Directors' Report	33
Business Responsibility Report	63

## FINANCIAL STATEMENTS 71 ..... 204

Standalone Financial Statements	72
Consolidated Financial Statements	139

### FORWARD-LOOKING STATEMENTS

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



To read this report online or to download, please visit us at: <http://sheelafoam.com/annual-report.html>





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

For 50 years, we have been crafting the most significant innovations in the mattress and home furnishing industry to shape a healthy future for all. Sleepwell, our flagship brand, is India's most trusted brand and is synonymous with ultimate rest and comfort for every individual. Over the years, we have evolved into a trusted and multinational brand with a network of manufacturing facilities and a robust distribution system.

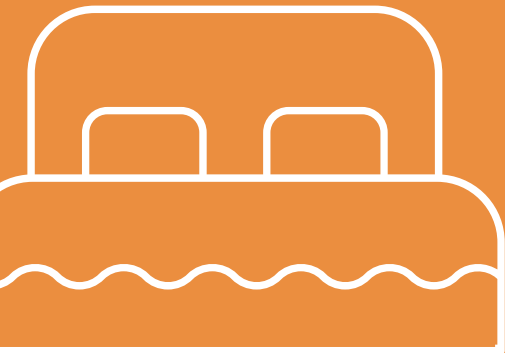
Our belief that rest is not a privilege but a necessity for good health has inspired us to launch pioneering solutions that have elevated people's lifestyles. As the pandemic unfolded, it reshaped how people lived and worked. Almost overnight, people's immediate concerns – health, hygiene, and immunity became a priority. We, at Sheela Foam, have achieved the perfect blend of comfort technology with a scientific health booster, helping consumers safeguard their health and stay fitter. We have mastered the skills and technology for absolute comfort and convenience.

**We are proud of our achievements and continue to partner in our consumers' growth journey by delivering superior support and resting solutions.**



# About Us

With its state-of-the-art technology, Sheela Foam, an ISO 9001 certified company, is committed to transforming people's experience of health, hygiene, and comfort to improve their lifestyles.



Established in 1971, Sheela Foam is the pioneer in the mattress and foam industry with a wide range of offerings in home comfort, technical foam, and institutional foam range. Certified with avant-garde technology and pioneering innovations, we manufacture products that meet our customers' discerning needs and give them absolute comfort, satisfaction, and well-being and are instrumental in their overall development.

An inspiring leadership; multifaceted product portfolio; state-of-the-art manufacturing; worldwide network spanning India, Australia, Europe, Africa, and America; a broad distribution network, and intense research and development underpin our operations. Moreover, we enjoy a solid presence in Australia and Spain through our wholly-owned subsidiaries. From leading brand Sleepwell which offers thoughtful customisation to spearheading Neem Fresche - the health-boosting technology that ensures our products are germ-free, we are passionately motivated by development and are impeccably positioned to enhance comfort.

The rising consciousness around the value of comfort and rest to preserve good health has played to our advantage. Portfolio diversification in adjoining categories and higher engagement through digital channels have been instrumental in market share growth. We continuously endeavour to satisfy and provide soulful rest to our customers and serve as accomplices in their development journey.

## Vision & Mission

---

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

---

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

---

Every customer will be served with a smile.

---

We will remain committed to society.

---



## QUALITY POLICY

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

## GROUP COMPANIES



### Joyce Foam, Australia

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



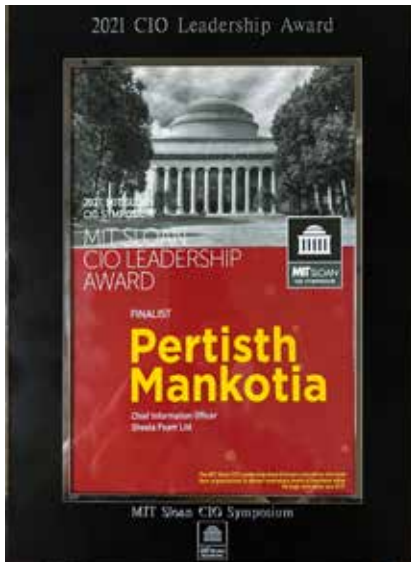
### Interplasp S.L., Spain

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



# About Us

## AWARDS & RECOGNITION: 2021-22



## BUSINESS STRENGTHS



### Market Leadership

Sleepwell, our leading brand in mattress and home comfort range, has gathered an omni-channel presence and a solid brand positioning through its predominant quality, customised approach, and astute advancements comprising Comfort Cells, Customised Pillow, and Neem Fresche.



### Technical Prowess

Powered by purpose and innovation, our expert group of foamers engage in seamless manufacturing of high-quality foam, thus ensuring standard quality circles that influences category leadership.



### Innovation Capabilities

With the differentiated science and technology of Neem Fresche that uses the disinfecting control of neem to assist our clients in remaining healthier and fitter with the mechanical application of inventive PU Foam, we offer an exhaustive run of imaginative, mechanically progressed items to improve the existing standard.



### Manufacturing Prowess

Our 10 state-of-the-art manufacturing units across India, 5 generation centres in Australia, and 1 in Spain help us deliver consistent, competitive, profitable, and responsible growth.



### Product Development/Research and Development

Our highly skilled R&D team ensures operational excellence by adapting to the latest technical advancements and producing differentiated products and solutions.



### Customer Centricity

Our committed customer care team aims to provide superior-quality products and purposeful brands to fulfil customer needs; apprise them of the most recent innovation and benefits; and directly engage with them through proper aftersales support and enhance their quality of lives.



### Global Network

With 2,800 workers, 10 manufacturing units, a network of more than 100 Distributors and more than 13,000 dealers in India, and export relations with 25 nations, we have built up a solid global presence and long-term relationships with our clients.

# 50 Years of our Glorious Journey

**1971**

Sheela Foam Limited's journey begins from Sahibabad, Uttar Pradesh, founded by the chairperson emeritus Mrs. Sheela Gautam.



**1985**

Taking a step ahead, operations were extended to Noida, in the National Capital Region.



**1993**

India's economic liberalisation in 1991 prompted the Company's expansion plans.



**1994**

Brand Sleepwell was launched.



**2001**

India's largest PU (polyurethane) foam producing plant started operations in Greater Noida.



**1999**

Went into tie-ups with Serta, USA, and Dunlopillo, UK, to manufacture mattresses.



**1998**

The Company introduced rubberised coir products under the brand name Starlite.



**1996**

Two more plants started operations in Silvassa near Mumbai, and in Hyderabad, then in undivided Andhra Pradesh.



**2002**

The Company spread its operations to north India and started a plant in Rajpura, Punjab.



**2003**

Another manufacturing unit of the Company was set up in Sikkim.



**2005**

Ready to spread beyond national boundaries, the Company acquired the polyurethane and polystyrene business of Joyce, Australia.



**2007**

Sheela Foam Limited won the prestigious CIO 100 Award.



**2008**

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

**2010**

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

**2011**

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

**2012**

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

**2017**

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

**2016**

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

**2014**

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

**2013**

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

**2018**

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

**2019**

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

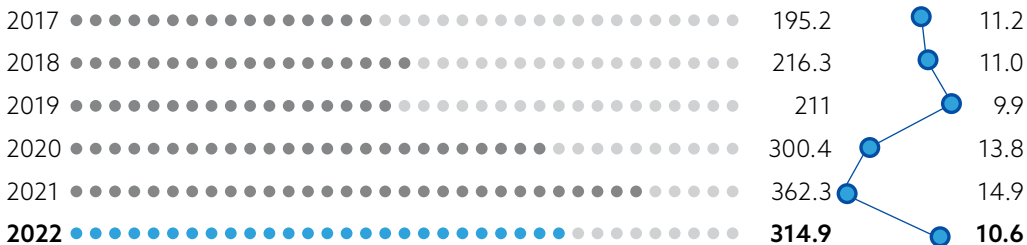
**2021**

Set up a new Subsidiary called as International Comfort Technologies Private Limited and commenced construction for a new plant under it at Maneri Industrial Area near Jabalpur, MP.

# Performance Scorecard

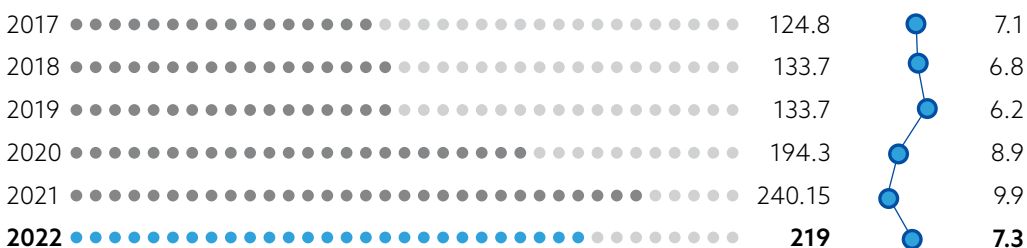
## EBITDA

●●●● Absolute (₹ in Crore) —●— Margins (%)



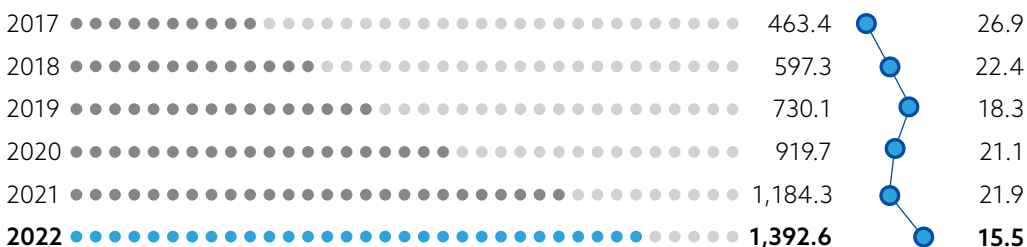
## PAT

●●●● Absolute (₹ in Crore) —●— Margins (%)



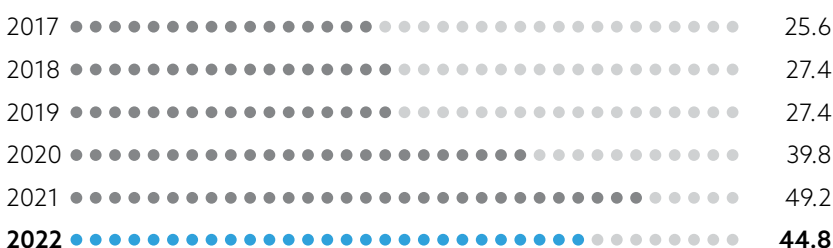
## NET WORTH

●●●● Absolute (₹ in Crore) —●— Margins (%)

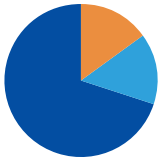


## EARNINGS PER SHARE

●●●● Absolute (₹)



## SEGMENT-WISE BREAK-UP



- 15% European Operations
- 15% Australian Operations
- 70% Indian Operations

## BREAK-UP OF INDIAN OPERATIONS



- 21% Technical Foam
- 79% Home Comfort Line

## KEY FIGURES

**₹3,061** Crore



Consolidated Revenue

**11%**



Revenue Growth CAGR 2017-22

**10%**



EBITDA Growth CAGR 2017-22

**13%**



PAT Growth CAGR 2017-22

**24%**

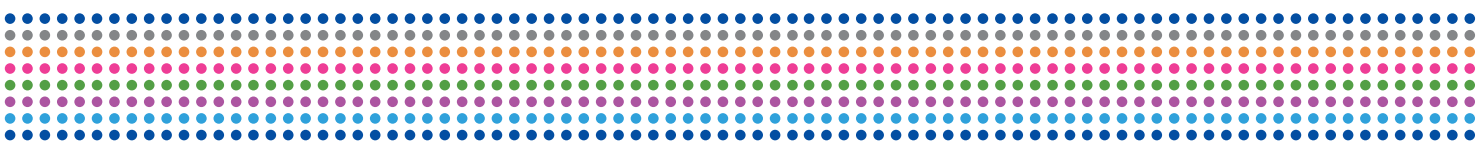


Net Worth Growth CAGR 2017-22





# 50 Years of Providing Absolute Comfort and Rest



*The pandemic has brought to the fore the importance of preventative care and the role sleep plays in health and immunity-building. With consumers taking better charge of their well-being, a good night's rest is finally gaining prominence. The pandemic has made way for a more product-savvy, quality-conscious consumer who is willing to research, compare product material and technology, and make informed decisions.*

With our innovative products and technologies, we have been delivering ultimate comfort and sound sleep for accelerated growth. Whether at work, resting, sleeping, or on-the-go, our solutions are designed to provide high-quality rest to every individual. Our products are conceptualised, designed, and manufactured with extensive research and rigorous quality

control. At the same time, we also offer solutions for the economy segment where consumers desire innovative and comfortable products at the most competitive prices through our Starlite and Feather Foam mattress range.

Sleepwell is one of the most beloved brands in India with its premium quality, customisation options, and

the unique proposition of science-led innovation. Fortified with advanced Neem Fresche technology that promotes health and hygiene, Sleepwell is a brand that stands apart not only in the domestic market but in the international markets as well.



## OUR PRODUCT PORTFOLIO

### Mattresses

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

### Technical Foam

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

### Home Comfort

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

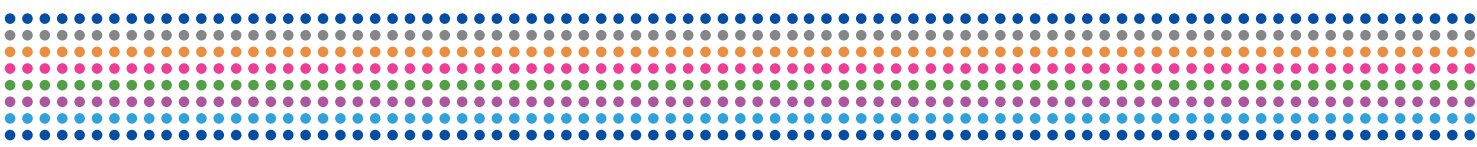
## HOME COMFORT PRODUCTS

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

## TECHNICAL FOAM PRODUCTS

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

# 50 Years of Constant Innovation and Growth



*Innovation and technology are pivotal to all facets of businesses worldwide. In recent times, innovative and interesting sleep technologies have gained traction and are associated with direct health benefits. We constantly endeavour to leverage advanced technologies to produce superior products and solutions for the overall well-being and growth of consumers.*

## OUR PATH-BREAKING INNOVATIONS

Neem Fresche, an environment-friendly, germ-free technology uses the proven disinfecting properties of neem to protect against dust mites, and skin and breathing disorders. Certified by the United States Environmental Protection Agency, this technology is offered for the entire Sleepwell home-comfort range. Neem Fresche brings the best of nature and science for a bespoke sleep experience and good health of every individual. This technology withstands multiple cleaning cycles and remains effective for years.

Other innovations include Comfort Cell Mattress designed with Integrated Core Technology for proper support and sound sleep; My Pillow with a range of customised pillows with High-Rise or Low-Rise options; Zero Turn Mattress to reduce the need to turn the mattress periodically to prevent sagging issues; and Responsive Memory Foam to accommodate to the resting needs to increase the comfort quotient of consumers.

One of our most significant innovations includes Bed-in-a-box from our Spain plant. This is a new opportunity in the US as the country imposes trade restrictions on other

countries. The product saves both on middle-channel and transportation costs and is a valuable addition to our offerings. We have also started exporting spring mattresses to the US from India.

We also provide our customers with an opportunity to design their own furniture through virtual technology and elevate their living spaces. Beds, Bedside Tables, Sofa Sets, and corner elements of mid-price segments with the best quality and brand warranty are among our other offerings.



## EDUCATING CONSUMERS THROUGH WEBINAR ON SLEEP THROUGH SLEEPX

As providers of high-quality sleeping solutions, we aim to educate consumers about the importance of quality sleep and rest for improved productivity and growth.

Through SleepX, we organise webinar where sleep expert address the audience to increase awareness

about the significance of sleep, sleep disorders, and methods to promote healthy sleeping habits. It is a community of people joining hands to provide assistance, uplift each other, and encourage rest for growth. Sleep Talk, Your Sleep Story, and Sleep Expert are among the key initiatives.



# Chairman's Message

*Dear Shareholders,*

It is my pleasure and pride that I present this Annual Report as Sheela Foam has completed 50 years of operations.



Our five-decade growth is an inspiring journey of turning challenges into opportunities and setbacks into success. Our evolution from a humble start-up to one of the leading mattress manufacturers in the world, through the flagship sleep solution brand Sleepwell, can largely be attributed to the core values and guiding principles of Sheela Foam.

As the world economy was gradually putting the COVID-19 pandemic behind with the lifting of restrictions and recovery in economic activities and consumer sentiments, another shock struck. The Russia-Ukraine conflict has become a humanitarian crisis and set back the economic recovery. Commodity prices remain volatile at elevated levels, and supply chain disruptions have worsened. Inflation pressures have heightened across geographies, and central banks are aggressively tightening liquidity conditions.

Notwithstanding the prevailing uncertainties, the fundamentals of the Indian economy remain strong. Barring the short-term challenges such as increase in fuel and freight costs, container shortage, and logistical constraints, the long-term outlook seems promising. Thrust on infrastructure development, improvement in the rural economy, greater focus on policy

implementation, and growth in real estate and railways will accelerate economic recovery and boost demand.

Our robust operations, technical competence, and solid brand reputation place us on a high growth trajectory. We continue to embark on innovation, superior design, and high-quality products that personify excellence. Our core strength of research-led innovation provides an unmatched value proposition for consumers in both premium and economy segments. We are also benefiting from changing consumer preferences towards high-quality, branded household products as they have become more conscious about their health and hygiene. Consumers perceive home comfort products as a necessity and are willing to invest in ones that guarantee enhanced comfort and sleep along with right quality. The new work-from-home culture has also prompted a shift in consumer behaviour as they spent more hours at home and demand a soothing environment and finest wellness products.

## PERFORMANCE REVIEW

Our net revenue from operations in FY 2021-22 on a consolidated basis increased to ₹ 3,061 crore from ₹ 2,487 crore in FY 2020-21 registering a growth of 23%. Consolidated net

profit after tax decreased to ₹ 219 crore from ₹ 240 crore in the previous year due to increased cost of raw material across the globe. On a standalone basis, net revenue from operations stood at ₹ 2,195 crore as against ₹ 1,741 crore in FY 2020-21 registering a growth of 26%. Profit after tax for the year increased to ₹ 197 crore from ₹ 181 crore in the previous fiscal, registering a growth of 9%.

Net revenue from operations from Australia in FY 2021-22 decreased to AUD 77.56 million from AUD 81.08 million in FY 2020-21. Net profit after tax decreased to AUD 2.66 million from AUD 4.84 million in the previous year. The net revenue from operations from Spain increased to Euro 51.18 million in FY 2021-22 from Euro 39.75 million in FY 2020-21, while net profit decreased to Euro 2.19 million from Euro 4.09 million in the previous fiscal due to increased cost of raw material.

All our subsidiaries continue to do well. Australia, which was impacted in the first half of the year, has made a strong recovery with relaxations in restrictions and opening up of economic activities. As far as Spain is concerned, it has always remained strong and offers multiple growth opportunities with little impact of COVID-19 pandemic on the country and its people.

As you all are aware that we have new projects lined up across all the three geographies - India, Australia, and Spain. We have a large project coming up in Jabalpur, Madhya Pradesh through our wholly-owned subsidiary International Comfort Technologies Private Limited. We intend to manufacture mattresses and pillows for all the segments of the society including underserved markets of Tier III and IV cities. Production of this unit is expected to commence by the end of 2022.

This facility is expected to be a game-changer in the modern mattress industry. Firstly, because of the market that intends to cater to, and secondly, because the technology that has never been used in India before. It is a revolutionary and unique technology which will facilitate both affordability and availability.

We have a new upcoming plant in Adelaide. This is the second foaming unit with newer and modern technologies and is expected to commence production in October 2022. There is also a substantial expansion planned in Spain which is expected to come on stream in January 2023. As it had been mentioned earlier, our Company in Spain is a very small part of the largest foam market and with the proposed capacity expansion, it will steadily achieve higher revenue and profits.

Our exports are scaling up as we continue to market and sell higher volumes of technical foam and mattress. Company is addressing the issue of freight which is a cause of concern nowadays due to pandemic and Ukraine war. We continue to drive sales of PE Foam products on account of increasing customer preferences. This will also help us retain our comfort foam customers.

### GROWTH IN E-COMMERCE

The pandemic has made people wary of stepping out of their homes and has given a huge fillip to e-commerce. Modern mattress players are shaping new strategies to help consumers buy mattresses from the comfort of their homes. Our e-commerce business has progressed well and registered the revenue of ₹ 85 crore and a growth of 55% over the previous year. Innovative products such as Personal Protector coupled with the regionalisation of communication will further boost growth. SleepX, our e-commerce mattress brand, banks on the solid reputation and promise of Sleepwell. SleepX is bound to ride the e-commerce and online retail boom and take the organisation to newer heights.

### BUSINESS OUTLOOK

Going forward, despite the macro-economic disruptions, our outlook on the furniture and mattress industry remains quite strong owing to the favourable demographics, rising affluence in the Indian population, and growth in end-user industries such as housing, automobile, hospitality, and healthcare. Per capita consumption of foam is quite low compared to other markets which provides ample headroom for growth.

Our six-point strategy will be to differentiate the brand and elevate the comfort quotient for our consumers; follow a segmented approach to tap into white segments in the market and support growth; regionalise communication to strengthen consumer connect; digitise platforms to generate higher engagement and business; improve consumer experience with enhanced in-store service and better conversions and build a wide spectrum of solutions to increase consumer connect and growth.



**WE HAVE A NEW UPCOMING PLANT IN ADELAIDE WITH NEWER AND MODERN TECHNOLOGIES...**

**... THERE IS A SUBSTANTIAL EXPANSION PLANNED IN SPAIN...**

**WE HAVE A LARGE PROJECT COMING UP IN JABALPUR, MADHYA PRADESH...**

Our key drivers for growth in the coming year will be focussed on our core brands. Capacity expansion in the international businesses will unfold and the opportunity for mergers and acquisitions is something that we continue to explore.

We are building an organisation which is future-fit and purpose-driven as we enhance our focus and strive to integrate the environmental, social, and governance (ESG) parameters in the business. In the future, ESG will form the backbone and cornerstone of operations at Sheela Foam.

### CONCLUSION

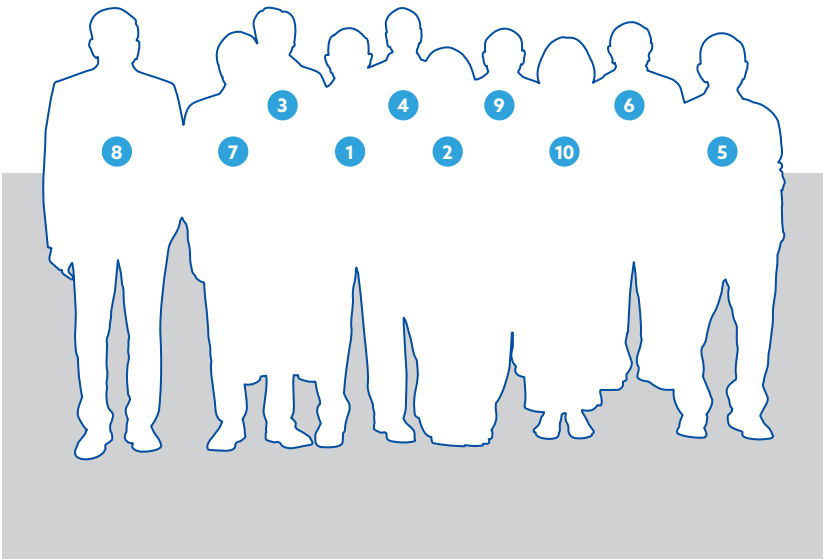
My sincere appreciation to our shareholders, partners, customers, suppliers, and employees for their unstinted trust and support in us. We remain positive about the market sentiments and are putting our best foot forward to capitalise on the opportunities that lie ahead and drive growth. As we embark on the next era of our journey, our rich legacy will continue to inspire us to deliver greater value for all.

Regards.

**Rahul Gautam**

Chairman & Managing Director,  
Sheela Foam Limited

# Board of Directors



## RAHUL GAUTAM

1

### Chairman & Managing Director

He has been associated with our Company since 1971 and has been our Managing Director since 1 April 1996. He holds a Bachelor's degree in Technology - Chemical Engineering from the Indian Institute of Technology, Kanpur, and a Master's degree in Science - Chemical Engineering from the Polytechnic Institute of New York. He has over 45 years of experience in the home comfort products and PU foam industry and is the Chairman Emeritus of the Indian Polyurethane Association.

## NAMITA GAUTAM

2

### Whole-Time Director

She has been associated with our Group for the past 33 years and been a Whole-Time Director of our Company since 14 November 2003. During her tenure, she has headed the Human Resource, Marketing, and Projects departments of the Company. She currently leads our CSR initiative through the Sleepwell Foundation and heads Special Projects. She holds a bachelor's degree in Law and a master's degree in Economics from Kanpur University.

## RAKESH CHAHAR

3

### Whole-Time Director

He has been associated with our Company since 1 November 1990 and been a Whole-Time Director since 14 November 2003. He has more than 30 years of experience in the business of selling and marketing of bedding products and polyurethane foam. He heads the Sales and Marketing function.

## TUSHAAR GAUTAM

4

### Whole-Time Director

He has been associated with our Company since 7 January 2002 and been a Whole-Time Director since 1 April 2007. He is elevated to the CEO of the Indian Operation since 1 February 2022. He holds a bachelor's degree from Purdue University, USA, where his courses of study included Financial, Marketing, and Operations Management. He oversees the operations of the Company and our subsidiary Joyce Foam Pty Ltd and Interplasp Spain and serves on their Board of Directors. He has more than 19 years of experience in heading Production, Research and Development.

## VIJAY KUMAR CHOPRA

5

### Independent Director

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

## SOM MITTAL

6

### Independent Director

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

## RAVINDRA DHARIWAL

7

### Independent Director

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

## LT GEN (DR.) VIJAY KUMAR AHLUWALIA

8

### Independent Director

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

## ANIL TANDON

9

### Independent Director

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

## MEENA JAGTIANI

10

### Independent Director

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



Corporate Social Responsibility (CSR) activities of Sheela Foam Limited are spearheaded by Sleepwell Foundation

### Our Initiatives

EMOTIONAL WELLNESS

SDC KHURJA

SKILL DEVELOPMENT



SOCIAL CHANGE WITH  
GREATER **RESPONSE**  
GREATER **PARTICIPATION**  
GREATER **IMPACT**



While the pandemic seems to be behind us, the path to recovery towards normalcy is slow as people continue to be greatly affected by its aftermath.

At Sleepwell Foundation, post-pandemic recovery has been central to our every initiative to empower the marginalised and underprivileged youth and women.

## EMOTIONAL WELLNESS

At Sleepwell Foundation, we leverage Social Media to enhance Emotional Wellness in the society by building awareness, actions on the ground, and advocacy with various stakeholders.

We have reached **411.6 MILLION** people with our films on Emotional Wellness, and every day our viewership is increasing.

### Baatein Dil Ki Season 2

The second season of Baatein Dil Ki came with more films touching on diverse emotional issues appropriate for the present times. Our films have generated tremendous impact among the masses in enhancing their emotional health literacy, reducing self-stigma and improving attitudes towards help-seeking.



**Impact: 10,29,810 Beneficiaries**  
**Additional Views: 1,12,802 through Zindagi with Richa YouTube Channel**

Sleepwell Foundation Presents

## ZINDAGI WITH RICHA

SEASON 5

Films of inspirational Real Life Stories of ordinary people doing extraordinary things, streaming on our social media platforms, continues to receive positive response. The episode of Prafull Billore has garnered more than 6.9 million views. More than 5,000 people have commented while 3.27 lakh people have liked the film.



**IMPACT:**  
 88,23,078  
 BENEFICIARIES

**ADDITIONAL VIEWS:**  
 2,10,90,967  
 THROUGH ZINDAGI WITH  
 RICHA YOUTUBE CHANNEL



## BEING SMART

20 EPISODES

Film series to guide and educate school-going children and teenagers in dealing with the challenges that make them vulnerable to risky situations.



IMPACT:  
15,56,346 BENEFICIARIES

ADDITIONAL VIEWS:  
1,02,246  
THROUGH ZINDAGI WITH RICHA  
YOUTUBE CHANNEL



### OFFLINE COUNSELLING

## ONE-TO-ONE COUNSELLING AT JIJABAI ITI FOR WOMEN, NEW DELHI

Caring about the emotional issues of young ITI women trainees, we have opened a One-to-One Counselling service at the ITI. Sessions are held every Tuesday where individual counselling is conducted by a well-qualified and trained counsellor.



This service was started on 8<sup>th</sup> March 2022 to commemorate International Women's Day.

## Emotional Wellness Workshop at Jijabai ITI for Women, New Delhi

Sleepwell Foundation conducted workshops for the trainees to improve their emotional wellbeing. Sessions on Perception and Communication, Relationships, and enhancing Emotional Wellness were conducted in which almost the entire student community participated.

Post lockdown and isolation, these workshops brought fresh life to the students by enhancing their overall social and emotional connect.



With profound and irreversible changes on the horizon for the post-pandemic world of work, we are preparing the rural youth for the shift in skill demand.

We have added relevant and forward-looking courses that would reimagine jobs in the post-pandemic economy. It would help the youth to get back to work in the short term, while addressing the greater issues of emotional wellness in the long run.

## EXPANSION AT SDC, Khurja

### SDC Block-2 Enhancing Infrastructure; Catering to growing demand



570 SQ.M. BUILT-UP AREA  
LIBRARY | 5 TRAINING ROOMS | RECEPTION | TOILET BLOCK | OFFICE

## Paramedical Courses started

To meet the demand for medical professionals in rural areas, we have started short-term Paramedical courses at our newly constructed SDC Block-2 Campus.

**COURSES RUNNING AT PRESENT: NURSING ASSISTANT, EMERGENCY MEDICAL TECHNICIAN, AND PHLEBOTOMY.**

**WE HAVE TRAINED AROUND 200 YOUTH WHO ARE CURRENTLY UNDERGOING INTERNSHIP AT GOVERNMENT-RUN HOSPITALS AND HEALTH CENTRES IN AND AROUND KHURJA.**



The courses are affiliated with DPVI Vocational Institute; a premium institute imparting quality paramedical health education for the last 25 years.

## Selling Skill Course initiated

We have started this course to increase the scope of employment for thousands of youth as salesperson, especially from rural areas.

The course is conducted by Mr. Rajul Chaturvedi, an acclaimed coach and author of 'The 7 Steps of an Effective Sales Call: An F.M.C.G. Salesman's Bible.'

By teaching the basics of sales to these youth, we are transforming them into efficient salespeople.

**AROUND 50 YOUTH ENROLLED**  
**MANY FOUND EMPLOYMENT WITH RENOWNED COMPANIES**



## Col Gautam Academy for Armed Forces

### Preparatory Classes for Admission in Sainik Schools

In our commitment to empowering rural children and youth for a fulfilling life – SDC Khurja is holding preparatory classes for entrance exam for Admission in Sainik Schools for Class 6.

It is a year-long programme to coach children in Math, English, General Science, and Social Studies. Assistance is also provided for online form-filling and accustomising children for the online examination.

**25 STUDENTS ATTENDED THESE CLASSES**

## Soft Skills Workshops at SDC Khurja for SDC Trainees

With the growing emphasis on SOFT SKILLS in shrinking job market, we have conducted a month-long workshop for all the trainees of SDC to reinforce these skillsets to them.

Sessions were held on Perception and Communication Skills, Stress Management, Anger Management, Interview Skills, Presentation Skills, Public Speaking, Group Discussion, Resume Writing Skills, etc.

**350 TRAINEES**  
**ACROSS MULTIDISCIPLINE**  
**BENEFITED FROM THESE WORKSHOPS**



## 2nd FASHION SHOW AT SDC KHURJA BY MASTERG TRAINEES

### Marking the passing out ceremony of the 2nd and 3rd Batch of MasterG Fashion Designing Course

As a tradition of the discipline, a fashion show was held where the passing-out graduates modelled and walked the ramp showcasing their creations. 35 Students participated in the fashion show.



MasterG Fashion Designing Course is empowering women for financial independence, gender equality, poverty eradication and inclusive economic growth.

## Rozgar Mela 2 Job Fair at SDC Khurja

GRAND SUCCESS — HUGE TURNOUT OF 600

In offering opportunities for livelihood to the rural youth – Sleepwell Foundation, in partnership with CII Model Career Centre (CII MCC) organised Rozgar Mela 2 at Sleepwell Foundation Skill Development Centre, Khurja on 25<sup>th</sup> February 2022.

21 Renowned companies from different sectors participated in the Fair.

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



## Free Medical Check-up Camp

On the occasion of Children's Day, Sleepwell Foundation in collaboration with Adharshila conducted the 2nd Free Medical Camp at SDC Khurja on 12<sup>th</sup> November 2021.

450 YOUNG PEOPLE GOT THEIR HEALTH CHECK-UP DONE



## 6th CSR Committee Meeting of Sheela Foam held at SDC Khurja

Directors and CSR Committee Members of Sheela Foam visited SDC Khurja on 14th December 2021 to assess the Centre's performance and also to draw future CSR strategies. Those delegated from Sheela Foam were Mr. Anil Tandon, Ms. Meena Jagtiani, Mr. Rahul Gautam, Mr. Rakesh Chahar, Mr. Ravi Dhariwal, Lt Gen (Dr.) V.K. Ahluwalia and other Senior Managers. They were highly impressed by what they saw at SDC and rated the Centre very high.



## Skill Development

### How to Start a Business Workshop for Delhi Police Yuva Trainees

740 YOUTH BENEFITED

In association with CII, a 3-Day Hybrid Workshop (Online and Physical) was held from 25<sup>th</sup> to 27<sup>th</sup> August 2021, exclusively for YUVA Trainees at Delhi Police Headquarters, Jai Singh Road, New Delhi. The workshop was aimed to benefit those youth who get diverted to crime and in order to integrate them with the mainstream.

The workshop was inaugurated by Shri Rakesh Asthana, Commissioner, Delhi Police, Shri Balaji Srivastav, Special Commissioner of Delhi Police and other senior officers from Delhi Police and Confederation of Indian Industry (CII). On the closing day, Mr. Rahul Gautam, MD and Chairman, Sheela Foam addressed the audience.



### Train The Teachers 5-Day Online Workshop

Sleepwell Foundation conducted Workshops to enhance Soft & Functional skills and Emotional Wellness of Teachers. Improved professional skills of teachers will have maximum impact on the learning outcome of the students, especially in the light of the New Education Policy.



5 WORKSHOPS WERE HELD IN F Y 2021-22 | 2,420 BENEFITED

### How to Start a Business Online Workshops

In mentoring youth towards Self Employment – workshops were conducted for those who have ideas but not the know-how to set up their business. The workshops gave detailed guidance for getting started.

13 WORKSHOPS CONDUCTED

3,462 BENEFICIARIES



### Enhance Your Professional Effectiveness Online Workshops

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

8 WORKSHOPS CONDUCTED

1,807 BENEFICIARIES



## COVID-19 Response by Sheela Foam

### Navigating the crisis with resilience

We have incrementally stepped up our plan of action against the pandemic since last year to respond as the circumstances demanded.



#### Oxygen to Save Lives

To make critical oxygen care accessible to patients, we donated a PSA Medical Oxygen Gas Generation Plant to Mohanlal Gautam District Female Hospital, Aligarh.



#### Mobility to Save Lives

Advanced Life Support Ambulance donated to Shaheed Bhagat Singh Seva Dal, Delhi.



Donated Mattresses, Pillows and Bedsheets to various COVID-care hospitals and health centres throughout India.

### Free COVID-19 Vaccination Drive at SDC, Khurja

In lending a hand in COVID-19 Vaccination efforts, we organised 3 Vaccination Camps at SDC, Khurja where 530 rural people were inoculated.





# Corporate Information



## BOARD OF DIRECTORS

---

### EXECUTIVE DIRECTORS

Rahul Gautam  
Namita Gautam  
Rakesh Chahar  
Tushaar Gautam

### GROUP CFO

Nikhil Datye

### COMPANY SECRETARY

Md Iqbal Ahmad

### NON-EXECUTIVE INDEPENDENT DIRECTORS

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

### AUDITORS

MSKA & Associates



## BANKERS

---

Yes Bank Limited  
Citi Bank  
Kotak Mahindra Bank



## REGISTERED OFFICE

---

604 Ashadeep, 9 Hailey Road, New Delhi – 110001, India  
Telephone – +91 11 22026875



## HEAD OFFICE

---

#14, Sector 135, Sleepwell Tower, Noida – 201301, Uttar Pradesh, India  
E-mail – investorrelation@sheelafoam.com



## REGISTRAR OF THE COMPANY

---

### LINK INTIME INDIA PRIVATE LIMITED

Noble Heights, First Floor, Plot NH2, C-1 Block LSC, Near Savitri Market, Janakpuri,  
New Delhi – 110058  
Telephone – +91 11 – 41410592, 93, 94  
E-mail – delhi@linkintime.co.in  
Website – www.linkintime.co.in

# Management Discussion & Analysis

## ECONOMIC OVERVIEW

### Global Economy

The global economy was seen recovering in 2021 after the high market volatility and deep recession in 2020. However, the ongoing Russia-Ukraine crisis led to extensive loss of lives, triggered the biggest refugee crisis in Europe, and severely set back the global recovery. After a strong rebound in 2021, the economic indicators suggest that global activity has slowed. Global growth is projected to decline from 6.1% in 2021 to 3.6% in 2022 and 2023. This comes just as the threat from the Omicron variant appeared to be fading, with major economies of the world moving past the acute phase of the pandemic. At the end of 2021, inflation in several regions surged to multi-decadal highs. A key driver of inflation across the world has been the rapid surge in energy, food, and commodity prices. However, a faster resolution of the war in Ukraine and strong policy support would lift confidence, ease pressure on commodity markets, and reduce supply bottlenecks.

Growth across Advanced Economies (AEs) is expected to moderate to 3.3% in 2022 from 5.2% clocked in 2021. The US economic expansion has been facing headwinds from surging inflation and gradual withdrawal of fiscal and monetary policy support. The rebound that was underway in Europe has suffered a setback due to the Russia-Ukraine conflict with inflation at unpredictable levels. Emerging Markets and Developing Economies (EMDEs) are expected to grow at 3.8% as against 6.8% growth recorded in 2021. Developments in China continue to dominate the outlook for Asia, especially for emerging Asia. The risk of new COVID-19 variants in China has led to mobility restrictions and localised lockdowns, which has slowed private consumption. Emerging and Developing Europe, including Russia and Ukraine will see GDP contract significantly owing to higher energy prices and the disruption of trade. A few central banks have started tightening their stances in the second half of 2021 and others are expected to follow in response to domestic macroeconomic conditions, including rising inflationary pressures.

(Source: IMF World Economic Outlook, April 2022)

### Indian Economy

Following the second wave of the COVID-19 pandemic, India's economy was well on its way to recovery, with both the manufacturing and service sectors exhibiting consistent growth. However, the emergence of new COVID variants, supply-chain disruptions arising out of the Russia-Ukraine crisis, and, more recently, weaker consumer demand owing to higher oil and food

prices have been posing fresh challenges to economic development. As per IMF, India's Gross Domestic Product (GDP) is estimated to have grown by 8.9% in FY 2021-22, and growth is expected at 8.2% in FY 2022-23, making India the fastest-growing major economy in the world.

The Indian economy is expected to remain resilient despite the ongoing geopolitical conflicts, mainly due to the economy's inherent strengths, strong fundamentals, and growth promising sectors. Growth will be supported by various dynamic reforms undertaken by the government, such as significant increase in capital expenditure on infrastructure, thrust on domestic manufacturing and technology-enabled development, and recovery in consumer demand, among others.

(Source: IMF World Economic Outlook, April 2022)

## OUTLOOK

Huge government funding in public infrastructure, announcement of newer and efficient Vande Bharat trains, and higher allocation towards affordable housing - are all expected to encourage growth and attract private investments through a strong multiplier effect in the industry. However, supply-side bottlenecks persist with rising international crude oil prices and growing raw material costs. On the monetary side, the Reserve Bank of India (RBI) continued with the accommodative monetary stance by keeping key repo rate and reverse repo rate unchanged at 4% and 3.35%, respectively to trigger economic growth amidst rising inflation. The availability of budgetary space to ramp up capital spending, advantages from supply-side reforms, and continued export growth will stimulate growth in FY 2022-23.

## INDUSTRY OVERVIEW

### Health & Wellness Industry

India's health and wellness industry is one of the fastest-growing and has undergone a transformative journey over the past year. With the pandemic underscoring its importance, 2020 has been the year where health and wellness have been increasingly prioritised by people. Growing consumer awareness and an increased inclination amongst citizens to adopt a healthier lifestyle have paved the way for the industry to evolve rapidly. The global pandemic has resulted in a shift in consumer behaviour, where they are becoming more health-conscious and striving towards regaining their health and fitness.

Cutting-edge technologies have made their way into every aspect of people's lives and health and wellness segment is no exception. As more people gravitate

towards a healthier lifestyle, activity trackers, step counters and heart rate monitors, etc., have become increasingly popular and enhanced the demand for wearable technologies. On the well-being side, practices such as mindfulness-based stress reduction, meditation, yoga, etc. have gained prominence in recent years. With the aggressive implementation of technology and the constantly evolving consumer behaviour, the wellness industry will evolve and expand further in the coming years.

(Source: <http://bwdisrupt.businessworld.in/article/Revolutionizing-The-Health-And-Wellness-Sector-Trends-To-Watch-Out-For-In-2021/08-02-2021-375180/>)

### Indian mattress industry

The Indian mattress market comprises PU Foam, Rubberised Coir, and Spring Mattresses. Consumer-driven factors such as increasing population, rising urbanisation, and improvement in institutional infrastructure are the key growth drivers for the growth of the mattress market. Branded mattress players have seen an increasing market share due to their constant efforts and investments to increase consumer awareness about premium and quality mattresses and development of retail infrastructure and marketing activities.

The changing market dynamics due to the pandemic and increased e-commerce adoption are expected to further augment the growth of the mattress market. In the year 2020, the mattress industry witnessed a steep increase in sales, largely driven by consumer awareness and inclination towards health & hygiene, government investments for the betterment of health sector infrastructure, and rising demand for new mattresses from the real estate and hospitality segments. Meanwhile, the introduction of omnichannel strategy by various mattress companies is also expected to propel mattress sales. Overall, the hospitality, healthcare and real estate sectors, introduction of customised mattresses catering to health-conscious customers, and greater offers and discounts offered by mattress companies will boost the growth of the industry.

### Growth Enablers:

**Growing demand for quality mattresses:** Increasing awareness among people about the benefits of right quality mattresses for enhanced comfort and sleep is augmenting the demand for premium products.

**Booming online market:** The pandemic has made people wary of stepping out of their homes. This has led to a boom in the e-commerce industry and brands are developing new strategies to help consumers buy mattresses from the comfort of their homes.

**Increasing brand consciousness:** Consumer preferences are shifting towards innovative and branded mattresses owing to increasing income levels, changing lifestyles, and greater demand for housing and institutional sectors.

**Shift to the organised market:** The mattress industry has seen a clear shift from unorganised to the organised players with the implementation of GST and formalisation of the economy.

### Shifting consumer choices:

**Quality:** In India, cotton mattresses have been the most preferred sleeping solution for years. They are highly susceptible to germs and dust mite attacks. Their low quality and sagging issues require increased maintenance.

**Comfort:** A marked shift is seen in consumers' preferences towards good quality mattresses that provide a high level of comfort and quality sleep.

**Changing preferences:** Today, consumers are seen increasingly demanding premium and high-quality customised products in place of traditionally used cotton mattresses.

**Research:** Modern mattresses are developed with thorough research and advanced technology as per diverse customer demands.

**Technology:** Advancement of technology has helped in keeping the mattresses, fresh, durable, lightweight, and breathable by using anti-bacterial treatments and new foaming technology. This technology is enabling manufacturers to produce a diverse range of modern and personalised products.

### Organised Mattress Market

The organised mattress market is classified into three categories, PU Foam accounting for major market share of 50%, Rubberised Coir constituting 30%, and Spring Mattresses constituting 20%. The share of rubberised coir mattress market is likely to fall owing to increasing prices of rubber and inherent quality and sagging issues. Consumers in India largely prefer PU Foam mattresses as they are more durable, comfortable, and relatively reasonable. Additionally, growth in end-user industries such as bedding & furniture, electronics, automotive, and building & construction, etc. is driving the growth of PU Foam market. Demand for branded Spring mattresses has also been on the rise due to increasing popularity among consumers, evolving lifestyles, and preference for mattresses with thickness and bounce and greater comfort level.

### Distribution Platforms

Organised mattress players use both offline and online distribution channels to market and sell their products. The offline market comprises sales through distributors/dealers or own franchised stores. The distributor/dealer network constitutes 88% of the market share, followed by EBOs and online platforms.

The online mattress market is witnessing increasing popularity in India largely due to ease, comfort, competitive pricing options, faster delivery, and a range of

choices. Consumers today are more comfortable making purchases online, which has created an opportunity for players to transform the mattress buying experience. Further, favourable demographics, rising young workforce, and increasing reach of online platforms have also been driving growth of the online market.

### Indian Flexible PU Foam Industry

Flexible foams are used in various industries such as construction, furniture & bedding, packaging, and consumer goods. They are witnessing increased popularity, as they significantly cut energy costs, thereby making residential and commercial properties energy-efficient and comfortable. Growth in Indian flexible foam market is being driven by rapid infrastructure development and expansion of the residential and commercial sectors.

The flexible PU Foam is manufactured as Slab Stock Foam and Moulded Foam. Slab stock foam accounts for nearly 65-70% of the market share. It is widely used in industries like mattresses, furniture, and footwear, among others. On the other hand, moulded foam constitutes 30-35% of the organised market and is used in the automotive industry.

Continuous technological advancements and penetration of international infrastructure players also influence the market positively. The furniture industry is a key consumer of flexible foam, as it is used as a cushioning material for upholstered furniture. Flexible polyurethane foam makes furniture more durable and comfortable. The rise in residential construction activities is expected to fuel demand for bedding and furniture, which in turn, will drive demand for PU foam.

(Source: <https://www.alliedmarketresearch.com/flexible-foam-market-A06643>)

### Opportunities and Threats

#### Opportunities

**Growing consumerism:** Consumer spending in India is expected to grow into a USD 6 trillion opportunity by 2030. Growth in consumption will be supported by a 1.3 billion strong population that is younger than that of any other major economy. Rapid urbanisation, increasing incomes, and greater brand awareness will lead to a rise in consumerism, which will drive demand for quality mattresses and sleeping products.

**Higher spending propensity:** Increasing number of working population has been leading to higher disposable incomes and spending propensity towards luxury and premium quality products. Demand for mattress market has been growing because of rising incomes and expansion of the middle class and high-income segments.

**Increasing incidences of lifestyle diseases:** Increasing ailments due to long working hours and sedentary lifestyles are propelling demand for products that add

to overall comfort and well-being. This has been driving demand for quality and differentiated sleeping solutions that rejuvenates the body and improves productivity.

**Adoption of technology:** Sound and healthy sleep have become the topmost priority for consumers. Towards this, branded mattress players are leveraging new technologies and innovating and producing sleep solutions that come with enhanced quality and comfort. Technology is also deployed to improve overall customer service and satisfaction at every touchpoint.

**Growth in end-user industries:** Government initiatives like Smart Cities, Housing for All, etc. along with strong thrust on railways, hospitality, and construction segments will favour industrial development and lead to higher mattress consumption.

### Challenges

**Transportation and warehousing:** The PU foam and mattresses are very voluminous in nature; therefore, it poses huge challenges for warehousing and transportation of these products. It also involves significant costs, making long-distance transportation unviable.

**Lack of consumer awareness:** Lack of education and consumer awareness about the benefits of good quality mattresses created dominance of traditional mattresses and other sleeping solutions in the market earlier.

**Higher prices of raw materials:** The ongoing geopolitical tensions, supply chain issues, temporary shutdown of global plants, and other factors have dramatically increased the prices of key raw materials for foam viz. Polyol and TDI. This has adversely impacted the mattress and PU Foam market in India.

### COMPANY OVERVIEW

Established in 1971, Sheela Foam Limited is the flagship company of Sheela Group and a leader in India's mattress and foam products industry. The Company has a diversified range of offerings in mattresses, home comfort, and technical grades of PU foam products along with a significant global footprint. A dynamic management team; strong brand recall; state-of-the-art manufacturing units; widespread distribution network and pioneering research and development capabilities underpin the operations of the Company.

The Company manufactures products of unmatched quality as per evolving customer preferences to provide them absolute comfort and convenience. A dedicated and highly skilled team of engineers and scientists form the backbone of the Company, enabling it to produce differentiated and world-class products with innovative technologies.

### Product Portfolio:

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



### Manufacturing Prowess

The Company has 16 manufacturing locations across India, Australia, and Spain, engaged in the manufacture of innovative products that provide the perfect blend of comfort and support. As a revolutionary enterprise, the Company has advanced capabilities of quality manufacturing and technological developments.

### Quality and innovative brands

The Company has an impeccable track record of producing personalised and delightful products to resonate with evolving customer needs. Sleepwell, the flagship brand of the Company, has gained significant prominence over the years and created a reputation for own. Other brands of the Company include Feather Foam and Starlite, which are low-priced mattresses for consumers. These brands have enabled the Company to enhance its share in the organised mattress market.

### Technological innovations in Sleepwell

1. The Company is using variable pressure foaming in its selected plant which is the most advanced technology in the world and yields to better quality products with reduced costs.
2. The Company uses variable pressure foaming techniques to provide quality products to the consumers.

### Other initiatives

As on 31<sup>st</sup> March 2022, the Company has increased its Exclusive Branded Outlets to more than 1,800.

It has also expanded its dealer network, taking the total count to 13,323.

### Online Sales

The Company has registered a significant growth of 55% in its online brand SleepX in FY 2021-22 compared to the previous year.

### FINANCIAL OVERVIEW

During FY 2021-22, net revenue from operations on standalone basis stood at ₹ 2,195 crore as compared to ₹ 1,741 crore in the previous year. Profit after tax for the current year increased to ₹ 197 crore from ₹ 181 crore in FY 2020-21. Net revenue from operations from Australia decreased to AUD 77.56 million from AUD 81.08 million. The net profit after tax decreased to AUD 2.66 million from AUD 4.84 million in FY 2020-21. The net revenue from operations from Spain increased from Euro 39.75 million to Euro 51.18 million. The net profit decreased from Euro 4.09 million to Euro 2.19 million. On consolidated basis, net revenue from operations increased to ₹ 3,061 crore from ₹ 2,487 crore in the previous year. Consolidated net profit after tax decreased to ₹ 219 crore from ₹ 240 crore registered in FY 2020-21.

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

	2021-22	2020-21
Debtors Turnover	13.50 times	11.70 times
Inventory Turnover	6.16 times	5.04 times
Interest Coverage Ratio	0.03 times	0.04 times
Current Ratio	1.56	1.67
Debt Equity Ratio	-	-
Operating Profit Margin (%)	9.48	12.08
Net Profit Margin (%)	9.23	10.82
Return on Net Worth (RONW) (%)	16.22	18.08

### Growth Strategy and Outlook

#### Catering to evolving customer demand

The Company is committed to developing personalised products as per varied customer needs. Its vast portfolio, technical know-how, and robust manufacturing capabilities lead to the production of quality, higher-margin products, including more cultured grades of technical PU foam.

#### Strengthening distribution reach and exports

The Company strives to enhance its domestic retail presence and continues to sell its economy products in the rural market. Greater infrastructure development and

expanding distribution channels in newer geographies will enable the Company to widen its reach and fulfil demand for low-priced products. Further, it also focusses on strengthening its exports business by way of new product and technology development, capacity expansions in overseas subsidiaries, etc.

#### **Enhancing product development and branding activities**

Starlite and Feather Foam, the Company's economy mattresses provide adequate growth levers to expand in the rural retail market. It focusses on stepping up investments in brand building activities to up its brand presence and customer recall and enhance distribution and retail network. Further, it aims to launch competitively priced products to gain higher volumes.

#### **Increase e-commerce penetration**

In line with the evolving trends, the Company has been leveraging e-commerce platform for the sale of mattresses and allied products. In addition to using its own website to showcase product line-up and attract sales, it is also listed on popular e-commerce platforms to market its products. It endeavours to strengthen its top-line and bottom-line performance with higher e-commerce penetration.

## **RISKS AND CONCERNS**

### **Macro-economic Risk**

Newer variants of the COVID-19 pandemic and subsequent restrictions, slowdown in economic growth and end-user industries viz. housing, hospitality, and automotive sectors may impact the growth of the Company's business.

#### **Mitigation**

- Favourable government reforms, increasing investments in infrastructure development are all expected to reinvigorate economic growth. The government and major financial institutions have enforced a host of reform packages to prevent economic fallout from the COVID-19 pandemic and boost consumer sentiments.
- An important factor boosting the growth of organised mattress market is rapid urbanisation, rising income levels and growing awareness for high-quality, premium products and services.
- The Company's subsidiaries in Australia and Spain helps to penetrate into the overseas market and reduce over-dependence on the Indian economy.

### **Competition Risk**

The industry faces stiff competition from increasing number of organised mattress market players due to attractive growth opportunities. Inability to produce high-quality, customised products to meet the evolving customer demands may lead to loss of market share.

#### **Mitigation**

- The Company has established itself as a preferred and trusted brand by producing comfortable and quality mattresses and home comfort products. Its flagship brand Sleepwell enjoys high customer satisfaction and reliability.
- Enhanced investments in R&D and innovative technologies enable the Company to produce technologically advanced and premium products. Further, the Company's operations are supported by advanced manufacturing equipment and improvised shop floor operations which provide high operational advantage.
- The Company aims to offer high-quality mattresses through pioneering technology initiatives like Comfort Cell, Neem Fresche. Moreover, its vast distribution network helps the Company to augment sales of its products.
- The Company also focusses on catering to certain niche sections with its economy mattresses. It helps the Company maintain its industry-leading position within the unorganised sector.

### **Inventory Risk**

Huge pile-up of inventory due to unsuccessful marketing and selling of products may pose challenges to the Company's operations.

#### **Mitigation**

- The Company through its wide distribution network of over 102 exclusive distributors, 13,323 retail dealers, 7,899 multi-brand and 5,424 exclusive brand outlets ensures balanced and orderly sales.
- The Company banks on its superior brand prominence and consistently invests in branding and advertising costs to enhance its presence across various mediums.
- It ensures efficient product distribution with the help of robust IT infrastructure and inventory management. The system ensures real-time inventory management and makes product available on time.

### **Raw Material Risk**

The Company's business is largely dependent on seamless and uninterrupted supply of raw materials; any supply disruptions may adversely impact production of quality products. Raw materials those are imported, currency and exchange rate fluctuations may also impact the margins and profitability.

#### **Mitigation**

- The Company makes bulk purchases of key raw materials (Polyol and TDI) at competitive rates.

It strikes a balance between imports and local procurement of raw materials.

- The Company's strong and well-established relations helps it to procure raw material at optimal prices.
- It reduces the risk of raw material shortage in unforeseen circumstances by having sufficient stock of raw materials to meet the market demand.

### **Counterfeiting Risk**

Another important challenge is the inability of the Company to resolve product counterfeiting and quality issues, which may result in loss of customer trust and sales and damage to Company's brand name.

### **Mitigation**

- The Company periodically checks the market to track and avoid sales of fraudulent and counterfeit products.
- Continued investments towards introduction of Unique Serial Number/marks/label/hologram/hot stamp, etc. in mattresses enables the Company to check genuine products.

### **E-commerce Risk**

The pandemic has brought a fundamental shift in consumer trends globally and in India towards rapid adoption of technology, online shopping, increased comfort and convenience at home, etc. Inability of the Company to embrace digitisation and technology to keep up with evolving trends may impact its business and market share.

### **Mitigation**

- The Company sells its product in the name of SleepX on its own website as well as popular e-commerce platforms such as Amazon, Flipkart, etc.
- The Company focusses on harmonising offline and online sales to create a seamless buying experience for customers across all the channels.

### **Internal Controls**

The Company has a well-framed internal control framework commensurate with the size and nature of its business. Well-documented policies and procedures

enable it to strictly adhere to all applicable procedures and statutes and ensure safeguarding of assets and timely reporting of financial transactions. Periodic audits are conducted by an independent firm of internal auditors to ensure the efficacy and effectiveness of the internal controls. The Audit Committee periodically reviews and takes suitable actions for any deviation, observation or recommendation suggested by the internal auditors. The Company's robust IT systems safeguard its sensitive data and ease out the audit process. Accounting Standards are strictly followed while recording transactions. A host of strategies are devised in addition to robust MIS systems, for real-time reporting, so as to control expenses.

### **Human Resources**

Human capital is pivotal to the organisational growth and success. The Company has an experienced and skilled pool of employees who ensure business continuity, devise strategies and processes to respond to an evolving business environment. The Company conducts several human resource initiatives to enhance the productivity of the employees and the organisation. It fosters a safe and conducive work environment and ensures equal access to all to career advancement opportunities. Such initiatives enable the Company to attract and retain the best talent and boost employee morale and productivity. A hybrid working culture was adopted during the pandemic, work from home was encouraged, and virtual connect was established to ensure employee safety. All employees were also covered under medical insurance to provide them adequate financial security. As on 31<sup>st</sup> March, 2022, the employee strength of the Company stood at 2,779.

### **CAUTIONARY STATEMENT**

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

# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 50<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, 2022.

## FINANCIAL INFORMATION

Particulars	(₹ in Crores)			
	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	<b>2981.81</b>	2473.19	<b>2124.44</b>	1693.86
Profit before Financial Charges, Depreciation, Tax & Exceptional Item	<b>394.10</b>	414.40	<b>304.06</b>	284.67
Profit before Financial Charges, Depreciation & Tax	<b>394.10</b>	414.40	<b>304.06</b>	284.67
Less: Financial Charges	<b>16.97</b>	17.68	<b>7.11</b>	8.68
Cash Profit	<b>377.13</b>	396.71	<b>296.95</b>	275.99
Less: Depreciation	<b>80.78</b>	72.87	<b>32.39</b>	32.53
Profit before Tax	<b>296.35</b>	323.84	<b>264.56</b>	243.46
Add/(Less): Income Tax Earlier year's tax	<b>(83.48)</b>	(84.18)	<b>(70.71)</b>	(60.81)
Add/(Less): Deferred Tax	<b>5.85</b>	0.49	<b>3.47</b>	(1.50)
Profit after Tax	<b>218.72</b>	240.15	<b>197.32</b>	181.15
Other Comprehensive Income	<b>(1.85)</b>	18.81	<b>(1.16)</b>	2.10
<b>Total Comprehensive Income for the year</b>	<b>216.87</b>	<b>258.96</b>	<b>196.15</b>	<b>183.25</b>

During the current year, Net Revenue of the Company, on standalone basis, increased from ₹ 1698 Crores to ₹ 2124 Crores. The Profit after tax for the current year increased by more than 8.9% to ₹ 197 Crores as against the profit after tax of ₹ 181 Crores of last year.

On Consolidated basis the Overall Revenue increased from ₹ 2437 crores to ₹ 2982 Crores. The Consolidated profit after tax decreased from ₹ 240 Crores to ₹ 219 Crores.

### PRESENT STATUS & FUTURE OUTLOOK

During the partial lockdown throughout the year, the sale of Mattresses increased. The Company has increased its share in the domestic mattress market. The company continues to retain its leadership position in Mattress and Foam Products.

During the year the prices of critical raw materials like Polyol and TDI increased substantially.

Second wave of Covid 19 has come with more severity in year 2021-22. This has resulted in lock down in most parts of the Country. This has adversely impacted the sales of April and May 2021. Your Company is using innovative techniques, like Sleepwell@Home, Aggressive Online Marketing, focus on selling products which are good for health etc. Company is selling all its products treated

with Neem Fresche which means immunity from various respiratory problems caused by Dust Mites, Bacteria & Fungi.

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

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

### DIVIDEND

Board of Directors do not recommend any dividend for the year 2021-22. The entire profit is being ploughed back in the business.

### SUBSIDIARIES

As on 31 March, 2022 the Company has six subsidiaries and five steps down subsidiaries. As required under the provisions of Section 129 of the Companies Act, 2013,



read with Companies (Accounts) Rule, 2013, a statement containing salient features of the financial statements of subsidiaries is provided in the prescribed format AOC-1 as **Annexure-A** of the Board Report.

#### **Overseas Subsidiaries:-**

The Company has one 100% subsidiary, Joyce Foam Pty. Ltd (Joyce Foam) Australia. Joyce Foam is the largest producer of Foam in Australia and supplies its high-quality Foam to Global Mattresses and Furnishing Companies. Joyce Foam recorded a turnover of ₹ 430 Crore in FY 2021-22, as compared with ₹ 413 Crore in FY 2020-21, and has posted post tax profit of ₹ 15 Crore in FY 2021-22, as against ₹ 27 Crore in FY 2020-21.

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

In addition, the Company has one more wholly owned overseas subsidiary, International Foam Technologies Spain, S.L.U. and a step down subsidiary, Interplasp S.L.U. Spain. International Foam Technologies Spain, S.L.U. recorded a turnover of ₹ 430 crore in FY 2021-22, as compared with ₹ 336 crore in FY 2020-21, and has posted post tax profit of ₹ 18 Crore in FY 2021-22, as against ₹ 35 Crore in FY 2020-21.

#### **Indian Subsidiaries:-**

Staqo World Private Limited (Staqo) is a wholly owned subsidiary. This company is into the business of Information Technology with initial footprints in this space in domestic and overseas market. During this year, the company has achieved a turnover of ₹ 18 crores with profit after tax of ₹ 2 Crores as against a turnover of ₹ 13 crores with a profit after tax of ₹ 3 crores in FY 2020-21.

Your Company has three other wholly owned subsidiaries as under:

- 1) Divya Software Solutions Private Limited
- 2) Sleepwell Enterprises Private Limited
- 3) International Comfort Technologies Pvt Ltd

#### **MATERIAL SUBSIDIARIES**

In accordance with Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations), none of the subsidiaries is a material non-listed subsidiary. The Company has formulated a policy for determining material subsidiaries. The policy has been uploaded on the website of the Company at <http://www.sheelafoam.com>.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with Section 136 of the Companies Act, 2013 and the applicable Accounting Standard on the Consolidated Financial Statements, your Directors have

attached the consolidated financial statements of the Company which form a part of the Annual Report.

The financial statements including consolidated financial statements and the audited accounts of each of the subsidiary are available on the Company's website [www.sheelafoam.com](http://www.sheelafoam.com)

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- b) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

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

#### **RELATED PARTIES TRANSACTIONS**

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

#### **RISK MANAGEMENT**

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

of risk and development of risk mitigation plans. The Company has constituted a Risk Management Committee to look into the risk involved with the Company and its mitigation.

### INTERNAL FINANCIAL CONTROLS

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

Board also recommends the reappointment of Mr. Rahul Gautam as a Managing Director whose term ends on 31<sup>st</sup> March 2022 for a period of five (5) years from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2027, re-appointment of Mrs. Namita Gautam as a Whole-time Director whose term ends on 31<sup>st</sup> March 2022 for a period of five (5) years from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2027, re-appointment of Mr. Rakesh Chahar as a Whole-time Director whose term ends on 31<sup>st</sup> March 2022 for a period of Five years from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2027 and re-appointment of Mr. Tushaar Gautam as a Whole-time Director whose term ends on 31<sup>st</sup> March 2022 for a period of Five years from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2027.

Mr. Nikhil Datye was appointed w.e.f 1<sup>st</sup> June 2021 as group CFO and Mr Dhruv Mathur had superannuated during the year.

Board further recommends the increase in second term of Mr. Som Mittal, Independent Director from four (4) years to five (5) years, Mr. Anil Tandon, Independent Director from three (3) years to five (5) years, Lt. Gen. (Dr.) V.K. Ahluwalia, Independent Director from three (3) years to five (5) years and Ms. Meena Jagtiani, Independent Director from three (3) years to five (5) years.

### AUDITORS

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

### AUDITORS' REPORT

There is no adverse observation of Auditors' on financial statements of the company. The Auditors' Report, read

with the relevant notes to accounts are self-explanatory and therefore does not require further explanation.

### CONSOLIDATED FEES PAID TO STATUTORY AUDITORS

Detail of total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, as mentioned in Note 38 of Consolidated Financial Statement published through annual reports for the Financial Year 2021-22, are as below:-

#### Consolidated

Particulars	₹ in Lakhs)	
	Year ended 31 March, 2022	Year ended 31 March, 2021
Audit Fees	41	29.04
Certification Work	2	3.54
Reimbursement of expenses	1	0.74
<b>Total</b>	<b>44</b>	<b>32.32</b>

### COST AUDITOR

As per section 148 read with Companies (Audit and Auditors) Rule, 2014 M/s Mahesh Singh & Co, Cost Accountants were appointed, to conduct the cost records of the Company for the Financial Year 2021-22, by the Board of Directors.

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

### INTERNAL AUDITOR

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

### SECRETARIAL AUDITOR

The company has engaged M/s AVA Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial audit for the year 2021-22. The report on secretarial audit is annexed as **Annexure-D** to the Board's Report. The report does not contain any qualification, reservation or adverse remark.

### CORPORATE SOCIAL RESPONSIBILITY(CSR)

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

## AUDIT COMMITTEE

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

## VIGIL MECHANISM

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

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

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

## MEETINGS OF THE BOARD

During the year, 6 meetings of the Board of Directors were held.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

A. Following measures were taken by company for energy conservation in the year 21-22:

- 1) Installed 376 KWp solar power plant at Greater Noida unit to reduce the electricity consumption from power distribution company, It helps to generate app. 60% of our total demand through solar power.
- 2) Replaced 10 nos. of electric hoist with hydraulic power pack at foaming crane , it results into increasing the efficiency of the machine and saving of electricity.
- 3) Increased use of Screw compressors for compressed air with variable frequency drives instead of starter to increase the efficiency and saving of electricity.
- 4) Conducted third party energy audits to identify the potential opportunities for energy saving

and further optimization in energy consumption. This is an ongoing process that the Company will continue across all manufacturing locations.

- 5) Replaced conventional MH and street lights with 100% energy efficient LED lights across all the units with LDR,Lux, Time switch and motion sensor based control system.
- 6) Optimization of running time of AC on the basis of ambient temperature condition inside the UPS room.
- 7) Replaced old Air conditioner with energy efficient new generation Air conditioner with non-CFC gases, lead to reduction in power consumption as well as nothing to harm Ozone layer.
- 8) Increasing the use of Variable Frequency drives instead of starters for the electric motors to reduce the electricity consumption and to increase the efficiency.

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

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

D. The earnings from exports were ₹54.99 Crore(Previous Year ₹ 21.33 crores) and payments in foreign exchange were ₹183.81 Crore (Previous Year 141.81crores).

## LISTING AGREEMENTS

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

## PARTICULARS OF EMPLOYEES

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

## PUBLIC DEPOSITS

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

## SIGNIFICANT AND MATERIAL ORDERS

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

## BOARD EVALUATION MECHANISM

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

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

## BUSINESS RESPONSIBILITY REPORT

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

## DIVIDEND DISTRIBUTION POLICY

The company has adopted Dividend Distribution Policy and there is no change in policy during the

year. As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the policy is hosted at our web site at [www.sheelafoam.com](http://www.sheelafoam.com) and is also attached as **Annexure-I**.

## ACKNOWLEDGEMENT

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

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

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

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

Place: Noida

Date : May 12, 2022

**(Rahul Gautam)**  
Chairman and Managing Director

# Annexure-A

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

(₹ in Lakhs)

Name of the subsidiary	Joyce Foam Pty Ltd	Divya Software Solutions Pvt Ltd	Sleepwell Enterprises Pvt Ltd	Staqo World Private Limited	International Foam Technologies Spain S.L.	International Comfort Technologies Private Limited
Place of incorporation	Australia	India	India	India	Spain	India
Date of incorporation / acquisition	03-10-2005	19-04-2010	07-10-1994	26-03-2020	12-06-2019	01/10/2021
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	AUD AUD= INR 55.06	N.A.	N.A.	N.A.	EURO EURO= INR 82.13	N.A.
Share capital	3625.70	9.46	1.05	1.00	9858.06	3000
Reserves & surplus	11968.14	5805.36	250.49	498.98	5864.03	-721.21
Total assets	39668.73	5821.95	259.68	705.81	46666.35	13702.87
Total Liabilities	24074.89	7.12	8.14	205.90	30129.94	11424.07
Investments	-	-	105.19	409.40	25.00	-
Turnover	42952.18	26.24	10.00	1750.63	43002.64	762.96
Profit/(Loss) before taxation	1962.82	(363.95)	19.68	216.19	2233.30	-873.68
Provision for taxation	546.55	(2.57)	5.08	64.91	578.37	-149.92
Profit after taxation	1416.27	(366.52)	14.60	151.88	1654.93	-723.76
Proposed Dividend	NIL	NIL	NIL	NIL	NIL	NIL
% of shareholding	100%	100%	100%	100%	100%	100%

Note-

- Joyce Foam Pty Ltd, Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staqo World Private Limited and International Foam Technologies Spain S.L. and International comfort technologies private limited are wholly owned subsidiary of the Company.
- Joyce W C NSW Pty Ltd (Australia), Interplasp SIU ( Spain), Staqo World KFT (Hungry), Staqo Inc USA & Staqo Technologies LLC (UAE) are step down subsidiaries.

# Annexure-B

## CORPORATE GOVERNANCE REPORT

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

## BOARD OF DIRECTORS ("BOARD")

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

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

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

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

## MEETINGS OF THE BOARD

The Board of Directors met Six times during the financial year ended on March 31, 2022. Board Meetings were held on 24 April, 2021, 29 May, 2021, 14 August 2021, 15<sup>th</sup> Sept 2021, 29<sup>th</sup> Oct 2021 and 02 February, 2022

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

## INDEPENDENT DIRECTORS

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

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

Regulation 25(3) of Listing Regulations read with Schedule IV of the Companies Act, 2013 and the rules under it mandate that the Independent Directors of the Company hold at least one meeting in a year without the attendance of Non-Independent Directors and members of the management. During the year, separate meeting of the Independent Directors was held on 1<sup>st</sup> Feb, 2022 without the attendance of non-independent directors and members of the management. All the Independent Directors attended the said meeting. The independent directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

## FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

## COMPOSITION OF BOARD

The composition of the Board of Directors at the end of Financial Year i.e 31 March, 2022, their attendance at the Meetings during the year and at the last Annual General Meeting as also the detail with regard to outside Directorships and committee positions are as under:-

Name of the Director and DIN	Category	Number of meeting attended	Attendance in Last AGM held on 20 <sup>th</sup> August, 2021	No. of other Directorship in listed company including this company	No. of Committee positions held including other Companies##	
					Chairman	Member
Rahul Gautam# 00192999	Promoter & Executive Director	6	Yes	1	0	0
Namita Gautam# 00190463	Executive Director	6	Yes	1	0	1
Rakesh Chahar 00180587	Executive Director	6	Yes	1	0	1
Tushaar Gautam# 01646487	Executive Director	6	Yes	1	0	1
Vijay Kumar Chopra 02103940	Independent Director	6	Yes	3	2	5
Som Mittal 00074842	Independent Director	6	Yes	2	1	3
Ravindra Dhariwal 00003922	Independent Director	6	Yes	3	0	7
Anil Tandon 00089404	Independent Director	6	Yes	1	0	1
Vijay Kumar Ahluwalia 08078092	Independent Director	6	Yes	1	0	1
Meena Jagtiani 08396893	Independent Director	6	Yes	1	1	1

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

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

## BOARD FUNCTIONING AND PROCEDURE

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

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

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

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

### Availability of Information to Board members include:

- Annual operating plans and budgets and any updates thereof;
- Capital budgets and any updates thereof;
- Quarterly results of the Company and its operating divisions and business segments;
- Minutes of Meetings of the Audit Committee and other Committees of the Board;
- Recruitment and remuneration of senior officers just below board level, including appointment and removal of Chief Financial Officer and the Company Secretary;
- Materially important show cause, demand, prosecution and penalty notices report;

7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
8. Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
9. Any issue which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
10. Details of any joint venture or collaboration agreement;
11. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.;
13. Sale of material nature, of investments, subsidiaries and assets which is not in the normal course of business;
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material; and
15. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

#### Appointment/Re-appointment of Directors:

During the year under review, Independent Directors, Mrs. Meena Jagtiani reappointed for a period of 3 (three) year w.e.f. 8<sup>th</sup> April 2022.

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

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

#### AUDIT COMMITTEE

The Committee comprises of four Directors which include three Non-Executive Independent Directors and one Executive Director of the Company. The Chairman

of the Committee is Mr Som Mittal a Non Executive Independent Director.

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

#### MEETINGS AND ATTENDANCE

The Audit Committee met 4 (four) times during financial year 2021-22 ended on 31 March, 2022 on 29 May, 2021, 14 August 2021, 29<sup>th</sup> Oct 2021 and 02 Feb, 2022.

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

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

Mr. Som Mittal, Chairman of the Audit Committee attended the 49<sup>th</sup> Annual General Meeting.

#### The terms of reference of the Committee are as under:

- (i) The Audit Committee shall have powers, which should include the following:
  - (a) To investigate any activity within its terms of reference;
  - (b) To seek information from any employee of the Company;
  - (c) To obtain outside legal or other professional advice; and
  - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- (ii) The role of the Audit Committee shall include the following:
  - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and the fixation of audit fee;



- (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Company;
- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same;
  - (iii) Major accounting entries involving estimates based on the exercise of judgement by the management of the Company;
  - (iv) Significant adjustments made in the financial statements arising out of audit findings;
  - (v) Compliance with listing and other legal requirements relating to financial statements
  - (vi) Disclosure of any related party transactions; and
  - (vii) Qualifications / modified opinion(s) in the draft audit report.
- (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
- (f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (j) Scrutiny of inter-corporate loans and investments;
- (k) Valuation of undertakings or assets of the company, wherever it is necessary;
- (l) Evaluation of internal financial controls and risk management systems;
- (m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (o) Discussion with internal auditors of any significant findings and follow up there on;
- (p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (s) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (t) To review the functioning of the whistle blower mechanism;
- (u) Approval of the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- (v) Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern; and
  - (w) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (iii) The Audit Committee shall mandatorily review the following information:
- (a) Management discussion and analysis of financial condition and results of operations;
  - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
  - (c) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
  - (d) Internal audit reports relating to internal control weaknesses;
  - (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
  - (f) Statement of deviations:
    - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
    - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;
  - (g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

#### Nomination and remuneration Committee

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

1. Mr. Ravindra Dhariwal- Chairman, Independent Director
2. Mr. Som Mittal-Independent Director
3. Mrs. Meena Jagtiani- Independent Director

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

#### Meetings and Attendance

Nomination and remuneration Committee met 4 (four) times during financial year 2021-22 ended on 31 March, 2022 on 24 April, 2021, 28 May, 2021, 30 August 2021 and 29 Oct 2021.

Name of the Members	No. of meetings	
	Held	Attended
Mr. Ravindra Dhariwal (Chairman)	4	4
Mrs. Meena Jagtiani	2	2
Mr Som Mittal	4	4
Mr.V K Chopra	2	2

#### The terms of reference of the Committee are as under:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of the Company;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (j) Administering the "Sheela Foam Employee Stock Option Scheme 2016" (the "Plan");
- (k) Determining the eligibility of employees to participate under the Plan;
- (l) Granting options to eligible employees and determining the date of grant;
- (m) Determining the number of options to be granted to an employee;
- (n) Determining the exercise price under the Plan;
- (o) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;
- (p) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
  - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable."
- (q) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

#### Stakeholders Relationship Committee

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

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

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

#### Meetings and Attendance

Stakeholder Relationship Committee met 1 (one) time during financial year 2021-22 ended on 31 March, 2022 on 28 Oct 2021.

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

#### The terms of reference of the Committee are as under:

- (a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- (b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (c) Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and re-materialization of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time; and
- (d) Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services.

#### Details of Investor complaints

During the Financial Year ended on 31 March, 2022, the Company not received complaint from investors relating to non-allotment/transfer of Shares. Details of investor complaints received and resolved during the Financial Year are as follows:

Opening Balance	Received	Resolved	Pending
Nil	Nil	Nil	Nil

### Corporate Social Responsibility Committee

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

1. Mr. Anil Tandon-Independent Director (Chairperson)
2. Mr. Vijay Kumar Ahluwalia-Independent Director
3. Ms. Namita Gautam- Executive Director
4. Mrs. Meena Jagtiani- Independent Director

### Meetings and Attendance

Corporate Social Responsibility Committee met 2 (two) time during financial year 2021-22 ended on 31 March, 2022 on 29 May 2021 and 14 Dec 2021.

Name of the Members	No. of meetings	
	Held	Attended
Mr. Anil Tandon (Chairman)	2	2
Mr. Vijay Kumar Ahluwalia	1	1
Mr. Meena Jagtiani	1	1
Ms. Namita Gautam	2	2

### The terms of reference of the Committee are as under:

- (a) To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;
- (b) To recommend the amount of expenditure to be incurred on the activities referred to in Policy of company on CSR, Schedule VII of the Companies Act, 2013 and rules made there under and any amendment thereof ;
- (c) To monitor the Corporate Social Responsibility Policy of the company from time to time; and
- (d) To do such other acts, deeds and things as may be directed by the board and required to comply with the applicable laws."

### Risk Management Committee

The Chairperson of the Risk Management Committee is Lt. Gen (Dr.) V. K. Ahluwalia (Chairman) a Non-Executive

Independent Director. The Committee comprises following Executive and Non-Executive Independent Directors:-

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

### Meetings and Attendance

Risk Management Committee met 2 (Two) time during financial year 2021-22 ended on 31 March, 2022 on 30 July 2021 and 13 Jan 2022.

Name of the Members	No. of meeting	
	Held	Attended
Lt Gen (Dr.) Vijay Kumar Ahluwalia	2	2
Mr. Rakesh Chahar	2	2
Mr. Tushaar Gautam	2	2
Mr. Som Mittal	2	2

### Committee Responsibilities and Authority

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

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

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

The board shall review the performance of the committee.

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

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

## GENERAL BODY MEETINGS

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

### Annual General Meeting

Year	Date & Day	Location	Time	Special Resolution
2020-21	20 <sup>th</sup> August 2021	NA Through Video Conference ("VC") /Other Audio Visual Means ("OAVM")	11.00 AM	Reappointment of Ms Meena Jagtiani as an Non executive independent director
2019-20	14 <sup>th</sup> Aug 2020	Arya Auditorium, Desh Raj Complex, C Block, East of Kailash, New Delhi, 110065	10.30 AM	No Special Resolution
2018-19	15 <sup>th</sup> July 2019	Arya Auditorium, DeshRajComplex,C Block, East of Kailash, New Delhi, 110065	10.30 AM	No Special Resolution

### Extraordinary General Meeting

Year	Date & Day	Location	Time	Special Resolution
			NIL	

### Means of Communication with Shareholders

#### a) Financial Results

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

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

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

#### c) Intimation to Stock Exchanges:

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

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

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

### General Shareholder Information

#### (a) Annual General Meeting

Date & Day: 18<sup>th</sup> Aug, 2022, Thursday

Time: 10:00 a.m.

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

#### (b) Financial Year: April to March

#### (c) Listing on Stock Exchange

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

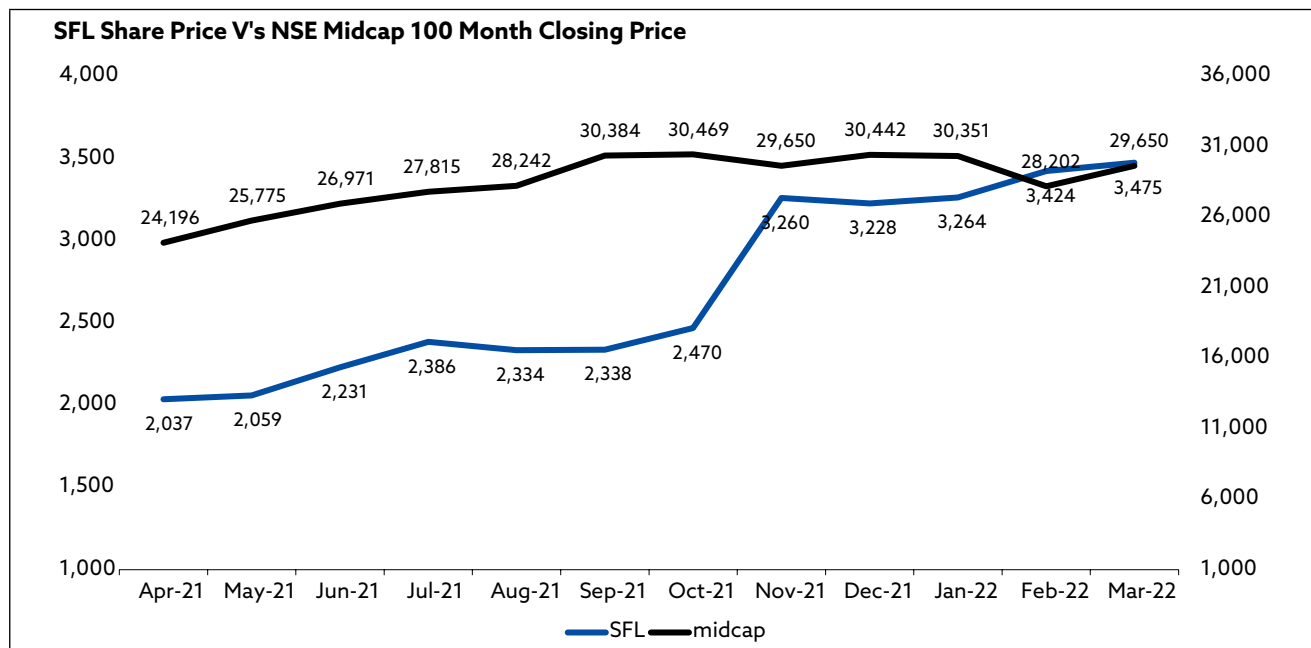
Name and Address of Stock Exchanges	Stock Code
BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 023.	540203
National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra€ Mumbai-400 051	SFL

### Market Price Data/Stock Performance: FY 2021-22 ended on March 31, 2022

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

Month	Bombay Stock Exchange (BSE) (in ₹)		National Stock Exchange (NSE) (in ₹)	
	High	Low	High	Low
April 2021	2200	1900	2,197.00	1,932.75
May 2021	2167.5	1957.2	2,175.00	1,968.55
June 2021	2440	2019.6	2,439.00	2,021.65
July 2021	2493.9	2245	2,498.10	2,217.45
August 2021	2479.3	2195	2,449.00	2,185.60
September 2021	2515	2213.2	2,519.00	2,226.05
October 2021	2623.95	2314.85	2,630.00	2,305.10
November 2021	3488.7	2460.1	3,374.45	2440
December 2021	3468	2994.65	3,487.00	2,990.05
January 2022	3949.4	3160	3,959.50	3,195.00
February 2022	3479.95	3073.95	3456	3074.45
March 2022	3757	3236	3778	3,233.75

### Stock Performance Graph



### REGISTRAR AND SHARE TRANSFER AGENT

#### Address:

#### Link Intime India Private Limited

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

#### Share Transfer System

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

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

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

### Distribution of Equity Shareholding as on March 31, 2022

Group of Shares	Number of Shareholders	% to total Shareholders	Number of Shares held	% to Total Shares
1-500	21580	99.0726	317594	0.6510
501-1000	70	0.3214	51600	0.1058
1001-2000	26	0.1194	38346	0.0786
2001-3000	18	0.0826	45217	0.0927
3001-4000	4	0.0184	14745	0.0302
4001-5000	13	0.0597	60604	0.1242
5001- 10000	14	0.0643	100107	0.2052
10001 & above	57	0.2617	48154595	98.7122
<b>Total</b>	<b>13848</b>	<b>100.0000</b>	<b>4,87,82,808</b>	<b>100.0000</b>

### Shareholding Pattern as on March 31, 2022

Category	Number of Shares held	%-Issued Capital
Promoter and Prompter Group	35587087	72.9501
Mutual Funds	11275502	23.1137
Insurance Companies	3621	0.0074
Foreign Portfolio Investors(Corporate)	1232194	2.5259
Foreign National	68	0.001
Non Resident Indians	16183	0.0332
Non Resident (Non Repatriable)	6463	0.0132
Clearing Members	5445	0.0112
Other Bodies Corporate	28097	0.576
Body corp LLP	1298	0.0027
Hindu Undivided Family	26861	0.0551
Alternate Investment Funds	121199	0.2484
Individual	478790	0.9814
<b>TOTAL :</b>	<b>48,782,808</b>	<b>100</b>

### Dematerialisation of Shares & Liquidity

As on March 31, 2022, all the equity share capital of the Company were held in dematerialised form except 7 shares. The ISIN allotted in respect of equity shares of ₹ 5/- each of the Company by NSDL/CDSL is INE916U01025.

### Plant Locations

Plot No-51A, Udyog Vihar, Greater Noida, Dist. GautamBudh Nagar 201306 (Uttar Pradesh)	N.H 8, Near Bhilad Check Post Village- Talwada-Taluka Umergoan Dist: Valsad - 396105 (Gujarat)
Village- Habibpur, Noida Dadri Road Gautambudh Nagar-201304	Survey No.-852, Medchal Industrial Area R.R.District-501401, Hyderabad (Telagana)
Village Mardanpur, Near Shamboo Teh. Rajpura, Dist. Patiala-140401 (Punjab)	MM-3, Phase-4, Sipcot Industrial Growth Centre, P.O.Palayam, Village:Perundurai, Erode- 638052 Tamilnadu
Mainthapal, Nahan Road Kalaamb, Dist. Sirmour, Himachal Pradesh-173030	Kanchanjanga Integrated Hub P.O. Fatapukur, P.S.Rajganj, Dist. Jalpaiguri.Pin-735134(West Bengal)
Survey No.257, Saily, Umankui Road City- Silvassa,State-( U.T. Of DNH & DAMAN DIU) Pin code-396230	37/2, Site IV, Sahibabad Industrial Area, Ghaziabad Uttar Pradesh 201010

### Reconciliation of Share Capital Audit

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

### Disclosures of Accounting Treatment

In the financial statements for the year ended March 31, 2022, the Company has followed the treatment as prescribed in the applicable Accounting Standards.

### Related Party Transactions

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

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

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

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

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

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

### Code for prevention of Insider Trading

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

### Code of conduct for Directors and Senior Executives

The Company has laid down a Code of Conduct for all Board Members and the Senior Executives of the Company. The Code of conduct is available on the Company's website [www.sheelafoam.com](http://www.sheelafoam.com). The code of conduct was circulated to all the members of the Board and senior management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31 March, 2022. A declaration to this effect signed by the Chairman & Managing Director is given below:

To

**The Shareholders of Sheela Foam Limited.**

### Sub.: Compliance with Code of Conduct

I hereby declare that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct as adopted by the Board of Directors and applicable to them for the financial year ended 31 March, 2022.

Date: May 12, 2022

Place: Noida

**Rahul Gautam**

Chairman and Managing Director



## MD/CFO CERTIFICATION

The Managing Director & CFO have certified to the Board of Directors inter-alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose as required under Regulation 17 (8) of Listing Regulations for the year ended March 31, 2022. The said certificate forms part of the Annual Report.

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

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

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

### **Modified opinion(s) in audit report**

The opinion expressed by the Auditor in the audit report on the financial statements for the year ended March 31, 2022 is unmodified.

### **Compliance Certificate on Corporate Governance from the Auditor**

The certificate dated May 12, 2022 from the Statutory Auditors of the Company confirming compliance with the Corporate Governance requirements as stipulated under Listing Regulations is annexed hereto.

The above report has been adopted by the Board of Directors of the Company at their meeting held on May 12, 2022

## CEO/CFO CERTIFICATION

To  
The Board of Directors  
Sheela Foam Limited

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

We, Rahul Gautam, Chairman and Managing Director, Nikhil Datye, Group CFO certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) That there were no significant changes in internal control over financial reporting during the year;
  - (ii) That there were no significant changes in accounting policies during the year and
  - (iii) That there were no instances of significant fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Rahul Gautam**  
Chairman and Managing Director

**Nikhil Datye**  
Group Chief Financial Officer

Place: Noida  
Date: May 12, 2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has obtained following certificate from AVA Associates, Company Secretaries.

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

For **AVA Associates**  
Company Secretaries

**Amitabh**  
Partner  
CP: 5500  
Mem. No. A14190

Place: Delhi  
Date: May 06, 2022  
UDIN: A014190D000279884

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **Sheela Foam Limited**

We the Statutory Auditors of Sheela Foam Limited (the 'Company') have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2022 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

### Management's Responsibility

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

### Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2022, as applicable.

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

**MSKA & Associates**  
Chartered Accountants  
Firm Registration No. 105047W

**Manish P Bathija**  
Partner  
Membership No.216706  
UDIN: 22216706AIVAWM4667

Place: Gurugram  
Date: May 12, 2022

# Annexure-C

## FORM NO. AOC -2

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

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

### 1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.

**None; During the reporting period ended on 31st March 22 , all transactions were at Arms's length basis.**

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

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

### 2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS -

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

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

- (a) Name(s) of the related party and nature of relationship: NA
- (b) Nature of contracts / arrangements / transactions: NA
- (c) Duration of the contracts / arrangements / transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Date(s) of approval by the Board, if any: NA
- (f) Amount paid as advances, if any: NA

# Annexure-D

## SECRETARIAL AUDIT REPORT

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

### FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

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

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

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

We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> of March 2022, complied with the laws listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sheela Foam Limited for the financial year ended on 31<sup>st</sup> of March 2022 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- f. Other sector specific laws like the Petroleum Act, 1934 ("Petroleum Act") and Petroleum Rules, 2002 ("Petroleum Rules"); Bureau of Indian Standards Act, 1986 ("BIS Act") and Bureau of Indian Standards Act, 2016; Consumer Protection Act, 1986; Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Wastes Rules") and Environmental laws and regulations and other laws applicable to manufacturing companies.

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

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

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

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

**We further report that:-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all the Directors to schedule the Board Meetings. Agendas and detailed notes on agendas were sent at least seven days in advance, except where it was called urgently, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that:-**

1. The Company complied with the provisions of section 149 of the Companies Act, 2013, and rules thereunder. The Company has Six Independent Directors on the Board wherein one independent director is a woman.
2. The Committees of the Board, met to transact businesses as under during the year:-
  - a) Audit Committee – 4 times
  - b) Corporate Social Responsibility Committee- 2 time
  - c) Nomination and Remuneration Committee –4 times
  - d) Stakeholders Relationship Committee- 1 time
  - e) Risk Management Committee – 2 time
3. All regulatory reporting, including but not limited to the filing due with the stock exchanges listed, SEBI, Reserve Bank of India (RBI) and the Ministry of Corporate Affairs (MCA) was done regularly.
4. The foreign investment in the Company is within the Foreign Direct Investment (FDI) sectoral cap.

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

For **AVA Associates**  
Company Secretaries

S/d  
**Amitabh**  
Partner  
CP: 5500  
UDIN: A014190D00031190

Place: Delhi  
Date: May 12, 2022

## ANNEXURE A- LIST OF DOCUMENTS VERIFIED

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

## ANNEXURE B- RESPONSIBILITY STATEMENT

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

Our report is to be read along with the following:

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

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

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

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

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

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

For AVA Associates  
Company Secretaries

**Amitabh**  
Partner  
CP: 5500

Place: Delhi  
Date: May 12, 2022



# Annexure-E

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE YEAR 2021-22: ANNEXURE II.

### 1. Brief outline on CSR Policy of the Company.

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

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

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Anil Tandon	Chairman	2	2
2	Mr. Vijay Kumar Ahluwalia	Member	2	1*
3	Ms. Namita Gautam	Member	2	2
4	Ms. Meena Jagtiani	Member	2	1*

\*Appointed W.e.F 01.07.2021

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

[www.sheelafoam.com](http://www.sheelafoam.com)

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

NA

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2020-21	116.64 Lakhs	165.58 Lakhs

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

₹ 20453.71 Lakhs

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

₹ 409.07 Lakhs

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

(c) Amount required to be set off for the financial year, if any : 116.64 Lakhs

(d) Total CSR obligation for the financial year (7a+7b-7c). ₹ 292.43 Lakhs

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 458 Lakhs	NIL	NA	NA	NIL	NA

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project	Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	Name	CSR Registration number
				State District								
1.	Education/ Skill Development	Promoting Education including employment enhancing vocational skills, conducting wellness awareness programme, contributing sanitation programme	Y	Delhi and Uttar Pradeh	Yearly allocation	315.00	315.00	NIL	Yes	NA	NA	NA
2.	Health Care/ Education/ Skill Development	Proving Health Support, Promoting Education including employment enhancing vocational skills	Y	Uttar Pradesh, Uttarakhand, Delhi, Himachal Pradesh and Gujarat	General	143	143	NIL	Yes	NA	NA	NA
<b>Total</b>						<b>458</b>	<b>458</b>	<b>NIL</b>				

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

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

(d) Amount spent in Administrative Overheads: NIL

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 458 lakhs

(g) Excess amount for set off, if any: 165.58 Lakhs

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	292.43 Lakhs
(ii)	Total amount spent for the Financial Year	458 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	165.58 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	165.58 Lakhs

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

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

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

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

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

**(Asset-wise details).**

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

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

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

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

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

Sd/-

(Managing Director)

Sd/-

(Chairman CSR Committee)

# Annexure-F

## PARTICULARS OF EMPLOYEES

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

i) The percentage increase in remuneration of each Director, the CFO and the CS during the Financial Year 2022, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022.

ii)

Name and Designation	Remuneration for Financial Year 2022 (₹ in Lakhs)	% increase of remuneration in the Financial Year 2022	Ratio of remuneration to Median Remuneration
<b>Executive Director</b>			
Mr. Rahul Gautam Managing Director	431.89	8.51	143
Ms. Namita Gautam Wholetime Director	229.24	8.17	76
Mr. Rakesh Chahar Wholetime Director	226.78	8.23	75
Mr. Tushaar Gautam Wholetime Director	236.50	8.00	79
<b>Non Executive Independent Director</b>			
Mr. Vijay Kumar Chopra Non Executive Independent Director	23.75	NA	8
Mr. Som Mittal Non Executive Independent Director	25.50	NA	9
Mr. Ravindra Dhariwal Non Executive Independent Director	25.25	NA	9
Mr. Anil Tandon Non Executive Independent Director	19.75	NA	7
Lt Gen (Dr.) Vijay Kumar Ahluwalia Non Executive Independent Director	21.50	NA	7
Ms. Meena Jagtiani Non Executive Independent Director	21.25	NA	7
<b>Key Managerial Personnel</b>			
#Mr. Nikhil Datye, Group CFO	110.92	-	36.9
#Mr Dhruv Mathur	14	-	4
Mr. Md Iquebal Ahmad Company Secretary	18.78	6.40	6

# Mr. Nikhil Datye was appointed as Group CFO w.e.f 1st June 2021 and Mr Dhruv Mathur was ceased as CFO w.e.f 1st June 2021.

Note:

- The remuneration of the non-executive Independent directors includes sitting fees for attending Board/Committee meetings and since they were appointed during the mid of the last financial year or this Financial Years there is no comparison for % increase in remuneration.
- The employee and the salary details hereinafter provided are for employees excluding trainees.
- The median remuneration of employees during the financial year was ₹ 3.00 Lakh
- In the financial year, there was an increase of 8 % in the median remuneration of employees.
- Number of permanent employees on the role of the Company as on 31.03.2022 is 2779
- The remuneration is as per the remuneration policy of the company.

# Annexure-G

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

<b>Name and Designation</b>	<b>Remuneration for FY 21 (₹ in Lakhs)</b>	<b>Experience (in years)</b>	<b>Educational Qualification</b>	<b>Previous employment and designation</b>
Dr. Mahesh N Gopalsamudram (COO)	136.00	23	PhD	Manali Petrochemical

# Annexure-H

## BUSINESS RESPONSIBILITY REPORT/SUSTAINABILITY REPORT

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

### INTRODUCTION:

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

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:**  
L74899DL1971PLC005679
2. **Name of the Company:** Sheela Foam Limited
3. **Registered address:** 604, Ashadeep 9 Hailey Road New Delhi-110001
4. **Website:** www.sheelafoam.com
5. **E-mail id :** iquebal.ahmad@sheelafoam.com
6. **Financial Year reported:** 2021-22
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**  
CETA: 39211310/94042920
8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**  
Polyurethane Foam, Mattress, Pillow
9. **Total number of locations where business activity is undertaken by the Company**  
The company mainly operates in India, Australia and Spain during the year.
  - (a) Number of International Locations  
Other than Australia the Company export its product to UAE, EU, Saudi Arabia, Sri Lanka, Bangladesh and Nepal.
  - (b) Number of National Locations  
Company production units are at 10 locations
10. **Markets served by the Company - Local/State/ National/International**

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) 24,39,14,040
2. Total Turnover (INR) 2124.44 Crore

3. Total profit after taxes (INR) 197.31 Crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax 2.31%
5. List of activities in which expenditure in 4 above has been incurred:-
  - (a) Education
  - (b) Skill development
  - (c) Swachh Bharat
  - (d) Preventive health care and eradication of poverty

### SECTION C: OTHER DETAILS

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

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

### SECTION D: BR INFORMATION

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

(b) Details of the BR head

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

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

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

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

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

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

### 3. Governance related to BR

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

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

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

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

### Principle 2

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

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

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

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

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

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

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

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

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

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1

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

Yes. This covers all subsidiaries and group companies.

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

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



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

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

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

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

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

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

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

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

**Principle 3**

1. Please indicate the Total number of employees.  
Total number of employees as on 31<sup>st</sup> March 2022 were 2779
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis- 828
3. Please indicate the Number of permanent women employees.

The number of women employees as on 31<sup>st</sup> March 2022 was 158

4. Please indicate the Number of permanent employees with disabilities

Number of permanent employees with disabilities as on 31<sup>st</sup> March 2022 were 03

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

NO

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

NOT APPLICABLE

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

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

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

- (a) Permanent Employees 70%
- (b) Permanent Women Employees 70%
- (c) Casual/Temporary/Contractual Employees-100%

**Principle 4**

1. Has the company mapped its internal and external stakeholders?  
Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?  
Yes in the category of Employees, Supplier of Goods and Services.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

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

#### Principle 5

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

The policy covers subsidiary and group companies

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

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

#### Principle 6

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

It extends to the Subsidiary and group companies

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

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

3. Does the company identify and assess potential environmental risks?

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

TDI, which is the main constituent for manufacturing of foam, is a toxic chemical, when inhaled has adverse health impact. Care is again taken to improve the impact by design and constant vigilant monitoring.

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

Our process does not have sludge or liquid waste generation. We however, have a STP (Sewage treatment Plant) in compliance of legal regulations.

Further during cleaning of open areas in our units we sprinkle water all around to avoid dust and keep the environment clean.

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

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

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

Our process does not have sludge or liquid waste generation

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

#### Principle 7

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

- a. Indian Polyurethane Association
- b. Industrial associations located at respective units
- c. Indian Sleep Products Federation
- d. ASSOCHEM
- e. CII

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

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

#### Principle 8

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

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

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

The programs are mostly done by Sleepwell Foundation

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

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

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

The Company and its CSR arm has incurred a sum of ₹ 4.57 crore on health, development of skills and education during the year.

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

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

#### Principle 9

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

As on 31 March, 2022 company has around 5% of total consumer complaints pending.

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

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

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

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

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

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

## DIVIDEND DISTRIBUTION POLICY

### 1. Preamble

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

### 2. Company's View

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

### 3. Regulatory Framework

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

### 4. Parameters for declaration of Dividend

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

- **Financial Parameters / Internal Factors:**

The Board of Directors of the Company would consider the following financial

parameters before declaring or recommending dividend to shareholders:

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

- **External Factors:**

The Board of Directors of the Company would consider the following external factors

before declaring or recommending dividend to shareholders:

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

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

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

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

- **Utilization of retained earnings:**

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

### 5 Procedures

- The Chief Financial Officer in consultation with the MD of the Company shall recommend any amount to be declared/ recommended as Dividend to the Board of Directors of the Company.

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

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

## **7 General**

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

# Financial Statements

# Independent Auditor's Report

To the Members Of Sheela Foam Limited

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

We have audited the standalone financial statements of Sheela Foam Limited, which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and profit, changes in equity and its cash flows for the year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## DESCRIPTION OF KEY AUDIT MATTER

### Investment in subsidiaries

Refer Note 6 and Note 7 to the standalone financial statements.

The Company has investments in subsidiaries at a gross value of ₹ 22,657 lakhs as on March 31, 2022. In accordance with Ind AS 36 - Impairment of assets, at each reporting period end, management assesses the existence of impairment indicators of investments in subsidiaries. Processes and methodologies for assessing and determining the recoverable amount of each investments are based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of impairment indicators, forecast of future cash flows relating to the period covered by the Company's strategic business plan, normalized cash flows assumed as a basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.

Since the amount of investment in subsidiary is material and involves significant management judgement and estimation, we have identified this as a key audit matter.

## DESCRIPTION OF AUDITOR'S RESPONSE

We evaluated the judgement and estimation used by management in recognising the impairment provision in case of investment in subsidiaries. Our procedures included, but were not limited to the following:

1. Obtained understanding of the Company's policy on assessment of impairment of investments in subsidiaries and the assumption used by the management, including design and implementation of controls, validation of management review controls;
2. Verified the operating effectiveness of the controls on a sample basis;
3. Evaluated management's methodology, assumptions and estimates used in the calculations;
4. Verified completeness, arithmetical accuracy and validity of the data used in the calculations; and
5. Evaluated the appropriateness of the disclosures made in the financial statement in relation to the above as required under applicable accounting standards.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report etc but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

## OTHER MATTER

The standalone Ind AS financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated ११-May 29, 2021 expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of this matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 51 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
  - iv. (1) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 61(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (2) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 61(ii) to the standalone financial statements, no funds have been received by the Company from any entity, including foreign entities, that the Company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (i) and (ii) contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

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

**Manish P Bathija**  
Partner

Place: Gurugram  
Date: May 12, 2022

Membership No. 216706  
UDIN: 22216706AIVAKD2031

# Annexure A to the Independent Auditor's Report

## On even date on the standalone financial statements of sheela foam limited

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

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

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

or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2022 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**

Chartered Accountants  
ICAI Firm Registration No. 105047W

**Manish P Bathija**

Partner

Place: Gurugram  
Date: May 12, 2022

Membership No. 216706  
UDIN: 22216706AIVAKD2031

# Annexure B to Independent Auditors' Report

**Of even date on the standalone financial statements of sheela foam limited for the year ended march 2022**

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]**

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- B. The Company does not have intangible assets. Accordingly, the provisions stated in paragraph 3 (i) (a) (B) related to intangible assets are not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use Assets). The Company does not have intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of ₹5 crores in aggregate from Banks on the basis of security of current assets. Monthly returns/ statements are filed with such Banks are in agreement with the books of account.
- iii. (a) According to the information and explanation provided to us, the Company has made investments in, provided guarantees and granted loans to any other entity.
- (A) The details of such loans or advances and guarantees or investment to subsidiaries are as follows:

	(Amount in lacs)			
	Guarantees	Security	Loans (excluding interest)	Investments
Aggregate amount granted/ provided during the year				
- Subsidiaries	7,600	-	10,800	3,000
Balance Outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	29,300	-	7,770	22,657

(B) The details of such loans or advances and guarantees or security to parties other than subsidiary are as follows:

	(Amount in lacs)			
	Guarantees	Security	Loans (excluding interest)	Investments
Aggregate amount granted/provided during the year				
- Others	-	-	767	-
Balance Outstanding as at balance sheet date in respect of above cases				
- Others	-	-	1,201	-

- (b) In relation to investments, guarantees provided, securities given, according to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of the loans and advances provided are not prejudicial to the interest of the Company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.
- (d) There are no amounts overdue for more than ninety days in respect of the loan granted to Company/ Firm/ LLP/ Other Parties.
- (e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has not granted any loans and/ or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2022 and the Company has not accepted any deposits during the year.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess have been regularly deposited by the Company with appropriate authorities in all cases during the year.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

(Amount in lacs)

Name of the statute	Nature of dues	Amount ₹	Amount Paid under Protest	Period to which the amount relates (FY)	Forum where dispute is pending
Central Excise Tax Act, 1944	Excise Duty	123.85	-	2011-2012 & 2012-2013	The Customs Excise and Service Tax Appellate Tribunal Kolkata
		241.06	9.04	February 2017 to June 2017	Commissioner (Appeal) Kolkata
		45.65	1.69	2016-17 & 2017-18	Commissioner (Appeal), Siliguri
Income Tax Act, 1961	Income Tax	439.12	40.00	2013-2014	Delhi High Court
The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983	Sales Tax	46.00	46.00	2003-2004 & 2004-2005	Supreme Court
The Central Sales Tax Act, 1956 and The Sikkim Sales Tax Act, 1983	Sales Tax	393.99	393.99	2005-06 to 2011-12	Additional Commissioner Commercial tax
The West Bengal Value Added Tax Act, 2003	Sales Tax	40.98	0.30	2012-2013	Sales Tax Appellate Tribunal, West Bengal
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	28.87	-	2012-13 & 2013-14	Supreme Court
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	107.51	-	2014-15 to 2017-18	Supreme Court
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	57.72	28.86	2001-2012	Allahabad High Court

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) to (f) of the Order is not applicable to the Company.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to Company.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 xvi (d) of the order are not applicable to the Company.
- xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

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

**Manish P Bathija**

Partner

Place: Gurugram  
Date: May 12, 2022

Membership No. 216706  
UDIN: 22216706AIVAKD2031

# Annexure C to the Independent Auditor's Report

**Of even date on the standalone financial statements of sheela foam limited**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sheela Foam Limited on the Financial Statements for the year ended March 31, 2022]

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

### **OPINION**

We have audited the internal financial controls with reference to standalone financial statements of Sheela Foam Limited as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We

conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in

accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Manish P Bathija**

Partner

Membership No. 216706

UDIN: 22216706AIVAKD2031

Place: Gurugram

Date: May 12, 2022



# Balance Sheet

as at 31 March, 2022

Particulars	Note no.	(₹ in Lakhs)	
		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	23,501.54	25,355.39
Capital work in progress	3	63.78	117.06
Right of use assets	4	1,835.12	2,014.98
Investment property	5	362.70	384.44
Investments in subsidiaries	6	19,667.38	21,371.45
<b>Financial assets</b>			
(i) Investment in preference shares	7	2,990.00	-
(ii) Other investments	8	52,883.17	30,359.99
(iii) Loans	9	7,778.00	4,860.79
(iv) Other financial assets	10	1,802.46	212.75
Non current tax assets (net)	11	445.33	32.41
Other non-current assets	12	260.02	264.38
<b>Total non current assets</b>		<b>111,589.50</b>	<b>84,973.64</b>
<b>Current assets</b>			
Inventories	13	20,346.61	22,831.92
<b>Financial assets</b>			
(i) Investments	14	8,398.45	10,600.33
(ii) Trade receivables	15	15,163.44	16,304.60
(iii) Cash and cash equivalents	16	1,431.36	3,503.54
(iv) Other bank balances	17	31.58	47.63
(v) Loans	18	555.07	555.24
(vi) Other financial assets	19	2,925.59	868.95
Other current assets	20	1,937.78	2,415.50
<b>Total current assets</b>		<b>50,789.88</b>	<b>57,127.71</b>
<b>Total assets</b>		<b>162,379.38</b>	<b>142,101.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	21	2,439.14	2,439.14
Other equity	22	118,513.31	98,898.18
<b>Total equity</b>		<b>120,952.45</b>	<b>101,337.32</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	23	1,826.72	190.69
(ii) Other non current financial liabilities	24	5,034.08	5,018.13
Long-term provisions	25	1,408.32	462.13
Other non current liabilities	26	22.70	25.54
Deferred tax liabilities (net)	27	482.45	828.98
<b>Total non current liability</b>		<b>8,774.27</b>	<b>6,525.47</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	23	113.12	8.50
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	28	444.61	1,168.31
- Total outstanding dues of creditors other than microenterprises and small enterprises	28	20,503.08	22,161.47
(iii) Other financial liabilities	29	4,130.88	3,811.53
Short-term provisions	25	247.66	435.21
Other current liabilities	30	7,213.31	6,653.54
<b>Total current liabilities</b>		<b>32,652.66</b>	<b>34,238.56</b>
<b>Total liabilities</b>		<b>41,426.93</b>	<b>40,764.03</b>
<b>Total equity and liabilities</b>		<b>162,379.38</b>	<b>142,101.35</b>

The accompanying notes are an integral part of these standalone financial statements.

As per our Report of even date  
For **MSKA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
Sheela Foam Limited  
CIN: L74899DL1971PLC005679

**Manish P Bathija**  
Partner  
Membership No.: 216706

**Rahul Gautam**  
Managing Director  
DIN:00192999

**Tushaar Gautam**  
Whole Time Director  
DIN:01646487

**Nikhil Ghanashyam Datye**  
Chief Financial Officer

Place: Gurugram  
Date: May 12, 2022

Place: Noida  
Date: May 12, 2022

**Md. Iqbal Ahmad**  
Company Secretary  
Membership No.: A20921

# Statement of Profit and loss

for the year ended 31 March, 2022

(₹ in Lakhs)

	Note no.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	31	212,443.99	169,386.02
Other income	32	7,022.38	4,743.28
<b>Total Income</b>		<b>219,466.37</b>	<b>174,129.30</b>
<b>Expenses</b>			
Cost of materials consumed	33	125,119.54	95,658.08
Purchase of stock in trade	34	5,331.06	1,799.48
Other manufacturing expenses	35	3,401.82	2,641.49
Changes in inventories of finished goods, stock-in-trade and work in progress	36	(865.63)	(849.70)
Employee benefits expense	37	13,188.01	11,972.11
Finance costs	38	710.95	868.03
Depreciation and amortisation expense	39	3,238.96	3,252.55
Other expenses	40	42,885.27	34,441.40
<b>Total Expenses</b>		<b>193,009.98</b>	<b>149,783.44</b>
<b>Profit before tax</b>		<b>26,456.39</b>	<b>24,345.86</b>
<b>Tax expense</b>	58		
Current tax		7,093.70	6,122.89
Tax expenses related to earlier years		(22.27)	(42.32)
Deferred tax (credit)/charge	27	(346.52)	150.33
<b>Total tax expense</b>		<b>6,724.91</b>	<b>6,230.90</b>
<b>Profit for the year</b>		<b>19,731.48</b>	<b>18,114.96</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit plans		(479.40)	180.45
(ii) Items that will be reclassified to profit or loss Fair value gain on investments		323.91	100.06
(iii) Income tax effect on these items on (i) & (ii)		39.13	(70.60)
		<b>(116.36)</b>	<b>209.91</b>
<b>Total comprehensive income for the year</b>		<b>19,615.12</b>	<b>18,324.87</b>
Earnings per equity share			
Basic and diluted	41	40.45	37.13

The accompanying notes are an integral part of these standalone financial statements.

As per our Report of even date  
For **MSKA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
Sheela Foam Limited  
CIN: L74899DL1971PLC005679

**Manish P Bathija**  
Partner  
Membership No.: 216706

**Rahul Gautam**  
Managing Director  
DIN:00192999

**Tushaar Gautam**  
Whole Time Director  
DIN:01646487

**Nikhil Ghanashyam Datye**  
Chief Financial Officer

Place: Gurugram  
Date: May 12, 2022

Place: Noida  
Date: May 12, 2022

**Md. Iqubal Ahmad**  
Company Secretary  
Membership No.: A20921

# Statement of Changes in Equity

for the year ended March 31, 2022

## A. EQUITY SHARE CAPITAL

	(₹ in Lakhs)	
	Number of shares	Amount
<b>Balance as at April 01, 2020</b>	48,782,808	2,439.14
Add: Issued during the year	-	-
<b>Balance as at March 31, 2021</b>	<b>48,782,808</b>	<b>2,439.14</b>
Add: Issued during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>48,782,808</b>	<b>2,439.14</b>

## B. OTHER EQUITY

	(₹ in Lakhs)			
Particulars	Retained earnings	Capital reserve	General Reserve	Total
<b>Balance as at April 01, 2020</b>	78,528.47	328.57	1,716.27	80,573.31
Profit for the year	18,114.96	-	-	18,114.96
Other Comprehensive Gain for the year (net of tax)	209.91	-	-	209.91
<b>Total comprehensive income for the year</b>	<b>96,853.34</b>	<b>328.57</b>	<b>1,716.27</b>	<b>98,898.18</b>
<b>Balance as at March 31, 2021</b>	<b>96,853.34</b>	<b>328.57</b>	<b>1,716.27</b>	<b>98,898.18</b>
Profit for the year	19,731.48	-	-	19,731.48
Other Comprehensive Gain for the year (net of tax)	(116.35)	-	-	(116.35)
<b>Total comprehensive income for the year</b>	<b>19,615.13</b>	<b>-</b>	<b>-</b>	<b>19,615.13</b>
<b>Balance as at March 31, 2022</b>	<b>116,468.47</b>	<b>328.57</b>	<b>1,716.27</b>	<b>118,513.31</b>

The accompanying notes are an integral part of these standalone financial statements.

As per our Report of even date  
For **MSKA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
Sheela Foam Limited  
CIN: L74899DL1971PLC005679

**Manish P Bathija**  
Partner  
Membership No.: 216706

**Rahul Gautam**  
Managing Director  
DIN:00192999

**Tushaar Gautam**  
Whole Time Director  
DIN:01646487

**Nikhil Ghanashyam Datye**  
Chief Financial Officer

Place: Gurugram  
Date: May 12, 2022

Place: Noida  
Date: May 12, 2022

**Md. Iqbal Ahmad**  
Company Secretary  
Membership No.: A20921

# Statement of Cash Flows

for the year ended March 31, 2022

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
<b>Profit for the year</b>	<b>26,456.39</b>	<b>24,345.86</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	3,238.96	3,252.55
Finance costs	710.95	868.17
Advances/Balances written off	-	59.67
Provision for doubtful receivables	-	(51.19)
Bad debts written off	-	69.88
Fair value gain on investments (net)	382.97	(366.51)
Profit on sale of investments (net)	(1,228.48)	(1,675.87)
Liabilities/provisions no longer required written back	(59.43)	(15.62)
Unrealised foreign exchange (Gain) /loss (net)	(684.71)	(32.98)
Interest income	(3,980.33)	(1,668.78)
Assets written off	-	13.26
(Loss)/Profit on sale of property, plant and equipment (net)	(107.95)	1.84
<b>Operating profit before working capital changes</b>	<b>24,728.37</b>	<b>24,800.29</b>
<b>Changes in working capital:</b>		
Decrease/(Increase) in Inventories	2,485.31	(6,314.41)
Decrease/(Increase) in loans and trade receivables	1,146.91	(3,750.19)
(Increase)/Decrease in other financial and non-financial assets	(2,211.83)	741.88
(Decrease)/Increase in trade payables	(1,637.95)	4,648.09
Increase in lease liabilities, other financial liabilities, non-financial liabilities and provisions	2,325.19	2,904.66
<b>Cash generated from operations</b>	<b>26,835.99</b>	<b>23,030.31</b>
Income tax paid (net of refunds)	(7,032.31)	(5,219.18)
<b>Net cash flow from operating activities (A)</b>	<b>19,803.68</b>	<b>17,811.13</b>
<b>B. Cash flow from investing activities</b>		
Towards property, plant and equipment including capital work in progress, Right of Use assets and Investment Property	(1,699.93)	(1,667.50)
Proceeds from Sales (Net of adjustment) of property, plant and equipment	438.30	90.82
Deposits matured/made during the year (net)	-	3.44
Investment in shares of Subsidiary Company	(1,285.94)	1.02
Investment in bonds, debentures and mutual funds (net)	(19,799.70)	(15,842.80)
Loans & advances given to Subsidiary Company	(2,922.79)	(96.48)
Repayment loans & advances by Subsidiary Company	-	506.42
Rental income finance lease	72.00	-
Interest income	3,925.91	693.03
<b>Net cash flow used in investing activities (B)</b>	<b>(21,272.15)</b>	<b>(16,312.06)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of unsecured short term borrowings	-	(2.45)
Payment of lease liabilities (principal and interest)	(195.32)	(38.77)

# Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Finance costs	(408.39)	(843.76)
<b>Net Cash outflow from Financing Activities (C)</b>	<b>(603.71)</b>	<b>(884.98)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(2,072.18)</b>	<b>614.09</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,503.54</b>	<b>2,889.45</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,431.36</b>	<b>3,503.54</b>

## Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Components of cash and cash equivalents:

(₹ in Lakhs)

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash on hand	15.65	11.81
Deposits having original maturity of less than 3 months	933.87	2,400.00
Balance with banks in current accounts	481.84	1,091.73
<b>Balance as per Statement of Cash Flows</b>	<b>1,431.36</b>	<b>3,503.54</b>

As per our Report of even date  
For **MSKA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
Sheela Foam Limited  
CIN: L74899DL1971PLC005679

**Manish P Bathija**  
Partner  
Membership No.: 216706

**Rahul Gautam**  
Managing Director  
DIN:00192999

**Tushaar Gautam**  
Whole Time Director  
DIN:01646487

**Nikhil Ghanashyam Datye**  
Chief Financial Officer

Place: Gurugram  
Date: May 12, 2022

Place: Noida  
Date: May 12, 2022

**Md. Iqebal Ahmad**  
Company Secretary  
Membership No.: A20921

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## 1. COMPANY INFORMATION

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

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

The standalone financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 12, 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of Compliance and Basis of Preparation

#### a. Basis of Preparation

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

The standalone financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value (refer accounting policy regarding financial instruments).

#### b. Functional and presentation currency

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

#### c. Current versus non-current classification

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

An asset is classified as current when it is

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

All other assets are classified as non-current.

A liability is classified as current when it is

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

All other liabilities are classified as non-current.

Deferred tax assets and liabilities:

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

Operating Cycle:

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

#### d. Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the standalone financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

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

Refer below for detailed discussion on estimates and judgments:

**i. Useful lives of Property Plant and Equipment**

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

**ii. Retirement benefit obligation**

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations. The mortality rate is based on publically available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 43.

**iii. Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range

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

**iv. Fair value measurement of financial instrument**

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

**v. Impairment of Financial assets**

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

**vi. Impairment of Non-Financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. Where the carrying

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

## 2.2 Property, Plant & Equipment

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by management, in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto ₹5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

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

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

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of assets.

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

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

## 2.3 Investment Property

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



# Notes to Standalone Financial Statements

for the year ended march 31, 2022

value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

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

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

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

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

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

## 2.4 Investment in Subsidiaries

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

## 2.5 Financial Instruments

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

### (i) Financial Assets

#### (a) Initial recognition and measurement

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

#### (b) Classification and subsequent measurement

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

- a. at amortized cost;
- b. at fair value through other comprehensive income (FVTOCI); and
- c. at fair value through profit and loss (FVTPL)

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

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

#### (1) Financial assets measured at amortized cost:

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

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

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

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

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

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

- Business Model Test: The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test: The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

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

Fair Value through Profit and Loss is a residual category. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or fair value through

other comprehensive income is classified as FVTPL. Financial instruments included in FVTPL category are measured initially as well as at each reporting period at fair value. Fair value movements i.e. gain or loss and interest income are recorded in Statement of Profit and Loss. This category comprises of investments in mutual funds and market linked debentures.

(c) **Impairment of financial assets**

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

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

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

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

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

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits, employee loans, etc.
- Financial assets that are debt instruments and are measured at FVTOCI.

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

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

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

#### **(d) Derecognition of financial assets**

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

- a. The rights to receive cash flows from the asset have been expired/transferred; or
- b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### **(ii) Financial Liabilities**

##### **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

##### **Subsequent measurement**

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

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

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

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

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

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

##### **Borrowings & Security Deposits**

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

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

## Financial Guarantee Contract

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

## Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

## Derecognition

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

### (iii) Offsetting of financial instruments:

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

## 2.6 Inventories

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and

net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, first-in-first-out cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the first-in-first-out and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first-in-first-out.

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

The comparison of cost and net realizable value is made on item-by-item basis.

## 2.7 Cash and Cash Equivalents

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

## 2.8 Impairment of Non-Financial Assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

## 2.9 Provisions and Contingent Liabilities

### a) Provisions

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

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

### b) Contingent Liabilities

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

## 2.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised when the control of the goods is transferred to the customer, which is generally on the delivery of the goods, the associated costs and the amount of revenue can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Company. It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates, goods and service tax collected on behalf of the government and amount collected on behalf of its customers.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed. Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities" as "Contract Liabilities".

### Other revenue streams:

Interest income on fixed deposits is recognized on time proportion basis taking into account the amount outstanding and applicable interest rates. Interest income is included under the head "other income" in the Statement of Profit and Loss.

Insurances claims are recognised to the extent the Company is reasonably certain of their ultimate receipt.

Dividend income on investments is recognized when the right to receive dividend is established if any.

Other income/revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and it can be reliably measured.

## 2.11 Government Grants / Subsidy

Government Grants are recognized when there is no significant uncertainty regarding the ultimate collection. 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.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## 2.12 Employee Benefits

### a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short-term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc, are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### b. Long Term Benefit

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

### c. Post-Employment Benefits

#### i. Defined contribution plan:

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

#### ii. Employee's State Insurance Scheme:

Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

#### iii. Defined benefit plan

Gratuity: The company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount

based on the respective employee's salary. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise. Liability is funded through a separate Gratuity Trust. The short/ excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

## 2.13 Leases

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

### Company as a lessee

The group's lease asset classes primarily consist of leases for warehouse & facilities. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i)

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

the contract involves the use of an identified asset (ii) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## **Company as a lessor**

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

## **2.14 Foreign Currency Transactions**

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

Non- monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions.

## **2.15 Taxation**

Tax expense for the year comprises of Current Tax and Deferred Tax are included in the determination of the net profit or loss for the year.

### **a. Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount

are those that are enacted or substantively enacted, at the reporting date.

### **b. Deferred Tax**

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

## **2.16 Dividend Distribution:**

The Company recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Company and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

## **2.17 Earnings per Share:**

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

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

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## 2.18 Statement of Cash flows:

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

## 2.19 Contributed Equity:

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 2.20 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022

## 2.21 Standards that became effective during the year

The Company has applied certain amendments that became effective during the year which are discussed below:

### a) **Amendments to Ind AS consequential to Conceptual Framework under Ind AS**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS. includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based

Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments have no impact on the financial statements of the Company.

### b) **Ind AS 116: COVID-19 related rent concessions**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments have no impact on the financial statements of the Company.

### c) **Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

In the definition of "Recoverable amount" the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments have no impact on the financial statements of the Company.



# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Land - freehold	Buildings (Including Roads & Lanes)	Plant & Equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical fittings	Total property, plant and equipment	Capital work in progress
<b>At cost or deemed cost</b>									
<b>As at April 1, 2020</b>	1,248.92	13,141.93	17,681.83	1,151.45	973.75	1,502.16	852.71	36,552.74	1,652.58
Additions	461.00	1,598.96	796.62	43.99	81.66	142.78	120.64	3,245.65	728.84
Disposals/transfer	(10.90)	(40.39)	(104.58)	(1.35)	(65.42)	(12.59)	(12.90)	(248.12)	(2,264.36)
<b>As at March 31, 2021</b>	<b>1,699.02</b>	<b>14,700.50</b>	<b>18,373.86</b>	<b>1,194.10</b>	<b>989.99</b>	<b>1,632.35</b>	<b>960.45</b>	<b>39,550.27</b>	<b>117.06</b>
Additions	-	41.45	975.80	78.84	280.27	221.23	9.63	1,607.21	2,300.54
Disposals/transfer *	-	(9.09)	(598.34)	(2.08)	(85.38)	(13.68)	(2.62)	(711.19)	(2,353.82)
<b>As at March 31, 2022</b>	<b>1,699.02</b>	<b>14,732.86</b>	<b>18,751.32</b>	<b>1,270.85</b>	<b>1,184.88</b>	<b>1,839.90</b>	<b>967.46</b>	<b>40,446.30</b>	<b>63.78</b>
<b>Accumulated depreciation</b>									
<b>As at April 1, 2020</b>	-	3,416.18	6,014.45	357.15	413.55	583.82	351.48	11,136.64	-
Depreciation charge for the year	-	856.05	1,702.33	151.64	171.68	233.50	80.40	3,195.60	-
Disposals/adjustments	-	(14.73)	(63.38)	(1.58)	(44.01)	(7.50)	(6.14)	(137.34)	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>4,257.50</b>	<b>7,653.41</b>	<b>507.21</b>	<b>541.22</b>	<b>809.81</b>	<b>425.74</b>	<b>14,194.89</b>	<b>-</b>
Depreciation charge for the year	-	1,047.44	1,559.13	129.72	134.34	180.74	74.32	3,125.70	-
Disposals/adjustments	-	(1.46)	(302.31)	(1.46)	(60.56)	(9.64)	(0.41)	(375.84)	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>5,303.49</b>	<b>8,910.23</b>	<b>635.47</b>	<b>615.00</b>	<b>980.91</b>	<b>499.66</b>	<b>16,944.76</b>	<b>-</b>
<b>Net carrying amount</b>									
<b>As at March 31, 2021</b>	<b>1,699.02</b>	<b>10,443.00</b>	<b>10,720.46</b>	<b>686.88</b>	<b>448.78</b>	<b>822.54</b>	<b>534.70</b>	<b>25,355.39</b>	<b>117.06</b>
<b>As at March 31, 2022</b>	<b>1,699.02</b>	<b>9,429.38</b>	<b>9,841.10</b>	<b>635.38</b>	<b>569.88</b>	<b>858.98</b>	<b>467.80</b>	<b>23,501.54</b>	<b>63.78</b>

\*Capital work in progress 'Disposal' includes ₹ 1,819 lakhs ( March 31,2021: Nil) sold to its wholly owned subsidiary International Comfort Technologies Private Limited.

### Notes:

- Property, plant and equipment has been pledged as security amounted ₹15,600 lakhs.
- Refer note 50 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.
- Capital Work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

	March 31, 2022				March 31, 2021				
	Amount in CWIP				Amount in CWIP				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress as at March 31, 2022/ March 31, 2021)	63.78	-	-	-	63.78	117.06	-	-	117.06

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 4 : RIGHT OF USE ASSETS

Particulars	(₹ in Lakhs)		
	Leasehold land	Buildings	Total
<b>Cost</b>			
At April 1, 2020	2,046.03	114.77	2,160.80
Additions	-	-	-
Disposal/Transfer	-	82.80	82.80
<b>As at March 31, 2021</b>	<b>2,046.03</b>	<b>31.97</b>	<b>2,078.00</b>
Additions	173.52	275.49	449.01
Disposal/Transfer	549.46	-	549.46
<b>As at March 31, 2022</b>	<b>1,670.09</b>	<b>307.46</b>	<b>1,977.55</b>
<b>Depreciation</b>			
At April 1, 2020	20.13	28.86	48.99
Charge for the year	21.53	15.05	36.58
Disposals during the year	-	(22.56)	(22.56)
<b>As at March 31, 2021</b>	<b>41.66</b>	<b>21.35</b>	<b>63.01</b>
Charge for the year	19.51	72.01	91.52
Disposals	12.10	-	12.10
<b>As at March 31, 2022</b>	<b>49.07</b>	<b>93.36</b>	<b>142.43</b>
<b>Net book value as at March 31, 2021</b>	<b>2,004.37</b>	<b>10.63</b>	<b>2,014.98</b>
<b>Net book value as at March 31, 2022</b>	<b>1,621.02</b>	<b>214.10</b>	<b>1,835.12</b>

## NOTE 5 : INVESTMENT PROPERTY

Particulars	(₹ in Lakhs)			
	Leasehold land	Freehold land	Buildings	Total
<b>Cost</b>				
At April 1, 2020	68.47	-	385.48	453.95
Additions	-	10.90	46.82	57.72
Disposal/Transfer	-	-	-	-
<b>As at March 31, 2021</b>	<b>68.47</b>	<b>10.90</b>	<b>432.30</b>	<b>511.67</b>
Additions	-	-	-	-
Disposal/Transfer	-	-	-	-
<b>As at March 31, 2022</b>	<b>68.47</b>	<b>10.90</b>	<b>432.30</b>	<b>511.67</b>
<b>Depreciation</b>				
At April 1, 2020	3.64	-	85.21	88.85
Transfer during the year	-	-	18.01	18.01
Charge for the year	0.91	-	19.46	20.37
Disposals during the year	-	-	-	-
<b>As at March 31, 2021</b>	<b>4.55</b>	<b>-</b>	<b>122.68</b>	<b>127.23</b>
Charge for the year	0.91	-	20.83	21.74
Disposals	-	-	-	-
<b>As at March 31, 2022</b>	<b>5.46</b>	<b>-</b>	<b>143.51</b>	<b>148.97</b>
<b>Net book value as at March 31, 2021</b>	<b>63.92</b>	<b>10.90</b>	<b>309.62</b>	<b>384.44</b>
<b>Net book value as at March 31, 2022</b>	<b>63.01</b>	<b>10.90</b>	<b>288.79</b>	<b>362.70</b>

### Notes:

- Refer 'Para- 2.3' of Significant Accounting Policies' for depreciation and measurement of investment property.
- The leasehold land has been amortised during the year by ₹ 0.91 lakhs (Previous Year : ₹ 0.91 lakhs) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

c. Income from investment property

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Rental Income derived from investment property	214.73	188.86
Profit arising from investment property before depreciation	214.73	188.86
(Less): Depreciation for the year	(21.74)	(20.37)
<b>Net Profit arising from investment property</b>	<b>192.99</b>	<b>168.49</b>

- d. The Company has obtained independent valuation for its investment properties at ₹2,591.31 Lakhs as on 31<sup>st</sup> March 2022 and ₹ 1,946.90 as on March 31,2021. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that Company shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.
- e. There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.
- f. The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.
- g. The Company's Investment Properties are given on cancellable lease for a period 0-10 years.

## NOTE 6: INVESTMENTS IN SUBSIDIARIES

Particulars	(₹ in Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
<b>Investment in equity shares (Unquoted, at cost) (fully paid up)</b>				
Joyce Foam Pty. Limited of Aud \$ 10/- each	658,500	2,306.59	658,500	2,306.59
Divya Software Solutions (P) Ltd. of ₹ 10/- each	94,633	7,602.00	94,633	7,602.00
Sleepwell Enterprises (P) Ltd. of ₹ 10/- each	10,500	109.20	10,500	109.20
International Foam Technologies SL, Spain of Euro 1/-each	12,003,000	9,638.86	12,003,000	11,352.93
Staquo World Pvt. Ltd of ₹ 10/- each	10,000	0.73	10,000	0.73
International comfort Technologies Private Limited of ₹ 10/- each	100,000	10.00	-	-
<b>Total</b>	<b>12,876,633</b>	<b>19,667.38</b>	<b>12,776,633</b>	<b>21,371.45</b>
Aggregate amount of Unquoted Investments		<b>19,667.38</b>		<b>21,371.45</b>
Aggregate amount of impairment in value of investments		-		-

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 6.1 : INFORMATION ABOUT SUBSIDIARIES

Name of the Company and Country of Incorporation	Principal Activities	(₹ in Lakhs)	
		(% of Shareholding)	
		As at March 31, 2022	As at March 31, 2021
Joyce Foam Pty. Limited, Australia	Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers)	100	100
Divya Software Solutions (P) Ltd., India	Software development and related ancillary activities	100	100
Sleepwell Enterprises (P) Ltd., India	Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon	100	100
International Foam Technologies SL, Spain	To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam	100	100
Staqo World Pvt. Ltd., India	Information technology and related ancillary activities	100	100
International comfort Technologies Private Limited, India	Manufacturer of mattresses supplied to domestic & overseas customers	100	100

## NOTE 7 : INVESTMENTS IN PREFERENCE SHARES

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.	Amount	No.	Amount
	<b>Investment in preference shares (Unquoted, at cost) (fully paid up)</b>			
International comfort Technologies Private Limited of ₹ 10/- each	29,900,000	2,990.00	-	-
	<b>29,900,000</b>	<b>2,990.00</b>	-	-
Aggregate amount of Unquoted Investments		2,990.00		-
Aggregate amount of impairment in value of investments		-		-

## NOTE 8 : OTHER INVESTMENTS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>In Bonds &amp; Debentures - fully paid up</b>		
Carried at amortised cost - Unquoted	0.35	0.35
Carried at fair value through other comprehensive income - Quoted	47,876.02	30,359.64
Carried at fair value through Profit & Loss - Unquoted	5,006.80	-
<b>Total Investments</b>	<b>52,883.17</b>	<b>30,359.99</b>
<b>Aggregate amount of Quoted Investments</b>	<b>47,876.02</b>	<b>30,359.64</b>
<b>Market value of Quoted Investments</b>	<b>47,876.02</b>	<b>30,359.64</b>
<b>Aggregate amount of Unquoted investment</b>	<b>5,007.15</b>	<b>0.35</b>
<b>Aggregate amount of impairment in value of investments</b>	-	-

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 9 : LOANS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>		
Loans to employees	7.60	13.18
Loan to Subsidiaries (refer note 44)	7,770.40	4,847.61
<b>Total</b>	<b>7,778.00</b>	<b>4,860.79</b>

## NOTE 10 : OTHER FINANCIAL ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>		
Security deposits	371.90	206.96
Deposits with Banks:		
- held as margin money	1.34	1.34
- others	-	3.41
Interest accrued but not due on deposits with Banks	-	1.04
Lease receivable (refer note 45B)	1,429.22	-
<b>Total</b>	<b>1,802.46</b>	<b>212.75</b>

## NOTE 11 : NON CURRENT TAX ASSETS (NET)

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision of ₹24,690.64 lacs & (March 31,2021 ₹ 24,207.35 lacs))	445.33	32.41
<b>Total</b>	<b>445.33</b>	<b>32.41</b>

## NOTE 12 : OTHER NON CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>		
Capital advances*	181.20	225.12
Prepaid rent	38.82	39.26
Loan & advances	40.00	-
<b>Total</b>	<b>260.02</b>	<b>264.38</b>

\*Value of Contracts in capital account remaining to be executed (refer note 50)

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 13 : INVENTORIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Valued at lower of cost and net realisable value unless otherwise stated)</b>		
Raw material	8,999.79	11,230.50
Raw Material (In Transit)	2,702.45	3,786.44
Work-in-progress	4,912.92	5,122.10
Finished goods	1,281.82	1,075.13
Stock-in-trade	840.21	138.23
Packing Material	726.38	633.94
Packing Material (In Transit)	54.88	14.30
Stores and spares	797.06	694.98
Stores & spares (In Transit)	31.10	136.30
<b>Total</b>	<b>20,346.61</b>	<b>22,831.92</b>

Inventories held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company.

## NOTE 14 : INVESTMENTS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>In Bonds &amp; Debentures - fully paid up</b>		
Carried at fair value through profit and loss- Quoted	-	1,308.06
Carried at fair value through other comprehensive income - Quoted	-	3,212.45
<b>In Mutual Funds - fully paid up</b>		
Carried at fair value through profit and loss- Quoted	8,398.45	6,079.82
<b>Total Investments</b>	<b>8,398.45</b>	<b>10,600.33</b>
<b>Aggregate amount of Quoted Investments</b>	<b>8,398.45</b>	<b>10,600.33</b>
<b>Aggregate market value of Quoted Investments</b>	<b>8,398.45</b>	<b>10,600.33</b>
<b>Aggregate amount of Unquoted investment</b>	-	-
<b>Aggregate amount of impairment in value of investment</b>	-	-

## NOTE 15 : TRADE RECEIVABLES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(At amortised cost)</b>		
<b>Unsecured</b>		
Trade receivables - considered good (Refer note below)	15,163.44	16,304.60
Trade receivables - considered doubtful	58.97	58.97
<b>Trade receivables (gross)</b>	<b>15,222.41</b>	<b>16,363.57</b>
Less: Impairment allowance for trade receivables considered doubtful	(58.97)	(58.97)
<b>Total</b>	<b>15,163.44</b>	<b>16,304.60</b>
<b>Further classified as</b>		
Receivable from related parties (refer note 44)	198.81	144.79
Receivable from others	14,964.63	16,159.81
	<b>15,163.44</b>	<b>16,304.60</b>

### Note :

- No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

- b. Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.
- c. The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company tracks changes in expected credit loss on trade receivables based on overdue outstanding exposure, expected default rate and basis exposure is secured/unsecured. ECL impairment loss allowance (or reversal) recognised during the year is recognised in the Statement of Profit and Loss.

## Movement in the expected credit loss allowance

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	58.97	110.16
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	(51.19)
<b>Balance at the end of the year</b>	<b>58.97</b>	<b>58.97</b>

- e. Refer note 48 for information about credit and market risk of trade receivables.
- f. Realization from trade receivables held by company are subject to hypothecation by bankers towards working capital limits obtained by the company.
- g. Below is the ageing analysis of trade receivables

## As on March 31, 2022

Particulars	(₹ in Lakhs)						Total
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
(i) Undisputed trade receivables							
- considered good	7,702.42	7,352.16	67.32	6.92	2.97	28.86	15,160.65
- which have significant increase in credit	-	-	-	-	-	-	-
(iii) Disputed trade receivables							
- considered good	-	-	-	2.80	-	-	2.80
- which have significant increase in credit	-	7.94	1.35	5.35	33.25	11.08	58.97
<b>Total</b>	<b>7,702.42</b>	<b>7,360.09</b>	<b>68.67</b>	<b>15.07</b>	<b>36.22</b>	<b>39.94</b>	<b>15,222.41</b>

## As on March 31, 2021

Particulars	(₹ in Lakhs)						Total
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
(i) Undisputed trade receivables							
- considered good	10,712.10	5,382.92	44.59	63.26	45.58	-	16,248.45
- which have significant increase in credit	-	-	-	-	-	-	-
(iii) Disputed trade receivables							
- considered good	-	-	-	45.03	11.12	-	56.15
- which have significant increase in credit	-	34.90	0.22	-	23.85	-	58.97
<b>Total</b>	<b>10,712.10</b>	<b>5,417.83</b>	<b>44.81</b>	<b>108.29</b>	<b>80.55</b>	<b>-</b>	<b>16,363.57</b>

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 16 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balance with banks :		
Current accounts	481.84	1,091.73
Fixed deposits account with an original maturity of less than three months	933.87	2,400.00
Cash on hand	15.65	11.81
<b>Total</b>	<b>1,431.36</b>	<b>3,503.54</b>

### Note:

- There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.
- Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

## NOTE 17 : OTHER BANK BALANCES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deposits having original maturity more than 3 months but less than 12 months:	31.58	47.63
<b>Total</b>	<b>31.58</b>	<b>47.63</b>

### Note:

Other bank balances represents fixed deposits invested with banks.

## NOTE 18 : LOANS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>		
Loans to employees	55.07	55.24
Inter-corporate deposits	500.00	500.00
<b>Total</b>	<b>555.07</b>	<b>555.24</b>

## NOTE 19 : OTHER CURRENT FINANCIAL ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Interest accrued but not due on deposits with Banks, bonds and debentures	1,983.16	686.78
Interest accrued on loan given to subsidiary company ( Refer note 44)	83.27	125.26
Insurance claim receivable	0.11	-
Lease receivable (refer note 45B)	212.51	-
Other loans & advances (refer note below)	646.54	56.91
<b>Total</b>	<b>2,925.59</b>	<b>868.95</b>

### Note:

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



# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 20 : OTHER CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Advance to contractors/suppliers	651.87	971.43
Balances with Statutory/Government authorities:		
- Excise & Custom	16.24	2.85
- GST	213.41	4.37
- VAT/Sales Tax	486.14	478.95
GST refund receivable	-	550.33
Prepaid expenses	322.32	299.99
Lease equalisation	66.33	62.73
Income tax refund	15.33	15.33
Employee benefit assets (Refer note 43)	-	29.52
Right to recover return goods*	166.14	-
<b>Total</b>	<b>1,937.78</b>	<b>2,415.50</b>

\*- In certain cases, the Company provides its customers right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Company recognises Liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).

## NOTE 21 : EQUITY SHARE CAPITAL

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(a) Authorised share capital:</b>		
8,80,21,000 fully paid equity shares of ₹ 5 each (March 31, 2021 : 8,80,21,000 fully paid equity shares of ₹ 5 each)	4,401.05	4,401.05
	4,401.05	4,401.05
<b>Issued, subscribed &amp; paid up share capital:</b>		
4,87,82,808 fully paid equity shares of ₹ 5 each (March 31, 2021 : 4,87,82,808 equity shares of ₹ 5 each)	2,439.14	2,439.14
<b>Total</b>	<b>2,439.14</b>	<b>2,439.14</b>

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	48,782,808	2,439.14	48,782,808	2,439.14
Issued during the year	-	-	-	-
Outstanding at the end of the year	48,782,808	2,439.14	48,782,808	2,439.14

### c) Terms and rights attached to equity shares

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

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

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

	As at March 31, 2022		As at March 31, 2021	
	Number	% of holding	Number	% of holding
Sh. Rahul Gautam	6,209,485	12.73%	6,209,485	12.73%
Smt. Namita Gautam	5,715,879	11.72%	5,715,879	11.72%
Sh. Tushaar Gautam	17,086,314	35.03%	17,086,314	35.03%
Rangoli Resorts Private Limited	6,563,391	13.45%	6,563,391	13.45%
SBI Magnum Midcap Fund	4,384,301	8.99%	4,356,390	8.93%
DSP Midcap Fund	2,438,196	5.00%	2,855,425	5.85%
Kotak Emerging Equity Scheme	3,084,942	6.32%	2,773,731	5.69%

Note: As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

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

(f) Shareholding of promoters & promoter group

Shares held by promoters at the end of the year	As at March 31, 2022		As at March 31, 2021	
	Number	% of holding	Number	% of holding
<b>Promotor name</b>				
Sh. Rahul Gautam	6,209,485	12.73%	6,209,485	12.73%
Smt. Namita Gautam	5,715,879	11.72%	5,715,879	11.72%
Sh. Tushaar Gautam	17,086,314	35.03%	17,086,314	35.03%
Rangoli Resorts Private Limited	6,563,391	13.45%	6,563,391	13.45%
Core Mouldings Private Limited	12,018	0.02%	12,018	0.02%
<b>Total</b>		<b>72.95%</b>		<b>72.95%</b>

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

## NOTE 22 : OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve (Refer note a below)	328.57	328.57
General reserve (Refer note b below)	1,716.27	1,716.27
Retained earnings	116,468.47	96,853.34
<b>Total</b>	<b>118,513.31</b>	<b>98,898.18</b>
<b>Retained earnings</b>		
Opening balance	96,853.34	78,528.47
Net profit for the year	19,731.48	18,114.96
Remeasurements of the net defined benefit plans (net of tax)	(358.74)	135.03
Fair value gain on investments (net of tax)	242.39	74.88
<b>Closing balance</b>	<b>116,468.47</b>	<b>96,853.34</b>

Note:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve.

(b) General reserve

The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 23 : LEASE LIABILITY

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liability (refer note 45A)	1,939.84	199.19
<b>Total</b>	<b>1,939.84</b>	<b>199.19</b>
Current	113.12	8.50
Non current	1,826.72	190.69

## NOTE 24 : OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	(₹ in Lakhs) As at March 31, 2021
Deposits from dealers and others	4,941.19	4,449.92
Unearned Interest Income on deposits from dealers	66.00	521.45
Unearned Rent Income	26.89	46.76
<b>Total</b>	<b>5,034.08</b>	<b>5,018.13</b>

## NOTE 25 : PROVISIONS

Particulars	As at March 31, 2022	(₹ in Lakhs) As at March 31, 2021
<b>Long term provisions:</b>		
Provision for employee benefits:		
- Compensated absences	364.26	266.89
- Gratuity	603.04	-
Other provisions:		
- Provision for warranty (Refer note below)	441.02	195.24
<b>Total (A)</b>	<b>1,408.32</b>	<b>462.13</b>
<b>Short term provisions:</b>		
Provision for employee benefits:		
- Compensated absences	9.35	8.38
Other provisions:		
- Provision for warranty (Refer note below)	238.31	426.83
<b>Total (B)</b>	<b>247.66</b>	<b>435.21</b>
<b>Grand total (A+B)</b>	<b>1,655.98</b>	<b>897.34</b>

### Note:

#### Provision for warranty:

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

Particulars	As at March 31, 2022	(₹ in Lakhs) As at March 31, 2021
At the beginning of the year	622.07	631.31
Created during the year	983.10	498.57
Utilised during the year	925.84	507.81
<b>At the end of the year</b>	<b>679.33</b>	<b>622.07</b>

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 26 : OTHER NON CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deferred capital grant income	22.70	25.54
<b>Total</b>	<b>22.70</b>	<b>25.54</b>

## NOTE 27 : DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities (net)	482.45	828.98
<b>Total</b>	<b>482.45</b>	<b>828.98</b>

### Movement of deferred tax (assets)/liabilities

Particulars	Opening balance	Recognised in profit or loss account	Closing balance
<b>Deferred tax (assets)/ liabilities in relation to</b>			
<b>As at March 31, 2022</b>			
Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes.	796.34	(479.71)	316.63
Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis	(32.60)	(258.42)	(291.02)
Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net)	69.24	(6.76)	62.48
Lease liabilities (net)	(4.00)	391.94	387.94
Others	-	6.43	6.43
<b>Total</b>	<b>828.98</b>	<b>(346.52)</b>	<b>482.46</b>

Particulars	Opening balance	Recognised in profit or loss account	Closing balance
<b>As at March 31, 2021</b>			
Impact of difference between tax depreciation and depreciation /amortization charged for financial reporting purposes.	852.92	(56.58)	796.34
Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis	(244.13)	211.53	(32.60)
Fair value gain/(loss) on financial instruments at fair value through statement of profit or loss (Net)	75.20	(5.96)	69.24
Lease liabilities (net)	(5.34)	1.34	(4.00)
<b>Total</b>	<b>678.65</b>	<b>150.33</b>	<b>828.98</b>

## NOTE 28 : TRADE PAYABLES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Trade payables other than acceptances:</b>		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 55)	444.61	1,168.31
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	20,503.08	22,161.47
<b>Total</b>	<b>20,947.69</b>	<b>23,329.78</b>

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

Note:

- Trade payables due to related parties are disclosed in note no. 44
- Trade payables are non interest bearing and are normally settled on 60 days to 90 days credit terms.
- Ageing Analysis for Trade payables

## As on March 31, 2022

Particulars	Unbilled Dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	more than 3 years	
(i) MSME	-	444.61	-	-	-	-	444.61
(ii) Others	4,891.36	15,577.11	30.45	0.68	3.49	-	20,503.08
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>4,891.36</b>	<b>16,021.72</b>	<b>30.45</b>	<b>0.68</b>	<b>3.49</b>	<b>-</b>	<b>20,947.69</b>

## As on March 31, 2021

Particulars	Unbilled Dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	more than 3 years	
(i) MSME	-	1,168.31	-	-	-	-	1,168.31
(ii) Others	5,401.57	16,720.80	18.36	20.74	-	-	22,161.47
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>5,401.57</b>	<b>17,889.11</b>	<b>18.36</b>	<b>20.74</b>	<b>-</b>	<b>-</b>	<b>23,329.78</b>

## NOTE 29 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Creditors for capital goods	63.28	258.21
Deposits from dealers and others	3,996.74	3,400.95
Unearned Interest Income on deposits from dealers	63.99	142.85
Unearned Rent Income	6.87	9.52
<b>Total</b>	<b>4,130.88</b>	<b>3,811.53</b>

## NOTE 30 : OTHER CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Refund liabilities	265.82	-
Deferred capital grant income	2.82	2.83
Contract Liabilities*	5,576.16	5,246.28
Statutory dues payable	1,368.51	1,404.43
<b>Total</b>	<b>7,213.31</b>	<b>6,653.54</b>

\*Consist of advances received from customers towards supply of products.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 31 : REVENUE FROM OPERATIONS

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sale of products (refer note below)</b>	211,650.38	168,789.15
Sale of services	605.13	436.95
	<b>212,255.51</b>	<b>169,226.10</b>
<b>Other operating revenue</b>		
-Job Work Services	4.25	-
-Rodtep incentive scheme	9.11	-
-Income from sale of process scrap	175.12	159.92
<b>Total</b>	<b>212,443.99</b>	<b>169,386.02</b>

Note:

- a. Includes sale of finished goods and semi-finished goods and services to related parties (Refer note 44).

## NOTE 31.1 : DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Company's revenue from contracts with customers

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Geographical Revenue</b>		
<b>Type of goods</b>		
Revenue from external customers	211,650.38	168,789.15
Total revenue from contracts with customers		
India	207,065.02	167,120.19
Outside India	4,585.36	1,668.96
	<b>211,650.38</b>	<b>168,789.15</b>
<b>Type of services ( IT Support Services)</b>		
Revenue from external customers	605.13	436.95
Total revenue from contracts with customers		
India	179.45	17.76
Outside India	425.68	419.19
	<b>605.13</b>	<b>436.95</b>
<b>Total revenue from contracts with customers</b>	<b>212,255.51</b>	<b>169,226.10</b>

## NOTE 31.2 : CONTRACT LIABILITIES : MOVEMENT IN CONTRACT LIABILITIES DURING THE YEAR

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	
Opening Balances	5,246.28	
Less: Revenue recognised during the year	73,702.14	
Add: Amount of consideration received during the year (net of adjustments)	74,032.03	
<b>Closing Balances</b>	<b>5,576.17</b>	

Note:

- a. Contract liabilities consist of advances received from customers towards supply of products

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 31.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contracted price (goods and services)	217,616.54	174,484.66
Less: Adjustments		
Sales return	1,260.72	1,816.42
Rebate and discount	4,100.31	3,442.14
<b>Revenue from contracts with customers</b>	<b>212,255.51</b>	<b>169,226.10</b>

## NOTE 31.4 : PERFORMANCE OBLIGATIONS

The performance obligation for sale of product is satisfied upon on dispatch and payment is generally due within 0 to 45 days from delivery.

The performance obligation for sale of services is satisfied over the period of time as per contract with customers.

## NOTE 32 : OTHER INCOME

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income from:		
Bank deposits	7.33	20.31
Bonds	3,713.11	1,041.83
Loan given to subsidiary companies (refer note 44)	170.42	296.80
Inter corporate deposit	45.00	45.00
Others	44.46	264.84
Guarantee commision (refer note 44)	107.17	-
Rental income (refer note below)	239.21	219.86
Gain on sale/disposal of fixed assets	107.95	-
Liabilities/provisions no longer required written back	59.43	15.62
Income from sale of Investments (Mutual funds & Bonds)	1,228.48	1,675.87
Fair valuation adjustments of Investments designated as FVTPL (refer note b)	-	366.51
Investment Subsidy received	2.84	2.83
Sale of non-process scrap	572.20	378.22
Net gain on foreign currency transactions and translations	684.71	392.54
Other miscellaneous income	40.07	23.05
<b>Total</b>	<b>7,022.38</b>	<b>4,743.28</b>

Note:

- Includes rental income of ₹214.73 lakhs (March 31,2021: ₹188.86 lakhs) from Investment property (refer note 5).
- FVTPL of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 33 : COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Raw material</b>		
Opening inventory	15,016.93	6,987.14
Add: Purchases	118,759.23	100,118.53
Less: Sales/adjustments	4,445.35	3,520.03
Less: Closing inventory (including goods in transit of ₹ 2,702.45 lakhs (March 31, 2021: ₹ 3,786.44 lakhs))	11,702.24	15,016.93
<b>Raw material consumed</b>	<b>117,628.56</b>	<b>88,568.71</b>
<b>Packing Material</b>		
Opening inventory	648.24	572.55
Add: Purchases	8,389.09	7,732.55
Less: Sales/adjustments	765.08	567.49
Less: Closing inventory (including goods in transit of ₹ 54.88 lakhs (March 31, 2021: ₹ 14.30 lakhs))	781.26	648.24
<b>Packing material consumed</b>	<b>7,490.98</b>	<b>7,089.37</b>
<b>Cost of material consumed</b>	<b>125,119.54</b>	<b>95,658.08</b>

## NOTE 34 : PURCHASE OF STOCK IN TRADE

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses	5,331.06	1,799.48
<b>Total</b>	<b>5,331.06</b>	<b>1,799.48</b>

## NOTE 35 : OTHER MANUFACTURING EXPENSES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Power and fuel	755.30	650.53
Repair and maintenance:		
- Buildings	119.29	168.67
- Plant and equipment	906.46	775.47
Processing and other charges	1,620.77	1,046.82
<b>Total</b>	<b>3,401.82</b>	<b>2,641.49</b>

## NOTE 36 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Closing stock:</b>		
Finished goods	1,281.82	1,075.13
Stock in trade	840.21	138.23
Work-in-progress	4,912.92	5,122.10
Right to recover return goods	166.14	-
	<b>7,201.09</b>	<b>6,335.46</b>



# Notes to Standalone Financial Statements

for the year ended march 31, 2022

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Opening stock:</b>		
Finished goods	1,075.13	1,175.41
Stock in trade	138.23	710.34
Work-in-progress	5,122.10	3,600.01
Right to recover return goods	-	-
	6,335.46	5,485.76
<b>Changes in inventories of finished goods, Stock in Trade and work in progress</b>	<b>(865.63)</b>	<b>(849.70)</b>

## NOTE 37 : EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Salaries, wages, allowance, and other benefits	11,275.92	10,257.99
Contribution to gratuity (refer note 43)	167.29	212.37
Contribution to provident and other funds	654.37	614.99
Workmen and staff welfare	1,090.43	886.76
<b>Total</b>	<b>13,188.01</b>	<b>11,972.11</b>

## NOTE 38 : FINANCE COSTS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Interest expense:</b>		
- Security deposits	523.06	754.33
-On lease liabilities	112.83	28.00
-Others	50.77	74.39
Bank Charges	24.29	11.31
<b>Total</b>	<b>710.95</b>	<b>868.03</b>

## NOTE 39 : DEPRECIATION AND AMORTISATION EXPENSE

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Depreciation of property, plant and equipment (Refer Note 3)	3,125.70	3,195.60
Depreciation on right-of-use assets (Refer Note 4)	91.52	36.58
Depreciation on investment property (Refer note 5)	21.74	20.37
<b>Total</b>	<b>3,238.96</b>	<b>3,252.55</b>

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 40 : OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
IT Support services	1,320.00	1,170.00
Bad debts	-	18.69
Advances/Balances written off	34.18	59.67
Freight and forwarding	9,203.50	8,038.23
Rent and hire	151.30	150.04
Insurance	463.81	412.76
Rates and taxes	32.03	32.88
Legal and professional	657.30	489.22
Other Maintenance	975.65	738.26
Investment written off	-	1.02
Selling and promotion	19,031.77	15,443.62
Travelling and conveyance	861.44	685.31
Loss on sale/disposal of fixed assets	5.11	1.84
Warranty	983.10	498.57
Advertisement	6,379.10	4,536.31
Property, Plant & Equipment written off	-	13.26
Contributions towards CSR (refer note 56)	457.53	489.55
Fair value loss for Investments designated as FVTPL	382.97	-
Miscellaneous	1,946.48	1,662.17
<b>Total</b>	<b>42,885.27</b>	<b>34,441.40</b>

## NOTE 40.1 : AUDITOR'S REMUNERATION INCLUDED IN LEGAL AND PROFESSIONAL CHARGES (EXCLUDING GST)

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Statutory audit (including limited review)*	36.00	29.04
Certification*	2.00	3.54
Out of pocket expenses*	1.00	0.75
<b>Total</b>	<b>39.00</b>	<b>33.33</b>

Includes ₹ 5.43 lakhs (Previous Year: ₹33.33 lakhs) paid to erstwhile auditors.

## NOTE 41. EARNINGS PER SHARE

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Profit for the year attributable to Equity shareholders	19,731.48	18,114.96
Earnings used in the calculation of basic earnings per share	19,731.48	18,114.96
Earnings used in the calculation of diluted earnings per share	19,731.48	18,114.96

Particulars	(₹ in Lakhs)	
	As at March 31, 2022 (Numbers in lakhs)	As at March 31, 2021 (Numbers in lakhs)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	487.83	487.83

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
	(₹ per share)	(₹ per share)
Basic and diluted earnings per share	40.45	37.13

**NOTE 42 :** There are no title deeds of Immovable Properties, which not held in name of the Company.

## NOTE 43 : EMPLOYEE BENEFITS

### A. Defined contribution plans

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 654.37 lakhs (Previous Year: ₹ 614.99 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's contribution towards Provident Fund(PF)	564.52	529.84
Employer's contribution towards Employees State Insurance (ESI)	55.03	53.43
Employer's contribution towards National Pension Scheme (NPS)	34.82	31.72
<b>Total (Refer Note 37)</b>	<b>654.37</b>	<b>614.99</b>

### B. Long Term Benefit

#### Long service award

Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year an amount of ₹146.01 lakhs (Previous Year: ₹ 121.89 lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

### C. Defined benefit plans

#### Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 is being maintained by Sheela Foam Employees gratuity trust. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. This plan is governed by the Payment of Gratuity Act 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	7.51%	7.08%
Future salary increase/salary escalation	7.00%	5.00%
Retirement age (years)	60	60
Employee turnover		
18 to 30 years	3.00%	3.00%
From 31 to 45 years	2.00%	2.00%
Above 45 years	1.00%	1.00%

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## Notes:

- i. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- ii. Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

## Quantitative sensitivity analysis for significant assumptions as at March 31 2022 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<b>Discount rate</b>		
Increase by 1.00%	(270.71)	(198.06)
Decrease by 1.00%	314.81	233.77
<b>Salary increase</b>		
Increase by 1.00%	313.27	236.36
Decrease by 1.00%	(274.26)	(203.45)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

## Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Service cost:		
Current service cost	163.82	185.05
Past service cost and (gain)/loss from settlements	-	
Net interest expense	3.47	27.32
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>167.29</b>	<b>212.37</b>
Remeasurement on the net defined benefit liability:		
Actuarial (gains) / losses arising from changes in financial assumptions	483.82	(63.98)
Actuarial (gains) / losses arising from experience adjustments	(9.79)	(100.18)
Return on Plan Asset (Excluding Interest)	5.37	(16.29)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>479.40</b>	<b>(180.45)</b>
<b>Total</b>	<b>646.69</b>	<b>31.92</b>

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

The current service cost and the net interest expense for the year are included in the 'Employee benefit expenses' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

**The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of funded defined benefit obligation	2,441.60	1,821.02
Fair value of plan assets	(1,838.54)	(1,850.54)
<b>Net liability arising from defined benefit obligation</b> Refer Note 25 (Previous Year Note 20)	<b>603.06</b>	<b>(29.52)</b>

**Movements in the present value of the defined benefit obligation are as follows:**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	1,821.01	1,891.60
Current service cost	163.82	185.05
Interest cost	128.92	128.25
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in financial assumptions	483.82	(63.98)
Actuarial gains and losses arising from experience adjustments	(9.79)	(100.18)
Benefits paid	(77.68)	(217.66)
<b>Closing defined benefit obligation</b>	<b>2,510.10</b>	<b>1,823.08</b>

**Change in plan assets are as follows:**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	1,850.52	1,488.68
Return on plan assets	125.46	100.93
Fund management charges		
Employer contribution	5.00	402.95
Actuarial (Gain)/Loss on Asset	5.37	(16.29)
Benefits paid	(147.81)	(125.73)
<b>Closing fair value of plan assets</b>	<b>1,838.54</b>	<b>1,850.54</b>

**The major categories of plan assets:**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Fund managed by insurer	1,838.54	1,850.54
<b>Total</b>	<b>1,838.54</b>	<b>1,850.54</b>

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

**Maturity profile of gratuity liability is as follows:**

Year	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
0 to 1 year	51.90	63.58
1 to 2 Year	43.76	81.46
2 to 3 Year	55.29	42.72
3 to 4 Year	102.16	55.60
4 to 5 Year	151.93	96.75
5 Year onwards	2,036.56	1,480.90
<b>Expected contribution to the fund in next year.</b>	<b>823.87</b>	<b>134.31</b>

## NOTE 44 : RELATED PARTY TRANSACTIONS

**(A) Names of related parties and nature of relationship are given below :**

Relationship	Name of the party
A. Subsidiary companies (wholly owned)	Joyce Foam Pty Ltd., Australia
	Divya Software Solutions (P) Ltd., India
	Sleepwell Enterprises Pvt. Ltd., India
	International Foam Technologies SL, Spain
	Staqa World Pvt. Ltd., India
	International Comfort Technologies Private Limited., India
B. Entities in which Key Management Personnel or their Relatives have significance influence	Rangoli Resorts Pvt. Ltd.
	Core Moulding Pvt. Ltd.
	Sleepwell Foundation (Trust)
C. Key management personnel	Mr. Rahul Gautam (Managing Director)
	Mr. Rakesh Chahar (Wholetime Director)
	Mrs. Namita Gautam (Wholetime Director)
	Mr. Tushaar Gautam (Wholetime Director)
D. Step-down Subsidiary:	Interplasp, SL, Spain, (Subsidiary of International Foam Technologies SL, Spain)
	Joyce WC NSW PTY Limited (Subsidiary of Joyce Foam Pty Ltd., Australia)

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## (B) Transactions during the year

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(i) Purchase of material / capital goods</b>		
Subsidiaries/Step-down subsidiary		
Joyce Foam Pty Ltd., Australia	0.16	0.81
International Comfort Technologies Private Limited., India	315.96	-
Interplasp, SL, Spain,	144.98	4.39
	<b>461.10</b>	<b>5.20</b>
<b>(ii) Sale of material/ capital goods</b>		
Subsidiaries/Step-down subsidiary		
Joyce Foam Pty Ltd., Australia	29.57	241.70
International Comfort Technologies Private Limited., India	3,062.56	-
Interplasp, SL, Spain,	193.71	104.07
Sleepwell Enterprises Pvt. Ltd., India	-	3.46
	<b>3,285.84</b>	<b>349.23</b>
Related entities		
Sleepwell Foundation (Trust)	0.36	0.33
	<b>3,286.20</b>	<b>349.56</b>
<b>(iii) Sale of IT support services</b>		
Subsidiary		
Joyce Foam Pty Ltd., Australia	425.68	419.18
	<b>425.68</b>	<b>419.18</b>
<b>(iv) Purchase of IT Support Services</b>		
Subsidiary		
Staquo World Pvt. Ltd., India	1,320.00	1,170.00
	<b>1,320.00</b>	<b>1,170.00</b>
<b>(v) Rent received</b>		
Subsidiaries		
International Comfort Technologies Private Limited., India	73.70	-
Divya Software Solutions (P) Ltd., India	0.05	0.18
Sleepwell Enterprises Pvt. Ltd., India	0.05	0.18
	<b>73.80</b>	<b>0.36</b>
<b>(vi) Royalty paid</b>		
Subsidiary		
Sleepwell Enterprises Pvt. Ltd., India	10.00	10.00
	<b>10.00</b>	<b>10.00</b>
<b>(vii) Investment made</b>		
Subsidiary		
International Comfort Technologies Private Limited., India		
- Equity share capital	10.00	-
-Convertible Preference share capital	2,990.00	-
	<b>3,000.00</b>	<b>-</b>

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(viii) Key management personnel</b>		
Compensation of Key management personnel		
Short-term Employee Benefits	1,107.55	1,025.44
Post Employment Benefits	13.56	12.97
	<b>1,121.11</b>	<b>1,038.41</b>
<b>(ix) Rent paid</b>		
Subsidiaries		
Divya Software Solutions (P) Ltd., India	12.00	12.00
Sleepwell Enterprises Pvt. Ltd., India	33.21	7.07
	<b>45.21</b>	<b>19.07</b>
<b>(x) Contributions for CSR expenses</b>		
Related entities		
Sleepwell Foundation (Trust)	315.00	325.00
	<b>315.00</b>	<b>325.00</b>
<b>(xi) Loan to subsidiary companies</b>		
International Comfort Technologies Private Limited., India	10,800.00	-
International Foam Technologies SL, Spain	-	209.43
	<b>10,800.00</b>	<b>209.43</b>
<b>(xii) Short term advances to subsidiary company</b>		
International Foam Technologies SL, Spain	-	96.48
	-	<b>96.48</b>
<b>(xiii) Repayment of short-term advances/Loans by subsidiary companies</b>		
International Foam Technologies SL, Spain	125.26	506.42
International Comfort Technologies Private Limited., India	9,600.00	-
	<b>9,725.26</b>	<b>506.42</b>
<b>(xiv) Interest on loan given to subsidiary companies</b>		
International Comfort Technologies Private Limited., India	87.15	-
International Foam Technologies SL, Spain	83.27	296.80
	<b>170.42</b>	<b>296.80</b>
<b>(xv) Guarantee Commission received</b>		
Subsidiary		
Joyce Foam Pty Ltd., Australia	107.17	-
	<b>107.17</b>	-
<b>(xvi) Corporate guarantee given during the year</b>		
Subsidiary		
International Comfort Technologies Private Limited., India	7,600.00	-
	<b>7,600.00</b>	-



# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## (C) Balances outstanding at the end of the reporting period

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(i) Subsidiary/step-down subsidiary</b>		
<b>Trade payable</b>		
International Comfort Technologies Private Limited., India	3.22	-
Staqo World Pvt. Ltd., India	-	425.49
	<b>3.22</b>	<b>425.49</b>
<b>Trade receivable</b>		
Joyce Foam Pty Ltd., Australia	135.73	126.53
Interplasp, SL, Spain,	63.08	18.26
	<b>198.81</b>	<b>144.79</b>
<b>Investments</b>		
Joyce Foam Pty Ltd., Australia	2,306.59	2,306.59
Divya Software Solutions (P) Ltd., India	7,602.00	7,602.00
Sleepwell Enterprises Pvt. Ltd., India	109.20	109.20
International Foam Technologies SL, Spain	9,638.86	11,352.93
Staqo World Pvt. Ltd., India	0.73	0.73
International Comfort Technologies Private Limited., India		-
- Equity share capital	10.00	-
- Convertible Preference share capital	2,990.00	-
	<b>22,657.38</b>	<b>21,371.45</b>
<b>Loan to subsidiary companies</b>		
Short term advances to subsidiary company		
International Foam Technologies SL, Spain	6,570.40	4,847.61
International Comfort Technologies Private Limited., India	1,200.00	-
	<b>7,770.40</b>	<b>4,847.61</b>
<b>Interest accrued on loan give to subsidiary company</b>		
International Foam Technologies SL, Spain	83.27	125.26
	<b>83.27</b>	<b>125.26</b>
<b>Financial /Corporate guarantees (refer note b below)</b>		
Joyce Foam Pty Ltd., Australia	8,249.95	2,672.56
International Foam Technologies SL, Spain	13,450.90	15,251.17
International Comfort Technologies Private Limited., India	7,600.00	-
	<b>29,300.85</b>	<b>17,923.73</b>
<b>Post employee benefit plan for the benefitted employees</b>		
SFL Employee Gratuity Trust	<b>603.06</b>	<b>(29.52)</b>

### Notes:

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end for trade payable/receivable are unsecured and interest free and loan balances carry interest, further settlements occurs in cash. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

- b. Details of financial/Corporate guarantees given are as below:
- Company has given a Corporate guarantee of AUD 20 million on April 09, 2021 towards term loan granted by Citi Bank, Australia for its subsidiary company Joyce Foam Pty Ltd., Australia.
  - Company has given financial guarantee of EURO 20 million on September 25, 2019 towards term loan granted by Citi Bank, Spain for its subsidiary company International Foam Technologies SL, Spain.
  - Company has given Corporate guarantee of INR 7000 lacs each on January 18, 2022 and January 19, 2022 towards term loan granted by Kotak Mahindra bank and JP Morgan Chase Banks respectively for its subsidiary company International Comfort Technologies Private Limited, India.

## NOTE 45 : DISCLOSURES AS PER IND AS 116 'LEASES'

### (A) Company as lessee

- (i) The Company's significant leasing arrangements are in respect of the following assets:
- (a). The Company has lease of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 9 years.

- (ii) The carrying amounts of lease liabilities and the movements during the year:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
As at April 1, 2021	199.19	281.99
Additions	1,896.94	-
Accretion of interest	112.83	14.36
Deletion	43.46	68.44
<b>Closing liability as at March 31, 2022</b>	<b>1,939.84</b>	<b>199.19</b>
Current	113.12	8.50
Non current	1,826.72	190.69
	<b>1,939.84</b>	<b>199.19</b>

- (iii) Maturity analysis of the lease liabilities:

Contractual undiscounted cash flows	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
3 months or less	78.92	-
3-12 months	241.74	29.75
1-2 years	336.66	23.65
2-5 years	778.35	61.35
More than 5 years	1,564.31	1,523.74
<b>Total undiscounted lease liability</b>	<b>2,999.98</b>	<b>1,638.49</b>
Less: Impact of discounting and other adjustments	1,060.14	1,439.30
<b>Lease liability as at March 31, 2022</b>	<b>1,939.84</b>	<b>199.19</b>

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Finance cost	112.83	28.00
Depreciation and amortisation expense	91.52	36.58
Expenses relating to short term leases	151.30	150.04

(v) The following are the amounts disclosed in the Statement of Cash Flows:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash outflow from leases	195.32	14.36

## (B) Company as lessor

(i) The Company has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

Land & Factory Building situated at Sikkim	The lease agreement was executed on 1 <sup>st</sup> December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is ₹ 158.40 lakhs (Previous year: ₹ 153.12 lakhs).
Residential Flat situated at Greater Noida	The lease agreement was executed w.e.f. 15 <sup>th</sup> September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is ₹ 7.20 lakhs (Previous year: ₹ 7.08 lakhs).
Land & Factory Building situated at Silvassa	The lease agreement was executed w.e.f. 31 <sup>st</sup> August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is ₹ 49.13 lakhs (Previous year: 28.66 lakhs ).

(ii) During the year the Company has entered agreement to lease its property at Nandigram to its subsidiary company for a term of 9 years.

(iii) The carrying amounts of lease receivables and the movements during the year:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
As at April 1, 2021	-	-
Additions	1,659.31	-
Accretion of interest	54.42	-
Deletion	(72.00)	-
<b>Closing liability as at March 31, 2022</b>	<b>1,641.73</b>	-
Current	212.51	-
Non current	1,429.22	-
	<b>1,641.73</b>	-

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

(iv) Maturity analysis of the lease assets:

	(₹ in Lakhs)	
<b>Contractual undiscounted cash flows</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
3 months or less	51.83	-
3-12 months	160.68	-
1-2 years	223.14	-
2-5 years	738.63	-
More than 5 years	1,008.21	-
<b>Total undiscounted lease asset</b>	<b>2,182.49</b>	-
Less: Impact of interest accruals	(540.76)	-
<b>Lease receivable as at March 31, 2022</b>	<b>1,641.73</b>	-

(v) The following are the amounts recognised in the Statement of Profit and Loss:

	(₹ in Lakhs)	
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Interest income	54.43	-

(vi) The following are the amounts disclosed in the Statement of Cash Flows:

	(₹ in Lakhs)	
<b>Particulars</b>	<b>For the year ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>
Cash inflow from leases	72.00	-

## NOTE 46 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1.The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

2.Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

## NOTE 47 : FAIR VALUE HIERARCHY

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

### Fair Value measurement hierarchy of Assets:

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
<b>Financial Assets measured at fair value through profit and loss</b>					
Other Investments	March 31, 2022	13,405.25	8,398.45	-	5,006.80
<b>Financial Assets measured at fair value through other comprehensive income</b>					
Other Investments	March 31, 2022	47,876.02	-	47,876.02	-
<b>Financial Assets measured at amortized cost</b>					
Investment in preference shares		2,990.00	-	-	2,990.00
Other Investments		0.35	-	-	0.35
Loans		8,333.07	-	-	8,333.07
Trade receivables	March 31, 2022	15,163.44	-	-	15,163.44
Cash and cash equivalents		1,431.36	-	-	1,431.36
Bank balances other than cash and cash equivalents		31.58	-	-	31.58
Other financial assets		4,728.04	-	-	4,728.04

Assets for which Fair Values are disclosed:	March 31, 2022	March 31, 2021
Investment Property	2,591.31	1,946.90

### Fair Value measurement hierarchy of Liabilities:

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
<b>Financial liabilities measured at amortized cost</b>					
Lease liabilities	March 31, 2022	1,939.84	-	-	1,939.84
Trade payables		20,947.69	-	-	20,947.69
Other financial liabilities		9,164.96	-	-	9,164.96

## Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

### Fair Value measurement hierarchy of Assets:

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
<b>Financial Assets measured at fair value through profit and loss</b>					
Other Investments	March 31, 2021	7,387.88	7,387.88	-	-
<b>Financial Assets measured at fair value through other comprehensive income</b>					
Other Investments	March 31, 2021	33,572.09	-	33,572.09	-
<b>Financial Assets measured at amortized cost</b>					
Other Investments		0.35	-	-	0.35
Loans		5,416.03	-	-	5,416.03
Trade receivables	March 31, 2021	16,304.60	-	-	16,304.60
Cash and cash equivalents		3,503.54	-	-	3,503.54
Bank balances other than cash and cash equivalents		47.63	-	-	47.63
Other financial assets		1,081.70	-	-	1,081.70

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## Fair Value measurement hierarchy of Liabilities:

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
<b>Financial liabilities measured at amortized cost</b>					
Lease liabilities	March 31, 2021	199.19	-	-	199.19
Trade payables		23,329.78	-	-	23,329.78
Other financial liabilities		8,829.66	-	-	8,829.66

## NOTE 48 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise of deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. Further, the Company has financial risk / exposure of financial guarantees given to the banks towards security against the loans taken by its subsidiaries, however, considering that there is no expected credit losses, there is no financial liability as at the yearend on this account. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021.

### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company is exposed to foreign currencies such as "USD", "AED", "AUD", "GBP" and "Euro".

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
Trade payables	USD	(1,961.53)	(1,155.46)
	EURO	(47.79)	(208.94)
	GBP	(19.28)	(6.20)
	AUD	(0.16)	-
Advance From Customers	USD	(147.84)	(85.99)
Trade receivables	USD	178.82	168.29
	AUD	135.89	126.53
	EURO	59.39	-
Advance to vendors	EURO	0.12	39.88
	GBP	-	356.05
	USD	104.57	104.71
Loan to Subsidiary Company	EURO	6,570.40	4,847.61
Bank balance	USD	1.36	-
	AED	0.11	-
<b>Net assets / (liabilities)</b>		<b>4,874.06</b>	<b>4,186.48</b>

## Foreign currency sensitivity analysis

The Company is mainly exposed to USD, EURO, GBP and AUD . The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

## Foreign currency sensitivity

Currency	%	As at March 31, 2022	%	As at March 31, 2021
USD	2%	(40.70)	2%	(15.57)
	-2%	40.70	-2%	15.57
EURO	3%	203.15	5%	228.18
	-3%	(203.15)	-5%	(228.18)
GBP	2%	(0.41)	5%	17.57
	-2%	0.41	-5%	(17.57)
AUD	4%	5.25	9%	11.95
	-4%	(5.25)	-9%	(11.95)

## (ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises mainly of interest-bearing deposits with dealers, however, these are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

## (iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Company has entered into

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

## b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

### (i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

### (ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-current assets</b>		
- Other Investments	52,883.17	30,359.99
- Loans	7,778.00	4,860.79
- Other non-current financial assets	1,802.46	212.75
<b>Current assets</b>		
- Other Investments	8,398.45	10,600.33
- Trade receivables	15,163.44	16,304.60
- Cash and cash equivalents	1,431.36	3,503.54
- Bank balances other than cash and cash equivalents	31.58	47.63
- Loans	555.07	555.24
- Other current financial asset	2,925.59	868.95
<b>Total</b>	<b>90,969.12</b>	<b>67,313.81</b>



# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## (c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be very low

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments

Particulars	Less than 1 Year	More than 1 Year	Total
<b>Year ended March 31, 2022</b>			
Trade payables	20,947.70	-	20,947.70
Other financial liabilities	4,130.88	5,034.08	9,164.96
	25,078.58	5,034.08	30,112.65
<b>Year ended March 31, 2021</b>			
Trade payables	23,329.78	-	23,329.78
Other financial liabilities	3,811.53	5,018.13	8,829.66
	27,141.31	5,018.13	32,159.44

## NOTE 49: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. There is no debt in the company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022, 31 March 2021 and 1 April 2020.

## NOTE 50 : COMMITMENTS FOR EXPENDITURE

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹ 181.20 & March 31,2021: ₹ 225.12)	379.12	3,454.69
	<b>379.12</b>	<b>3,454.69</b>

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 51 : CONTINGENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Claims against the company not acknowledged as debt (refer note below)		
Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards		
- Sales tax	480.99	888.28
- Entry tax	194.11	165.24
- Income tax	439.12	447.57
- Excise Duty	410.57	380.46
(b) Guarantees given by the Bankers on behalf of the Company to third parties	56.19	43.04
(c) Other money for which the company is contingently liable	75.00	75.00

### Note:

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

## NOTE: 52 DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

Name of the Investee	Nature of Transaction	Purpose for which it is utilized	2021-22		2020-21	
			During the Year	Outstanding Balance	During the Year	Outstanding Balance
<b>Wholly Owned Subsidiaries</b>						
Joyce Foam Pty. Ltd., Australia,	Investment	Manufacturing of technical foam supplied to Business to Business customers (mattress and furniture manufacturers) in Australia	-	2,306.59	-	2,306.59
	Financial Guarantee given	Corporate guarantee given to bank for security towards long term working capital facility availed by the said Subsidiary.	-	8,249.95	-	2,672.56
Divya Software Solutions Pvt. Ltd., India	Investment	Engaged in Software development and related ancillary activities	-	7,602.00	-	7602
			-	-	-	-
Sleepwell Enterprises Pvt. Ltd., India	Investment	The Company, which is holding ownership of Sleepwell and other brands related to foam, mattress & other products.	-	109.20	-	109.2
International Foam Technologies SL, Spain	Investment	To invest in a running Company in Spain, engaged in manufacturing of Polyurethane Foam.	-	9,638.86	-	11352
	Financial Guarantee		-	13,450.90	-	15,251.16
	Loans	Upfront fees paid on behalf of Subsidiary on account of Loan taken from Citi Bank Spain and other advance.	-	6,570.40	209.44	4,847.61
	Advance		-	-	(409.34)	409.34
SleepX US Inc. USA Wholly Owned Subsidiary (investment w.e.f. 04.10.2019 and dissolved on 29.03.2021)	Investment	Marketing of the products of the Company in USA.	-	-	1.02 (Written off on dissolution)	-
Staqo World Pvt. Ltd., India Wholly Owned Subsidiary , (w.e.f. 10.02.2020)	Investment	To carry on business of Information technology and related ancillary services.	-	0.73	-	0.73
International comfort Technologies Private Limited (w e f.01-10-2021)	Investment in equity shares	Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers)	10.00	10.00	-	-
	Investment in preference shares		2,990.00	2,990.00	-	-
	Loan		1,200.00	1,200.00	-	-
	Corporate Guarantee	Corporate guarantee given to bank for security towards long term term loan facility availed by the said Subsidiary.	7,600.00	7,600.00	-	-

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 53 : SEGMENT INFORMATION

### Operating segment information

The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments.

### Geographical information

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue from external customer</b>		
Sale of products & services		
Within India	207,244.47	167,137.95
Outside India	5,011.04	2,088.15
<b>Total revenue</b>	<b>212,255.51</b>	<b>169,226.10</b>

The revenue information is based on location of customer.

### Non-current operating assets

The Company has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

## NOTE 54 : TRANSFER PRICING

The Company has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the group companies for the financial year ended March 31, 2022 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2021 has been obtained and there are no adverse comments requiring adjustments.

## NOTE 55 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under:		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier.		
Principal amount:	444.61	1,168.31
Interest:	-	-
(ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year).	-	-
(iv) The amount of interest accrued and remaining unpaid for the year ending.	-	-
(v) The amount of further interest remaining due and payable for the earlier years.	-	-

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company. Further, the amount payable to these parties is not overdue hence no interest is required to provided/accrued as at March 31, 2022 and March 31, 2021

II The credit period for purchase of goods and services are normally up to 30 days. No interest is chargeable on trade payables.

# Notes to Standalone Financial Statements

for the year ended March 31, 2022

## NOTE 56 : CORPORATE SOCIAL RESPONSIBILITY

As per provisions of Section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent as per section 135 of the Act	409.07	372.91
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	409.07	372.91
b) <b>Amount approved by the Board to be spent during the year</b>	457.53	489.55
c) <b>Amount spent during the year on</b>		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	457.53	489.55
d) <b>Details related to amount spent .</b>		
Contribution to Sleepwell Foundation Trust	315.00	325.00
Spent on Health Support , Promoting education including employment enhancing vocational skills.	142.53	164.55
	457.53	489.55
e) <b>Details of CSR expenditure in respect of other than ongoing projects</b>		
Balance unspent as at opening	-	-
Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	-	-
Amount required to be spent during the year	457.53	489.55
Amount spent during the year	457.53	489.55
Balance unspent as at closing	-	-
f) Corporate social responsibility expenses of company are managed by related party -Sleepwell foundation (refer note no. 44 )		

## NOTE 57 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at balance sheet date:

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		Amount in foreign currency	In INR	Amount in foreign currency	In INR
Trade payables	USD	25.34	(1,961.53)	15.37	(1,155.46)
	EURO	0.55	(47.79)	2.47	(208.94)
	GBP	0.19	(19.28)	0.06	(6.20)
	AUD	0.00	(0.16)	-	-
Advance From Customers	USD	1.91	(147.84)	1.14	(85.99)
Trade receivables	USD	2.42	178.82	2.27	168.29
	AUD	2.47	135.89	2.33	126.53
	EURO	0.72	59.39	-	-
Advance to vendors	EURO	0.00	0.12	0.48	39.88
	GBP	-	-	3.63	356.05
	USD	1.41	104.57	1.46	104.71
Loan to Subsidiary Company	EURO	80.00	6,570.40	80.00	4,847.61
Bank balance	AED	590.00	0.11	-	-
	USD	1,830.00	1.36	-	-

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 58 : INCOME TAX RECOGNISED IN PROFIT OR LOSS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Current tax</b>		
In respect of current year	7,054.57	6,193.49
Tax expenses related to earlier years	(22.27)	(42.32)
	<b>7,032.30</b>	<b>6,151.17</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(346.52)	150.33
	(346.52)	150.33
Total income tax expense recognised in the current year	<b>6,685.78</b>	<b>6,301.50</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Profit before tax (Including Other comprehensive income)</b>	<b>26,300.90</b>	<b>24,626.37</b>
Income tax expense calculated at 25.168%	6,619.41	6,197.97
Effect of expenses that are not deductible in determining taxable profit	115.15	-
Effect of difference in tax rates	(39.25)	-
Others	12.74	145.85
	<b>6,708.05</b>	<b>6,343.82</b>
Adjustments recognised in the current year in relation to tax of prior years	(22.27)	(42.32)
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>6,685.78</b>	<b>6,301.50</b>
<b>Effective Tax Rate</b>	<b>25.42%</b>	<b>25.59%</b>

## NOTE 59 : THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 60 : DISCLOSURE FOR SPECIFIC RATIOS

Particulars	Formula	Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021	Variance	Reasons for variances
		Numerator	Denominator				
Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories+Financial assets+ Other current assets	Current Liabilities= Financial Liabilities+Short Term Provisions+ Current Tax Liabilities+Other current liabilities	1.56	1.67	7%	
Debt equity Ratio	Debt / Equity	Non current borrowings+ Current Liabilities	Equity share capital + Other Equity	-	-	-	
Trade payable turnover Ratio	Net Credit Purchases / Average Trade Payables	Net credit purchases =Cost of material consumed +Purchase of traded goods +Other manufacturing expenses +Changes in inventories of finished goods , traded goods & work in progress	Average Trade Payables =Total outstanding dues of micro enterprises and small enterprises+ Total outstanding dues of creditors other than micro enterprises and small enterprises	6.35	4.25	33%	Improvements in payable turnover ratio is due to reduction in payable repayment time
Net capital turnover Ratio	Revenue / Average Working Capital	Revenue =Revenue from operations	Average working Capital= Current asset -Current Liability	22.69	10.35	54%	There is improvement in Capital turnover ratio due to increase in total revenue of the company & optimum utilisation of working capital .
Debt Service coverage ratio	Net Operating Income / Debt Service	Net Operating Income = Total comprehensive income for the year + Finance costs + Depreciation and amortisation expense	Debt service=Finance costs + Lease payments + Principal payments	0.03	0.04	-16%	
Net Profit Ratio	Net Profit / Net Sales	Net Profit = Total comprehensive income for the year	Net Sales =Revenue from operations	0.09	0.11	-17%	
Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Total comprehensive income for the year	Shareholders Equity=Total Equity	0.16	0.18	-12%	
Return on capital employed	EBIT / Capital Employed	EBIT= Profit before tax + Finance costs	Capital Employed = Total assets -current liabilities	0.21	0.23	-12%	
Inventory turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of goods sold =Cost of material consumed +Purchase of traded goods +Other manufacturing expenses +Changes in inventories of finished goods , traded goods & work in progress	Average Inventory=( Opening Inventory + Closing Inventory )/2	6.16	5.04	18%	
Return on investment	Net Profit / Net Investment	Net Profit= Profit before tax + Finance costs	Net Investment = Total Equity + Current borrowings + Non Current borrowings	0.22	0.25	11%	
Trade receivables turnover ratio	Net Credit Sales / Average Trade Receivables	Net Credit sales =Revenue from operations	Average Trade Receivables =Trade Receivables	13.50	11.70	-13%	Trade Receivable ratio has decreased indicating higher DSO with debtors

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 61:

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

## NOTE 62 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

## NOTE 63 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The company has not traded or invested in Crypto currency or Virtual currency during the financial year.

## NOTE 64 : UNDISCLOSED INCOME

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

## NOTE 65: DETAILS OF BENAMI PROPERTY HELD

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

## NOTE 66: RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

# Notes to Standalone Financial Statements

for the year ended march 31, 2022

## NOTE 67: RECONCILIATION OF MONTHLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

### 31 March 2022

Month	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the Monthly statement	Amount of difference	Reason for material discrepancies
Apr-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	28,090.01	28,090.01	-	-
May-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	25,909.24	25,909.24	-	-
Jun-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	23,930.09	23,930.09	-	-
Jul-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	24,797.80	24,797.80	-	-
Aug-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	26,151.99	26,151.99	-	-
Sep-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	29,075.37	29,075.37	-	-
Oct-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	32,969.64	32,969.64	-	-
Nov-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	29,760.13	29,760.13	-	-
Dec-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	27,449.27	27,449.27	-	-
Jan-22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	26,551.13	26,551.13	-	-
Feb-22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	25,878.66	25,878.66	-	-
Mar-22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	26,924.84	26,924.84	-	-

### 31 March 2021

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the Monthly statement	Amount of difference	Reason for material discrepancies
Apr-20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	19,479	19,479	-	-
May-20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	17,604	17,604	-	-
Jun-20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	16,686	16,686	-	-
Jul-20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	17,774	17,774	-	-
Aug-20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	19,611	19,611	-	-
Sep-20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	19,934	19,934	-	-
Oct-20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	24,515	24,515	-	-
Nov-20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	26,910	26,910	-	-
Dec-20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	25,824	25,824	-	-
Jan-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	25,748	25,748	-	-
Feb-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	24,489	24,489	-	-
Mar-21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	26,441	26,441	-	-



# Notes to Standalone Financial Statements

for the year ended march 31, 2022

**NOTE 68: THE FOLLOWING DISCLOSURES SHALL BE MADE WHERE LOANS OR ADVANCES IN THE NATURE OF LOANS ARE GRANTED TO PROMOTERS, DIRECTORS, KMPs AND THE RELATED PARTIES (AS DEFINED UNDER COMPANIES ACT, 2013), EITHER SEVERALLY OR JOINTLY WITH ANY OTHER PERSON, THAT ARE:**

Type of Borrower	Particulars			March 31, 2022		March 31, 2021	
	Loans/Advances granted Individually or Jointly with other	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	Amount outstanding	% of Total	Amount outstanding	% of Total
Related Parties (Subsidiary Company)	10,800.00	Yes	Yes	1,200.00	14.40%	-	0.00%
	6,570.40	No	Yes	6,570.40	78.85%	4,847.61	89.50%

## NOTE 69: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

A brief description of the charges or satisfaction	The location of the Registrar	The period (in days or months) by which such charge had to be registered as on March 31, 2022	The period (in days or months) by which such charge had to be registered as on March 31, 2021	Reason for delay in registration
The floating charge is created on current assets including book debt & on Immovable property or any interest therein.	ROC-DELHI	30 days from the certified copy of hypothecation deed execute between bank & company	30 days from the certified copy of hypothecation deed execute between bank & company	There is no delay in registration of Charge.

## NOTE 70 : COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

## NOTE 71: FOLLOWING ARE THE RECLASSIFICATIONS MADE IN THE PREVIOUS YEAR FIGURES TO MAKE THEM COMPARABLE/ BETTER PRESENTATION WITH THE CURRENT YEAR FIGURES:

Particulars	March 31,2021 (Revised)	March 31,2021 (Published)	Nature
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(iii) Other Financial Liabilities	5,018.13	8,444.62	Reclassification items
<b>Current Liabilities</b>			
Trade Payable	23,329.72	16,020.56	Reclassification items
Financial Liabilities			
(iii) Other Financial Liabilities	3,811.53	8,373.06	Reclassification items

The accompanying notes are an integral part of these standalone financial statements.

As per our Report of even date  
For **MSKA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
Sheela Foam Limited  
CIN: L74899DL1971PLC005679

**Manish P Bathija**  
Partner  
Membership No.: 216706

**Rahul Gautam**  
Managing Director  
DIN:00192999

**Tushaar Gautam**  
Whole Time Director  
DIN:01646487

**Nikhil Ghanashyam Datye**  
Chief Financial Officer

Place: Gurugram  
Date: May 12, 2022

Place: Noida  
Date: May 12, 2022

**Md. Iqubal Ahmad**  
Company Secretary  
Membership No.: A20921

# Independent Auditor's Report

To the Members of Sheela Foam Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

We have audited the accompanying consolidated financial statements of Sheela Foam Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our

audit of the consolidated financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### DESCRIPTION OF KEY AUDIT MATTER

#### Impairment of Goodwill

Refer Note 4 to the consolidated financial statements

Group has a Goodwill of INR 25,198.56 lacs as on March 31, 2022. In determining the fair value/ value in use of subsidiaries, the Group has applied judgment in estimating future revenues, operating profit margins, long term growth rate and discount rates. The carrying value of goodwill is tested annually for impairment. The Group performed its annual impairment test of goodwill and determined that there was no impairment.

Due to the significance of the carrying value of goodwill and judgment involved in performing impairment test, we have identified this as a key audit matter.

### DESCRIPTION OF AUDITOR'S RESPONSE

We evaluated the judgement and estimation used by management in recognising the Impairment of Goodwill. Our procedures included, but were not limited to the following:

- a) Obtained an understanding from the management with respect to process and controls followed by the Group to perform annual impairment test related to goodwill;
- b) Obtained the impairment analysis model from the management and reviewed their conclusions;
- c) Tested the inputs used in the Model by examining the underlying data and validating the future projections by comparing past projections with actual results;
- d) Assessed the reasonableness of the assumptions used and appropriateness of the valuation methodology applied. Tested the discount rate and longterm growth rates used in the forecast including comparison to economic and industry forecasts where appropriate;
- e) Reconciled the future operating cash flow forecasts with the business plan approved by the Company's board of directors;
- f) Evaluated the appropriateness of the disclosures made in the consolidated financial statement in

relation to the above as required under applicable accounting standards.

### **INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included

in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

### **OTHER MATTERS**

- a. We did not audit the financial statements of 7 subsidiaries (including 2 step down subsidiaries) whose financial statements reflect total assets of ₹92,917.40 lacs as at March 31, 2022, total revenues of ₹87,715.45 lacs and net cash flows amounting to ₹385.83 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries.

The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- b. The consolidated Ind AS financial statements of the Group for the year ended March 31, 2021, were audited by another auditor whose report dated May 29, 2021 expressed an unmodified opinion on those statements.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act 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 March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There were no pending litigations which would impact the consolidated financial position of the Group. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 52 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 71 to the consolidated financial statements.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India. Refer Note 72 to the consolidated financial statements.
    - iv. (1) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 63 (i) to the consolidated financial statements, no funds have been advanced or loaned or invested

(either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (2) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 63 (ii) to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances

performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder except in case of 4 subsidiaries, as the provisions of the aforesaid section is not applicable to private companies.
3. According to the information and explanations given to us and based on the Company (Auditor's Report) Order, 2020 (hereinafter referred as "CARO reports") issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiaries incorporated in India included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/ Adverse remarks.

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

**Manish P Bathija**  
Partner

Place: Gurugram  
Date: May 12, 2022

Membership No. 216706  
UDIN: 22216706AIVAKH9850

# Annexure A to the Independent Auditor's Report

On even date on the consolidated financial statements of sheela foam limited

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

**Manish P Bathija**  
Partner

Place: Gurugram  
Date: May 12, 2022

Membership No. 216706  
UDIN: 22216706AIVAKH9850

# Annexure B to the Independent Auditor's Report

**Of even date on the consolidated financial statements of sheela foam limited**

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sheela Foam Limited on the consolidated Financial Statements for the year ended March 31, 2022]

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

### **OPINION**

In conjunction with our audit of the consolidated financial statements of Sheela Foam Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective Board of Directors of the Holding company, its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies which are companies incorporated in India.

### **MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

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

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to consolidated financial

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

### **OTHER MATTERS**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Manish P Bathija**

Partner

Membership No. 216706

UDIN: 22216706AIVAKH9850

Place: Gurugram

Date: May 12, 2022



# Consolidated Balance Sheet

as at 31 March, 2022

Particulars	Note no.	(₹ in Lakhs)	
		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	43,547.55	42,997.39
Capital work in progress	3	11,989.21	3,256.49
Intangible Assets	4	25,203.15	26,306.69
Right of use assets	5	13,935.72	14,179.88
Investment property	6	5,617.11	5,905.47
Financial assets			
(i) Other investments	7	52,883.17	30,359.99
(ii) Loans	8	8.47	15.91
(iii) Other financial assets	9	453.61	518.69
Non current tax assets (net)	10	675.35	-
Other non-current assets	11	799.71	264.38
<b>Total non current assets</b>		<b>155,113.05</b>	<b>123,804.89</b>
<b>Current assets</b>			
Inventories	12	31,445.89	31,530.73
Financial assets			
(i) Investments	13	8,938.05	10,701.16
(ii) Trade receivables	14	28,504.18	30,215.33
(iii) Cash and cash equivalents	15	4,081.28	5,736.31
(iv) Other bank balances	16	31.58	73.78
(v) Loans	17	555.07	555.24
(vi) Other financial assets	18	2,637.42	692.79
Other current assets	19	5,938.49	3,625.60
<b>Total current assets</b>		<b>82,131.96</b>	<b>83,130.94</b>
<b>Total assets</b>		<b>237,245.01</b>	<b>206,935.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	20	2,439.14	2,439.14
Other equity	21	136,817.48	115,989.95
<b>Equity attributable to shareholders of the Holding group</b>		<b>139,256.62</b>	<b>118,429.09</b>
Non-controlling Interest		763.33	891.81
<b>Total equity</b>		<b>140,019.95</b>	<b>119,320.90</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	22	22,818.18	13,263.48
(ii) Lease liabilities	23	10,564.79	10,855.07
(iii) Other financial liabilities	24	5,034.08	5,018.13
Long-term provisions	25	2,738.34	623.24
Other non current liabilities	26	22.70	25.54
Deferred tax liabilities (net)	27	183.80	887.87
<b>Total non current liability</b>		<b>41,361.89</b>	<b>30,673.33</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	28	10,957.32	7,299.14
(ii) Lease liabilities	23	2,306.18	2,005.17
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	29	506.29	1,168.31
- Total outstanding dues of creditors other than micro enterprises and small enterprises	29	29,625.31	31,844.25
(iv) Other financial liabilities	30	4,538.64	5,311.60
Short-term provisions	25	250.38	1,468.82
Current tax liabilities (net)	31	-	453.58
Other current liabilities	32	7,679.05	7,390.73
<b>Total current liabilities</b>		<b>55,863.17</b>	<b>56,941.60</b>
<b>Total liabilities</b>		<b>97,225.06</b>	<b>87,614.93</b>
<b>Total equity and liabilities</b>		<b>237,245.01</b>	<b>206,935.83</b>

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For **MSKA & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 105047W

For and on behalf of the Board of Directors of

Sheela Foam Limited

CIN: L74899DL1971PLC005679

**Manish P Bathija**

Partner

Membership No.: 216706

**Rahul Gautam**

Managing Director

DIN:00192999

**Tushaar Gautam**

Whole Time Director

DIN:01646487

**Nikhil Ghanashyam Datye**

Chief Financial Officer

**Md. Iqubal Ahmad**

Company Secretary

Membership No.: A20921

Place: Gurugram

Date: May 12, 2022

Place: Noida

Date: May 12, 2022

# Consolidated Statement of Profit and Loss

for the year ended 31 March, 2022

Particulars	Note no.	(₹ in Lakhs)	
		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Income</b>			
Revenue from operations	33	298,180.84	243,719.22
Other income	34	7,916.32	5,024.30
<b>Total Income</b>		<b>306,097.16</b>	<b>248,743.52</b>
<b>Expenses</b>			
Cost of materials consumed	35	179,850.03	137,684.23
Purchase of stock in trade	36	5,353.84	1,799.48
Other manufacturing expenses	37	6,228.69	4,962.19
Changes in inventories of finished goods, stock-in-trade and work in progress	38	(977.78)	(600.45)
Employee benefits expense	39	25,768.82	23,170.41
Finance costs	40	1,697.31	1,768.27
Depreciation and amortisation expense	41	8,077.73	7,286.72
Other expenses	42	50,462.64	40,288.12
<b>Total Expenses</b>		<b>276,461.28</b>	<b>216,358.97</b>
<b>Profit before tax</b>		<b>29,635.88</b>	<b>32,384.55</b>
<b>Tax expense</b>	61		
Current tax		8,370.60	8,460.28
Tax expenses related to earlier years		(22.04)	(42.32)
Deferred tax (credit)/charge	27	(585.48)	(48.58)
<b>Total tax expense</b>		<b>7,763.08</b>	<b>8,369.38</b>
<b>Profit for the year</b>		<b>21,872.80</b>	<b>24,015.17</b>
<b>Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss Remeasurements of the net defined benefit plans		(506.09)	252.96
(ii) Items that will be reclassified to profit or loss Fair value gain on investments		323.91	100.06
(iii) Income tax effect on these items on (i) & (ii)		47.15	(88.84)
(iv) Exchange differences on translation of foreign operations		(50.04)	1,616.92
		<b>(185.07)</b>	<b>1,881.10</b>
<b>Total comprehensive income for the year</b>		<b>21,687.73</b>	<b>25,896.27</b>
<b>Profit for the year attributable to:</b>			
Shareholders of the Holding Company		21,732.97	23,772.11
Non-controlling Interest		139.83	243.06
		<b>21,872.80</b>	<b>24,015.17</b>
<b>Other Comprehensive Loss for the year attributable to:</b>			
Shareholders of the Holding Company		(185.07)	1,881.10
Non-controlling Interest		-	-
		<b>(185.07)</b>	<b>1,881.10</b>
<b>Total Comprehensive Income for the year attributable to:</b>			
Shareholders of the Holding Company		21,547.90	25,653.20
Non-controlling Interest		139.83	243.06
		<b>21,687.73</b>	<b>25,896.27</b>
Earnings per equity share			
Basic and diluted	43	44.84	49.23

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date  
For **MSKA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
Sheela Foam Limited  
CIN: L74899DL1971PLC005679

**Manish P Bathija**  
Partner  
Membership No.: 216706

**Rahul Gautam**  
Managing Director  
DIN:00192999

**Tushaar Gautam**  
Whole Time Director  
DIN:01646487

**Nikhil Ghanashyam Datye**  
Chief Financial Officer

Place: Gurugram  
Date: May 12, 2022

Place: Noida  
Date: May 12, 2022

**Md. Iquebal Ahmad**  
Company Secretary  
Membership No.: A20921

# Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

## A. EQUITY SHARE CAPITAL

	(₹ in Lakhs)	
	Number of shares	Amount
<b>Balance as at April 01, 2020</b>	48,782,808	2,439.14
Add: Issued during the year	-	-
<b>Balance as at March 31, 2021</b>	<b>48,782,808</b>	<b>2,439.14</b>
Add: Issued during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>48,782,808</b>	<b>2,439.14</b>

## B. OTHER EQUITY

	(₹ in Lakhs)						
Particulars	Retained earnings	Capital reserve	General Reserve	Foreign Currency Translation Reserve	Capital Subsidy	Non-controlling Interest	Total
<b>Balance as at April 01, 2020</b>	86,456.83	1,402.97	1,716.27	(40.95)	-	667.38	90,202.51
Capital Subsidy received during the year	-	-	-	-	56.98	-	56.98
Profit for the year	23,772.11	-	-	-	-	243.06	24,015.16
Dividend paid	(190.66)	-	-	-	-	(45.03)	(235.69)
Foreign Exchange gain on Translation	-	-	-	-	-	26.40	26.40
Other adjustments	0.08	-	-	-	-	-	0.08
Other Comprehensive Gain for the year (net of tax)	264.18	-	-	-	-	-	264.18
Exchange gain on translation (net)	-	961.62	-	1,590.52	-	-	2,552.15
<b>Total comprehensive income for the year</b>	<b>23,845.70</b>	<b>961.62</b>	<b>-</b>	<b>1,590.52</b>	<b>56.98</b>	<b>224.42</b>	<b>26,679.25</b>
<b>Balance as at March 31, 2021</b>	<b>110,302.53</b>	<b>2,364.59</b>	<b>1,716.27</b>	<b>1,549.57</b>	<b>56.98</b>	<b>891.81</b>	<b>116,881.76</b>
Profit for the year	21,732.97	-	-	-	-	139.83	21,872.80
Capital Subsidy received during the year	-	-	-	-	13.59	-	13.59
Dividend paid	(146.02)	-	-	-	-	(226.76)	(372.78)
Foreign Exchange gain on Translation	-	-	-	-	-	-	-
Other adjustments	0.70	-	-	-	-	0.95	1.65
Other Comprehensive Gain for the year (net of tax)	(135.03)	-	-	-	-	-	(135.03)
Exchange gain on translation (net)	-	(1,968.96)	-	1,330.29	-	(42.50)	(681.17)
<b>Total comprehensive income for the year</b>	<b>21,452.62</b>	<b>(1,968.96)</b>	<b>-</b>	<b>1,330.29</b>	<b>13.59</b>	<b>(128.48)</b>	<b>20,699.05</b>
<b>Balance as at March 31, 2022</b>	<b>131,755.15</b>	<b>395.63</b>	<b>1,716.27</b>	<b>2,879.86</b>	<b>70.57</b>	<b>763.33</b>	<b>137,580.81</b>

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date  
For **MSKA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
Sheela Foam Limited  
CIN: L74899DL1971PLC005679

**Manish P Bathija**  
Partner  
Membership No.: 216706

**Rahul Gautam**  
Managing Director  
DIN:00192999

**Tushaar Gautam**  
Whole Time Director  
DIN:01646487

**Nikhil Ghanashyam Datye**  
Chief Financial Officer

Place: Gurugram  
Date: May 12, 2022

Place: Noida  
Date: May 12, 2022

**Md. Iqubal Ahmad**  
Company Secretary  
Membership No.: A20921

# Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
<b>Profit for the year</b>	<b>29,635.88</b>	<b>32,384.55</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	8,077.72	7,286.73
Finance costs	1,697.32	1,768.27
Advances/Balances written off	-	59.67
Provision for doubtful receivables	-	207.39
Bad debts written off	-	69.88
Fair value loss/(gain) on investments (net)	383.00	(366.86)
(Profit) on sale of investments (net)	(1,228.00)	(1,688.03)
Liabilities/provisions no longer required written back	(59.43)	(19.05)
Unrealised foreign exchange loss/(Gain) (net)	256.93	(32.99)
Investment written off	-	1.02
Interest income	(3,759.45)	(1,375.89)
Assets written off	-	13.26
Loss/(Profit) on sale of property, plant and equipment (net)	28.16	(51.93)
<b>Operating profit before working capital changes</b>	<b>35,032.13</b>	<b>38,256.02</b>
<b>Changes in working capital:</b>		
Decrease/(Increase) in Inventories	84.84	(8,844.89)
Decrease/(Increase) in loans and trade receivables	1,718.75	(8,985.13)
(Increase) in other financial and non-financial assets	(4,057.22)	(616.33)
(Increase)/Decrease in trade payables	(3,078.38)	7,652.94
(Decrease)/Increase in lease liabilities, other financial liabilities, non-financial liabilities and provisions	(555.14)	6,111.28
<b>Cash generated from operations</b>	<b>29,144.98</b>	<b>33,573.89</b>
Income tax paid (net of refunds)	(9,430.14)	(8,186.87)
<b>Net cash inflow from operating activities (A)</b>	<b>19,714.84</b>	<b>25,387.02</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment including capital work in progress	(16,345.59)	(6,474.60)
Proceeds from Sales (Net of adjustment) of property, plant and equipment	2,054.84	145.82
Deposits matured/made during the year (net)	-	(70.41)
Investment in bonds, debentures and mutual funds (net)	(19,915.07)	(15,762.81)
Loans & advances given	(40.00)	-
Rental income	1,138.54	643.42
Interest income	2,469.06	691.86
<b>Net cash flow used in investing activities (B)</b>	<b>(30,638.22)</b>	<b>(20,826.72)</b>

# Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>C. Cash flow from financing activities</b>		
Payment of Dividend during the year	(372.73)	(235.69)
Subsidy received during the year	13.59	75.97
Proceeds from Secured long term borrowings	9,587.46	-
Repayment of Secured long term borrowings	-	(2,677.78)
Repayment of Unsecured long term borrowings	(32.77)	(144.28)
Repayment of Unsecured short term borrowings	(5,652.79)	(2.45)
Proceeds from Secured short term borrowings	9,310.96	1,053.09
Proceeds from Unsecured short term borrowings	-	2,627.89
Payment of lease liabilities	(2,445.30)	(2,586.06)
Finance costs	(1,140.07)	(1,345.39)
<b>Net Cash inflow/(outflow) from Financing Activities (C)</b>	<b>9,268.35</b>	<b>(3,234.70)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(1,655.03)</b>	<b>1,325.60</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,736.31</b>	<b>4,410.71</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,081.28</b>	<b>5,736.31</b>

## Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Components of cash and cash equivalents:

	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash on hand	20.95	2,400.00
Deposits having original maturity of less than 3 months	933.87	17.17
Balance with banks in current accounts	3,126.46	3,319.14
<b>Balance as per Statement of Cash Flows</b>	<b>4,081.28</b>	<b>5,736.31</b>

The accompanying notes are an integral part of these consolidated financial statements.

As per our Report of even date  
For **MSKA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
Sheela Foam Limited  
CIN: L74899DL1971PLC005679

**Manish P Bathija**  
Partner  
Membership No.: 216706

**Rahul Gautam**  
Managing Director  
DIN:00192999

**Tushaar Gautam**  
Whole Time Director  
DIN:01646487

**Nikhil Ghanashyam Datye**  
Chief Financial Officer

**Md. Iqbal Ahmad**  
Company Secretary  
Membership No.: A20921

Place: Gurugram  
Date: May 12, 2022

Place: Noida  
Date: May 12, 2022

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## 1. GROUP INFORMATION

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

The Holding Company, pioneered in the manufacturing of polyurethane foams, has eight Subsidiary companies (Joyce Foam Pty. Limited and its Controlled Entity Joyce W C NSW Pty Limited Australia , International Foam Technologies Spain and its Controlled Entity Interplasp S.L ,Divya Software Solutions Private Limited, 'Sleepwell Enterprises Private Limited, International Comfort Technologies Private Limited and Staqa World Pvt. Ltd'). The accompanying Consolidated Financial Statements relate to Sheela Foam Limited ('the Holding Company') and its eight Subsidiary companies (together referred as "the Group").

The consolidated financial statements for the year ended 31<sup>st</sup> March, 2022 were approved by the Board of Directors and authorized for issue on 12<sup>th</sup> May, 2022.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of Compliance and Basis of Preparation

#### a. Basis of Preparation :

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

The consolidated financial statements have been prepared on a historical cost basis, except, certain financial assets and liabilities, measured at fair value. (refer accounting policy regarding financial instruments).

#### b. Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees ('₹'), which is the

Holding Company's functional and presentation currency. All financial information presented in Indian Rupees has been rounded to the nearest lakhs with two decimal places, unless stated otherwise.

#### c. Current versus non-current classification

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

An asset is classified as current when it is: -

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

All other liabilities are classified as non-current.

#### Deferred tax assets and liabilities:

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

#### Operating Cycle:

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

#### d. Use of estimates and judgments

The preparation of the consolidated financial statements requires management to make

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure and the disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying consolidated financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the consolidated financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

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

## 1. Useful lives of Property Plant and Equipment

The Property, Plant and Equipment are depreciated on a pro-rate basis on written down value basis, in case of Holding Group (Sheela Foam Limited) and Indian Subsidiaries and on a straight line basis, in the case of foreign Subsidiaries, over their respective useful lives. Management estimates the useful lives of these assets as detailed in Note 2.3 below. Changes in the expected level of usage, technological developments, level of wear and tear could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised and could have an impact on the financial position in future years.

## 2. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes

in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations.

The mortality rate is based on publically available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 44.

## 3. Taxes

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

## 4. Fair value measurement of financial instrument

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

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## 5. Impairment of Financial assets

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

## 6. Impairment of non-Financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

## 2.2 BASIS OF CONSOLIDATION

Control is achieved when the group is exposed, or has rights to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins with the group obtains control over the subsidiary and ceases when group losses control of the subsidiary. The Consolidated Financial Statements have been prepared on the following basis: -

### Basis of Accounting:

- i) The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding

company, i.e., year ended on 31 March. When the end of the reporting period of the holding company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the holding company to enable the holding company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

- ii) In case of foreign Subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rates prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.
- iii) The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 "Consolidated Financial Statements".

### Principles of Consolidation:

- i) The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements". Non - controlling interests in the results and equity of subsidiaries are shown separately in the consolidated financials statement .
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Group's separate financial statements except as otherwise stated in the Significant Accounting Policies.
- iii) The difference between the costs of investments in the Subsidiaries over the net assets at the time of acquisition of shares in the Subsidiaries is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.



# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

The Consolidated Financial Statements of the Holding Group includes the results of following entities:

Name of Company	Country of Incorporation	Proportion (%) of Shareholding as on 31.03.2022	Proportion (%) of Shareholding as on 31.03.2021
Subsidiary Companies			
Joyce Foam Pty. Limited and its Controlled Entity (Joyce W C NSW Pty Limited)	Australia	100%	100%
International Foam Technologies SL, Spain and its Controlled Entity (Interplasp S.L)	Spain	100%	100%
Divya Software Solutions Private Limited	India	100%	100%
Sleepwell Enterprises Private Limited	India	100%	100%
Staqo World Pvt. Ltd.	India	100%	100%
International Comfort Technologies Private Limited	India	100%	--

## 2.3 Property, Plant & Equipment

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

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

Cost of leasehold land is amortized over the period of lease. Leasehold improvements are amortized over the lease period, which corresponds with the useful life of assets.

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

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

**In the case of the Holding Company(Sheela Foam Limited) and Indian Subsidiaries (Divya Software Solutions Private Limited, Sleepwell Enterprises Private Limited, Staqo World Private Limited and International Comfort Technologies Private Limited)**

Depreciation on property, plant & equipment is provided on a pro-rata basis on written down value

basis, over the useful life of the assets estimated by the management, in the manner prescribed in Schedule II of the Companies Act, 2013. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The property, plant and equipment costing upto ₹ 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.

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

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

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entities, and International

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

Foam Technologies SL, Spain and its Controlled Entities)

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over the estimated useful lives to the Group commencing from time the assets is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Asset	Useful Life range
Buildings	34 to 36 years
Technical Installations	10 to 20 years
Plant & Machinery	8 to 20 years
Furniture & Furnishings	3 to 7 years
Tooling & Other Facilities	10 years
Data Processing Equipment	4 to 6 years
Vehicles	6 to 7 years
Other Assets	8 to 9 years

## 2.4 Investment Property

Property that is held for long- term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are added to the carrying amount only when it is probable that it will increase its useful life. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred. Though the Group measures investment property using cost based measurement, the fair value of the investment property is disclosed in the notes. Fair value is determined based on an annual evaluation performed by an accredited external independent valuer applying a recognized and recommended valuation model.

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

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

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

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

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

## 2.5 Financial Instruments

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

### (i) Financial Assets

#### (a) Initial recognition and measurement

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

#### (b) Classification and subsequent measurement

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

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

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

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

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

(1) Financial assets measured at amortized cost:

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

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

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

security deposits, cash and cash equivalents and employee loans, etc.

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

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

- Business Model Test:  
The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- Cash Flow Characteristics Test:  
The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding.

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

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

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

(c) Impairment of financial assets

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

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

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

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

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

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

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits and employee loans etc.
- Financial assets that are debt instruments, and are measured at FVTOCI,

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

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

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

For assessing increase in credit risk and impairment loss, the Group combines financial

instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on timely basis.

## (d) Derecognition of financial assets

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

- a. The rights to receive cash flows from the asset have been expired/transferred, or
- b. The Group retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Group has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

## (ii) Financial Liabilities

### **Initial recognition and measurement**

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade payables, borrowings, security deposits and other payables.

### **Subsequent measurement**

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

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

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

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

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

Gains or losses on liabilities held for trading are recognized in the Statement of Profit or Loss.

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

## **Borrowings & Security Deposits**

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

## **Financial Guarantee Contract**

Financial guarantee contracts issued by the Holding Group are those contracts that require a payment to be made to reimburse the holder for loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the

issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

## **Trade and other payables**

Trade and other payables are obligations incurred by the Group towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

## **Derecognition**

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

## **(iii) Offsetting of financial instruments:**

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

## **2.6 Inventories**

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

and condition. Cost of traded goods includes cost of purchase and such other costs.

In determining the cost of inventories, first-in-first-out cost method is used.

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

The comparison of cost and net realizable value is made on item-by-item basis.

## 2.7 Cash and Cash Equivalents

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

## 2.8 Impairment of Non-Financial Assets

The Group assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together

into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

## 2.9 Provisions and Contingent Liabilities

### a) Provisions

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

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

### b) Contingent Liabilities

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

## 2.10 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised when the control of the goods is transferred to the customer, which is generally on the delivery of the goods, the associated costs and the amount of revenue can be measured reliably and it is probable that the

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

economic benefit associated with the transaction will flow to the Company. It is measured at fair value of the consideration received or receivable, after deduction of sales returns, trade discount, volume rebates, goods and service tax collected on behalf of the government and amount collected on behalf of its customers.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed. Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities" as "Contract Liabilities".

## 2.11 Government Grants / Subsidy

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

## 2.12 Employee Benefits

### *In the case of Holding Group and Indian Subsidiaries*

#### a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc. and the same are recognized in the period in which the employee renders the related services.

#### b. Long Term Benefit

The employees are entitled to long service award (LSA), as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement.

The liability towards LSA is provided for on accrual basis as estimated by the management.

#### c. Post-Employment Benefits

##### i. Defined contribution plan:

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

##### ii. Defined benefit plan

Gratuity, being a defined benefit plan (the 'Gratuity Plan') covers eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise. The Holding Company Liability is funded through a separate Gratuity Trust. The short/ excess of gratuity liability as compared to the net fund held by the Gratuity Trust is accounted for as liability/ asset as at the Balance Sheet date.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

### iii. Employees State Insurance Scheme

Contribution towards employees' state insurance scheme is made to the regulatory authorities, as applicable and has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

In the case of foreign Subsidiaries (Joyce Foam Pty. Ltd. and its Controlled Entity, and International Foam Technologies SL, Spain and its Controlled Entity)

Provision is made for the liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those of benefits.

## 2.13 Leases

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

### Group as a lessee

The group's lease asset classes primarily consist of leases for warehouse & facilities. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (i) the contract involves the use of an identified asset (ii) the company has substantially all of the economic

benefits from use of the asset through the period of the lease and (iii) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### Group as a lessor

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

Non- monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions.

## 2.14 Foreign Currency Transactions

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

Non- monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions.



# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## 2.15 Taxation

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### a) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

### b) Deferred Tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the

liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.16 Dividend Distribution:

The group recognizes a liability to make payment of dividend to owners of equity when the distribution is authorized and is no longer at the discretion of the Entity and is declared by the shareholders. A corresponding amount is recognized directly in the Equity.

## 2.17 Earnings per Share:

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

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

## 2.18 Goodwill

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of business combination over Holding Company's interest in the net fair value of identifiable assets acquired.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit (CGU) is less than its carrying amount. For the impairment test, goodwill is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition and which represent the lowest level at which goodwill is monitored

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

for internal management purposes. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Impairment occurs when the carrying amount of a CGU, including the goodwill, exceeds the estimated recoverable amount of the CGU. The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU. Key assumptions in the cash flow projections are prepared based on current economic conditions and includes estimated long-term growth rates, weighted average cost of capital and estimated operating margins.

**Growth rates :** The growth rates reflect the long-term average growth rates for the product lines and industries of the segments (all publicly available). These growth rates are consistent with forecasts included in industry reports specific to the industry in which CGU operates. The group considers growth rate factor of 5-10%.

**Discount rates :** The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each CGU. The group considers discount rate factor of 7-8.5%. Apart from the considerations in determining the value-in-use of the CGU, management is not currently aware of any other probable changes that would necessitate changes in its key estimates

## 2.19 Transactions within Group

Transactions including expenses to be shared between the companies within the Group are initially recorded under operational heads by the respective Group, and reduced on actual or proportionate (where those are not directly attributable) basis during consolidation.

## 2.20 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

## 2.21 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as deduction , net of tax , from the proceeds.

## 2.22 Standards that became effective during the year

There are no new Standards that became effective during the year. The group has applied certain amendments that became effective during the year which are discussed below:

- a) **Amendments to Ind AS consequential to conceptual Framework under Ind AS :** The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards. The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS .includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc. The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021. These amendments have no impact on the consolidated financial statements of the group.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

- b) **Ind AS 116** : Covid 19 related rent concessions : MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the consolidated financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020. These amendments have no impact on the consolidated financial statements of the group.
- c) **Ind AS 103** : Business Combination : The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definition of asset and liability given in the framework for preparation and presentation of consolidated financial statements with Indian Accounting standards rather than the conceptual framework. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination consolidated financial statements in accordance with other Ind AS. These amendments have no impact on the consolidated financial statements of the group.
- d) **Amendment to Ind AS 105 , Ind AS 16 and Ind AS 28** : In the definition of "Recoverable amount" the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28. These amendments have no impact on the consolidated financial statements of the group.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 3 : PROPERTY, PLANT AND EQUIPMENT

Particulars	Land - freehold	Buildings (Including Roads & Lanes)	Plant & Equipment Free Hold	Plant & Equipment Lease Hold	Furniture and fixtures	Vehicles	Office equipment	Electrical fittings	Total property, plant and equipment	Capital work in progress
<b>At cost or deemed cost</b>										
<b>As at April 1, 2020</b>	1,395.53	22,188.88	33,531.34	96.37	1,208.18	978.68	1,963.13	1,263.60	62,625.71	1,797.32
Additions	461.00	1,598.96	1,855.68	-	43.99	81.66	142.78	120.64	4,304.72	3,718.58
Disposals/transfer/adjustments	(5.88)	599.29	1,488.92	19.62	(0.01)	(65.42)	(8.57)	(12.90)	2,015.05	(2,259.41)
<b>As at March 31, 2021</b>	<b>1,850.65</b>	<b>24,387.13</b>	<b>36,875.94</b>	<b>116.00</b>	<b>1,252.16</b>	<b>994.92</b>	<b>2,097.34</b>	<b>1,371.34</b>	<b>68,945.48</b>	<b>3,256.49</b>
Additions	-	51.81	5,567.86	-	148.36	319.51	279.35	143.51	6,510.40	15,698.22
Disposals/transfer/adjustments	(6.69)	(359.78)	(1,426.26)	(1.34)	(3.86)	(85.38)	(190.4)	(2.62)	(1,904.97)	(6,965.49)
<b>As at March 31, 2022</b>	<b>1,843.96</b>	<b>24,079.16</b>	<b>41,017.54</b>	<b>114.66</b>	<b>1,396.66</b>	<b>1,229.05</b>	<b>2,357.65</b>	<b>1,512.23</b>	<b>73,550.90</b>	<b>11,989.21</b>
<b>Accumulated depreciation</b>										
<b>As at April 1, 2020</b>	-	4,683.13	13,971.96	2.65	378.45	416.24	765.71	363.47	20,581.62	-
Depreciation charge for the year	-	1,034.10	2,910.02	8.15	154.98	172.35	320.53	135.88	4,736.01	-
Disposals/transfer/adjustments	-	68.42	617.28	0.18	(1.10)	(44.01)	(4.18)	(6.14)	630.45	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>5,785.65</b>	<b>17,499.27</b>	<b>10.98</b>	<b>532.33</b>	<b>544.58</b>	<b>1,082.06</b>	<b>493.21</b>	<b>25,948.09</b>	<b>-</b>
Depreciation charge for the year	-	1,229.57	2,958.66	5.77	133.53	136.30	240.21	131.14	4,835.18	-
Disposals/transfer/adjustments	-	(62.19)	(635.60)	(4.82)	(2.14)	(60.56)	(14.19)	(0.41)	(779.92)	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>6,953.03</b>	<b>19,822.33</b>	<b>11.93</b>	<b>663.72</b>	<b>620.32</b>	<b>1,308.08</b>	<b>623.94</b>	<b>30,003.35</b>	<b>-</b>
<b>Net carrying amount</b>										
<b>As at March 31, 2021</b>	<b>1,850.65</b>	<b>18,601.48</b>	<b>19,376.67</b>	<b>105.01</b>	<b>719.83</b>	<b>450.34</b>	<b>1,015.27</b>	<b>878.13</b>	<b>42,997.39</b>	<b>3,256.49</b>
<b>As at March 31, 2022</b>	<b>1,843.96</b>	<b>17,126.13</b>	<b>21,195.21</b>	<b>102.73</b>	<b>732.93</b>	<b>608.73</b>	<b>1,049.57</b>	<b>888.28</b>	<b>43,547.55</b>	<b>11,989.21</b>

### Notes:

- Property, plant and equipment & Capital work in progress has been pledged as security amounted ₹28,622 lakhs.
- Refer note 50 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment..
- Capital Work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

CWIP	March 31, 2022				March 31, 2021				
	Amount in CWIP			Total	Amount in CWIP				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11,989.21	-	-	-	11,989.21	3,256.49	-	-	3,256.49

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 4 : GOODWILL & OTHER INTANGIBLE ASSETS

Particulars	(₹ in Lakhs)		
	Goodwill	Other Intangible assets	Total
<b>Cost</b>			
At April 1, 2020	25,459.01	283.30	25,742.31
Additions	-	-	-
Disposal/Transfer/adjustments during the year	847.68	9.69	857.37
<b>As at March 31, 2021</b>	<b>26,306.69</b>	<b>292.99</b>	<b>26,599.68</b>
Additions		4.73	4.73
Disposal/Transfer/adjustments during the year	(1,108.13)	(12.93)	(1,121.06)
<b>As at March 31, 2022</b>	<b>25,198.56</b>	<b>284.79</b>	<b>25,483.35</b>
<b>Depreciation</b>			
At April 1, 2020		281.86	281.86
Charge for the year		1.46	1.46
Disposal/Transfer/adjustments during the year	-	9.67	9.67
<b>As at March 31, 2021</b>	<b>-</b>	<b>292.99</b>	<b>292.99</b>
Charge for the year		0.14	0.14
Disposal/Transfer/adjustments during the year		(12.93)	(12.93)
<b>As at March 31, 2022</b>	<b>-</b>	<b>280.19</b>	<b>280.19</b>
<b>Net book value as at March 31, 2021</b>	<b>26,306.69</b>	<b>-</b>	<b>26,306.69</b>
<b>Net book value as at March 31, 2022</b>	<b>25,198.56</b>	<b>4.60</b>	<b>25,203.15</b>

## NOTE 5 : RIGHT OF USE ASSETS

Particulars	(₹ in Lakhs)			Total
	Leasehold land	Buildings	Plant & Equipment	
<b>Cost</b>				
At April 1, 2020	2,104.72	10,739.26	144.72	12,988.70
Additions	-	3,395.55	-	3,395.55
Disposal/Transfer/adjustment during the year	-	(371.28)	(29.47)	(400.75)
<b>As at March 31, 2021</b>	<b>2,104.72</b>	<b>14,506.09</b>	<b>174.19</b>	<b>16,785.00</b>
Additions	2,628.77	787.57	-	3,416.34
Disposal/Transfer/adjustment during the year	(594.33)	(166.90)	(2.01)	(763.24)
<b>As at March 31, 2022</b>	<b>4,139.16</b>	<b>15,126.76</b>	<b>172.18</b>	<b>19,438.10</b>
<b>Depreciation</b>				
At April 1, 2020	78.83	1,478.58	26.13	1,583.54
Charge for the year	21.53	2,190.93	35.96	2,248.42
Disposal/Transfer/adjustment during the year	-	(1,235.49)	8.64	(1,226.85)
<b>As at March 31, 2021</b>	<b>100.37</b>	<b>2,434.02</b>	<b>70.73</b>	<b>2,605.12</b>
Charge for the year	111.12	2,803.89	39.05	2,954.06
Disposal/Transfer/adjustment during the year	(12.10)	(43.66)	(1.04)	(56.80)
<b>As at March 31, 2022</b>	<b>199.39</b>	<b>5,194.24</b>	<b>108.74</b>	<b>5,502.37</b>
<b>Net book value as at March 31, 2021</b>	<b>2,004.35</b>	<b>12,072.07</b>	<b>103.46</b>	<b>14,179.88</b>
<b>Net book value as at March 31, 2022</b>	<b>3,939.77</b>	<b>9,932.51</b>	<b>63.44</b>	<b>13,935.72</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 6 : INVESTMENT PROPERTY

(₹ in Lakhs)				
Particulars	Freehold land	Lease Hold	Buildings	Total
<b>Cost</b>				
At April 1, 2020	-	68.47	6,280.20	6,348.67
Additions	10.90	-	48.34	59.24
Disposal/Transfer	-	-	-	-
<b>As at March 31, 2021</b>	<b>10.90</b>	<b>68.47</b>	<b>6,328.54</b>	<b>6,407.91</b>
Additions	-	-	-	-
Disposal/Transfer	-	-	-	-
<b>As at March 31, 2022</b>	<b>10.90</b>	<b>68.47</b>	<b>6,328.54</b>	<b>6,407.91</b>
<b>Depreciation</b>				
At April 1, 2020	-	3.64	179.96	183.60
Transfer during the year	-	-	18.01	18.01
Charge for the year	-	0.91	299.92	300.83
Disposals during the year	-	-	-	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>4.55</b>	<b>497.89</b>	<b>502.44</b>
Charge for the year	-	0.91	287.45	288.36
Disposals during the year	-	-	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>5.47</b>	<b>785.34</b>	<b>790.80</b>
<b>Net book value as at March 31, 2021</b>	<b>10.90</b>	<b>63.92</b>	<b>5,830.65</b>	<b>5,905.47</b>
<b>Net book value as at March 31, 2022</b>	<b>10.90</b>	<b>63.00</b>	<b>5,543.20</b>	<b>5,617.11</b>

### Notes:

- Refer 'Para- 2.4' of Significant Accounting Policies' for depreciation and measurement of investment property.
- The leasehold land has been amortised during the year by ₹ 0.91 lakhs (Previous Year : ₹ 0.91 lakhs) as per the accounting policy in terms of the Ind AS-40 on 'Investment Property'.
- Income from investment property

(₹ in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Rental Income derived from investment property	214.73	188.86
Profit arising from investment property before depreciation	214.73	188.86
Less: Depreciation for the year	(288.36)	(300.83)
<b>Net Profit arising from investment property</b>	<b>(73.63)</b>	<b>(111.97)</b>

- The group has obtained independent valuation for its investment properties at ₹ 8,297 Lakhs as on 31<sup>st</sup> March 2022 and ₹ 8,297 lakhs as on March 31,2021. These valuations are based on valuations performed by K.S. Agrawal Associates, an accredited independent valuer. K.S. Agrawal Associates is a specialist in valuing these types of investment properties and reviewed the fair valuation based on best evidence of fair value determined using replacement cost of an asset of equivalent utility, depreciation and obsolescence. Fair market value is the amount expressed in terms of money that may reasonably be expected to be exchanged between a willing buyer and a willing seller, with equity or both. The valuation by the valuer assumes that group shall continue to operate and run the assets to have economic utility. The fair value is on 'as is where is' basis.
- There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements thereof and there are no restriction on remittance of income and proceeds of disposal.
- The investment properties which are leasehold properties, realisability of the same is subject to the terms and conditions under the respective lease agreements.
- The group's Investment Properties are given on cancellable lease for a period 0-10 years.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 7 : OTHER INVESTMENTS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>In Bonds &amp; Debentures - fully paid up</b>		
Carried at amortised cost - Unquoted	0.35	0.35
Carried at fair value through other comprehensive income - Quoted	47,876.02	30,359.64
Carried at fair value through Profit & Loss - Unquoted	5,006.80	-
<b>Total Investments</b>	<b>52,883.17</b>	<b>30,359.99</b>
<b>Aggregate amount of Quoted Investments</b>	<b>47,876.02</b>	<b>30,359.64</b>
<b>Market value of Quoted Investments</b>	<b>47,876.02</b>	<b>30,359.64</b>
<b>Aggregate amount of Unquoted investment</b>	<b>5,007.15</b>	<b>0.35</b>
<b>Aggregate amount of impairment in value of investments</b>	-	-

## NOTE 8 : LOANS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>		
Loans to employees	8.47	15.91
<b>Total</b>	<b>8.47</b>	<b>15.91</b>

## NOTE 9 : OTHER FINANCIAL ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>		
Security deposits	452.27	258.61
Deposits with Banks:		
- held as margin money	1.34	1.34
- others	-	257.70
Interest accrued but not due on deposits with Banks	-	1.04
<b>Total</b>	<b>453.61</b>	<b>518.69</b>

## NOTE 10 : NON CURRENT TAX ASSETS (NET)

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision of ₹24,863.71 lacs & (March 31,2021 ₹ 24,323.98 lacs))	675.35	-
<b>Total</b>	<b>675.35</b>	-

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 11 : OTHER NON CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>		
Capital advances*	720.89	225.12
Prepaid rent	38.82	39.26
Loan & advances	40.00	-
<b>Total</b>	<b>799.71</b>	<b>264.38</b>

\*Value of Contracts in capital account remaining to be executed (refer note 51)

## NOTE 12 : INVENTORIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Valued at lower of cost and net realisable value unless otherwise stated)</b>		
Raw material	16,417.46	16,296.05
Raw Material (In Transit)	2,975.91	4,090.40
Work-in-progress	5,331.22	6,221.21
Finished goods	4,016.91	3,017.25
Stock-in-trade	840.21	138.23
Packing Material	839.91	633.94
Packing Material (In Transit)	54.88	14.30
Stores and spares	938.29	983.05
Stores & spares (In Transit)	31.10	136.30
<b>Total</b>	<b>31,445.89</b>	<b>31,530.73</b>

Inventories held by group are subject to hypothecation by bankers towards working capital limits obtained by the group.

## NOTE 13 : INVESTMENTS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>In Bonds &amp; Debentures - fully paid up</b>		
Carried at amortised cost - Unquoted	25.00	-
Carried at fair value through profit and loss- Quoted	-	1,308.06
Carried at fair value through other comprehensive income - Quoted	-	3,212.45
	<b>25.00</b>	<b>4,520.51</b>
<b>In Mutual Funds - fully paid up</b>		
Carried at fair value through profit and loss- Quoted	8,913.05	6,180.65
	<b>8,913.05</b>	<b>6,180.65</b>
<b>Total Investments</b>	<b>8,938.05</b>	<b>10,701.16</b>
<b>Aggregate amount of Quoted Investments</b>	<b>8,913.05</b>	<b>10,701.16</b>
<b>Aggregate market value of Quoted Investments</b>	<b>8,913.05</b>	<b>10,701.16</b>
<b>Aggregate amount of Unquoted investment</b>	<b>25.00</b>	-
<b>Aggregate amount of impairment in value of investment</b>	-	-



# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 14 : TRADE RECEIVABLES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(At amortised cost)</b>		
<b>Unsecured</b>		
Trade receivables - considered good (Refer note below)	28,504.18	30,215.33
Trade receivables - considered doubtful	800.02	1,557.95
<b>Trade receivables (gross)</b>	<b>29,304.20</b>	<b>31,773.28</b>
Less: Impairment allowance for trade receivables considered doubtful	(800.02)	(1,557.95)
<b>Total</b>	<b>28,504.18</b>	<b>30,215.33</b>

### Note :

- No trade or other receivables are due from directors or other officers of the group either severally or jointly with any other person.
- Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.
- The group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The group tracks changes in expected credit loss on trade receivables based on overdue outstanding exposure, expected default rate and basis exposure is secured/unsecured. ECL impairment loss allowance (or reversal) recognised during the year is recognised in the Statement of Profit and Loss.

### Movement in the expected credit loss allowance

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,557.95	1,289.20
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	757.93	(268.75)
<b>Balance at the end of the year</b>	<b>800.02</b>	<b>1,557.95</b>

- Refer note 48 for information about credit and market risk of trade receivables.
- Realization from trade receivables held by group are subject to hypothecation by bankers towards working capital limits obtained by the group.
- Below is the ageing analysis of trade receivables

### As on March 31, 2022

Particulars	(₹ in Lakhs)						Total
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
(i) Undisputed trade receivables							
- considered good	14,289.28	13,972.02	190.67	17.59	2.97	28.86	28,501.39
- which have significant increase in credit	-	-	-	-	-	-	-
(iii) Disputed trade receivables							
- considered good	-	-	-	2.80	-	-	2.80
- which have significant increase in credit	-	38.28	76.03	241.88	175.13	268.69	800.01
<b>Total</b>	<b>14,289.28</b>	<b>14,010.30</b>	<b>266.70</b>	<b>262.27</b>	<b>178.10</b>	<b>297.55</b>	<b>29,304.20</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

**As on March 31, 2021**

Particulars	Outstanding for following periods from due date of payment						(₹ in Lakhs)
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
(i) Undisputed trade receivables							
- considered good	17,363.84	12,524.58	161.92	63.26	45.58	-	30,159.18
- which have significant increase in credit	-	-	-	-	-	-	-
(iii) Disputed trade receivables							
- considered good	-	-	-	45.03	11.12	-	56.15
- which have significant increase in credit	-	138.25	247.67	148.43	142.60	881.00	1,557.95
<b>Total</b>	<b>17,363.84</b>	<b>12,662.83</b>	<b>409.59</b>	<b>256.72</b>	<b>199.30</b>	<b>881.00</b>	<b>31,773.28</b>

## NOTE 15 : CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balance with banks :		
Current accounts	3,126.46	3,319.14
Fixed deposits account with an original maturity of less than three months	933.87	17.17
Cash on hand	20.95	2,400.00
<b>Total</b>	<b>4,081.28</b>	<b>5,736.31</b>

**Note:**

- There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.
- Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one to three months, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

## NOTE 16 : OTHER BANK BALANCES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deposits with Banks:		
- held as margin money	-	47.63
- Deposits having original maturity more than 3 months but less than 12 months:	31.58	26.15
<b>Total</b>	<b>31.58</b>	<b>73.78</b>

**Note:**

Other bank balances represents fixed deposits invested with banks.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 17 : LOANS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured, considered good)</b>		
Loans to employees	55.07	55.24
Inter-corporate deposits	500.00	500.00
<b>Total</b>	<b>555.07</b>	<b>555.24</b>

## NOTE 18 : OTHER CURRENT FINANCIAL ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Interest accrued but not due on deposits with Banks, bonds and debentures	1,983.18	692.79
Interest accrued on loan given to others	6.00	-
Rodtep incentive receivable	1.59	-
Other loans & advances (refer note below)	646.54	-
Insurance claim receivable	0.11	-
<b>Total</b>	<b>2,637.42</b>	<b>692.79</b>

### Note:

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

## NOTE 19 : OTHER CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Advance to contractors/suppliers	3,326.04	1,885.55
Balances with Statutory/Government authorities:		
- Excise & Custom	16.24	2.85
- GST	1,043.35	23.27
- VAT/Sales Tax	742.08	478.95
GST Refund receivable		550.33
Prepaid expenses	490.89	427.85
Lease equalisation	66.33	62.73
Income tax refund	15.33	15.33
Right to recover return goods*	166.14	-
Others	72.09	178.74
<b>Total</b>	<b>5,938.49</b>	<b>3,625.60</b>

\*- In certain cases, the Group provides its customers right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, the Group recognises Liability for expected sales return, a receivables on expected sales return (and corresponding adjustment to change in inventory is also recognised for the receivables on expected sales return from a customer).

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 20 : EQUITY SHARE CAPITAL

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>(a) Authorised share capital:</b>		
8,80,21,000 fully paid equity shares of ₹ 5 each (March 31, 2021 : 8,80,21,000 fully paid equity shares of ₹ 5 each)	4,401.05	4,401.05
	<b>4,401.05</b>	<b>4,401.05</b>
<b>Issued, subscribed &amp; paid up share capital:</b>		
4,87,82,808 fully paid equity shares of ₹ 5 each (March 31, 2021 : 4,87,82,808 equity shares of ₹ 5 each)	2,439.14	2,439.14
<b>Total</b>	<b>2,439.14</b>	<b>2,439.14</b>

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	48,782,808	2,439.14	48,782,808	2,439.14
Issued during the year	-	-	-	-
Outstanding at the end of the year	48,782,808	2,439.14	48,782,808	2,439.14

(c) Terms and rights attached to equity shares

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

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

	As at March 31, 2022		As at March 31, 2021	
	Number	% of holding	Number	% of holding
Sh. Rahul Gautam	6,209,485	12.73%	6,209,485	12.73%
Smt. Namita Gautam	5,715,879	11.72%	5,715,879	11.72%
Sh. Tushaar Gautam	17,086,314	35.03%	17,086,314	35.03%
Rangoli Resorts Private Limited	6,563,391	13.45%	6,563,391	13.45%
SBI Magnum Midcap Fund	4,384,301	8.99%	4,356,390	8.93%
DSP Midcap Fund	2,438,196	5.00%	2,855,425	5.85%
Kotak Emerging Equity Scheme	3,084,942	6.32%	2,773,731	5.69%

Note: As per records of the group, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number and class of shares allotted as fully paid up by way of bonus shares

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

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

(f) Shareholding of promoters & promoter group

Shares held by promoters at the end of the year	As at March 31, 2022		As at March 31, 2021	
	Number	% of holding	Number	% of holding
<b>Promotor name</b>				
Sh. Rahul Gautam	6,209,485	12.73%	6,209,485	12.73%
Smt. Namita Gautam	5,715,879	11.72%	5,715,879	11.72%
Sh. Tushaar Gautam	17,086,314	35.03%	17,086,314	35.03%
Rangoli Resorts Private Limited	6,563,391	13.45%	6,563,391	13.45%
Core Mouldings Private Limited	12,018	0.02%	12,018	0.02%
<b>Total</b>		<b>72.95%</b>		<b>72.95%</b>

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the group during the period of five years immediately preceding the current year end.

## NOTE 21 : OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	395.62	2,364.59
Foreign currency translation reserve	2,879.86	1,549.57
Capital Subsidy	70.57	56.98
General reserve	1,716.27	1,716.27
Retained earnings	131,755.16	110,302.54
<b>Total</b>	<b>136,817.48</b>	<b>115,989.95</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Capital reserve</b>		
Opening balance	2,364.58	1,402.97
Foreign exchange translation (loss)/gain	(1,968.96)	961.61
<b>Closing balance</b>	<b>395.62</b>	<b>2,364.58</b>
<b>General Reserve</b>		
Opening balance	1,716.27	1,716.27
<b>Closing balance</b>	<b>1,716.27</b>	<b>1,716.27</b>
<b>Foreign currency translation reserve</b>		
Opening balance	1,549.57	(40.95)
(Loss)/Gain on property, plant and equipment and goodwill (net)	(2,187.63)	4,035.46
Gain/(Loss) on others	3,517.92	(2,444.94)
<b>Closing balance</b>	<b>2,879.86</b>	<b>1,549.57</b>
<b>Retained earnings</b>		
Opening balance	110,302.54	86,456.83
Net profit for the year	21,732.97	23,772.11
Dividend paid to non-controlling interest	(146.02)	(190.66)
Other Comprehensive (loss)/gain (net of tax)	(135.03)	264.18
Other adjustments	0.70	0.08
<b>Closing balance</b>	<b>131,755.16</b>	<b>110,302.54</b>
<b>Capital Subsidy</b>		
Opening balance	56.98	56.98
Receipts during the year	13.59	-
<b>Closing balance</b>	<b>70.57</b>	<b>56.98</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

Note:

(a) Capital reserve

During amalgamation of the subsidiaries in the year 2012-13, the excess of net assets taken, over the cost of consideration paid was treated as capital reserve.

(b) General reserve

The group had transferred a portion of the net profit of the group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.

(c) Foreign currency translation reserve

The amount represents reserve arising from (gain/loss) on translation of the financial statements of foreign subsidiary in the presentation currency of the Holding company.

## NOTE 22 : NON CURRENT BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Term loan from banks (refer note (i) below)		
- INR bank loan	352.68	13,148.51
- USD bank loan	7,247.32	-
-Euro Term Loan	9,767.62	-
-AUD Term Loan	5,368.35	-
	<b>22,735.97</b>	<b>13,148.51</b>
<b>Unsecured</b>		
Loan from financial credit institutions (refer note (ii) below)	82.21	114.97
	<b>82.21</b>	<b>114.97</b>
<b>Total</b>	<b>22,818.18</b>	<b>13,263.48</b>

### Notes

- (i) a. INR & USD Term loans have been taken from JP Morgan & Kotak Mahindra Bank respectively during the year for purchase of capital equipments for its Nandigram & towards construction of Mandla (Jabalpur) manufacturing facilities.
- b. INR Term Loan taken by International Comfort Technologies Private Limited carries interest to be charged on loan shall be linked to 1.37% over 3M T- Bill rates as applicable on the date of agreement shall be revised at interval of every 3 months . The loan is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period.
- c. USD Term Loan taken by International Comfort Technologies Private Limited carries interest of 2.25% pa and is repayable in 16 equal installments with in 5 years of disbursement considering 1 year of moratorium period & has been secured by hypothecation of first charge on entire fixed assets ( Movable fixed assets and immovable fixed assets).
- d. Euro Term Loan from CITI Bank is taken by International Foam Technologies Spain S.L based on Stand by Letter of Credit from Citi Bank, India secured by exclusive charge on certain fixed assets of the Holding Company. The term loan carry the arithmetic sum of the reference Interest rate viz. 3 month EURIBOR communicated by the bank for the period and accepted by the borrower. The principal amount of Loan will be repaid by the Company in 20 quarterly equated installements as per predefined schedule and with first installement started from October, 2020 and last installement due in October, 2025.
- e. AUD Term Loan from Citi Bank, Australia is taken by Joyce Foam PTY Limited secured by a first registered mortgage over the freehold property and by a fixed and floating charge over all the assets and undertaking of the consolidated group including plant & machinery . The term loans carry an interest rate which is aggregate of the applicable Margin and BBSY Bid communicated by the bank for the interest period and accepted by the borrower. The principal amount of the loan will be repaid in 60 monthly instalments as per predefined schedule with the first installement started from July 2021 and the last installement due in June 2026. The facility agreement with Citi Bank requires the following covenants to be maintained at a group and a company level mention below:-
- Gross Leverage ratio (Group) less than 2.5
  - Debt service coverage ratio (Group) greater than 1.4

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

- iii. Debt to tangible Net Worth (Group) less than 2.0
  - iv Fixed Asset Coverage Ratio (Company) greater than 1.25
- As at the end of the reporting period the above ratios has been complied with.

f. Purpose of loan and its utilization

Particulars of Loans	Purpose (as per Loan Agreement)	Whether used for the purpose stated in the loan Agreement	If no, mention the purpose for which it is utilised
JP Morgan (INR loan)	The facility shall be used by the borrower towards Capex at their new plants in Nandigram and Jabalpur.	Yes	Not applicable
Kotak Mahindra (USD Loan)	For capex at Maneri, Medhi Niwas, Jabalpur, Madhya Pradesh and Nandigram, Umbergaon, Valsad,Gujrat.	Yes	Not applicable
Citi Bank Loan (Euro Loan)	The purpose of the loan is the acquisition of the shares of the target company	Yes	Not applicable
Citi Bank Loan (AUD Loan)	The facility shall be used for capital expenditure for acquisition of Plant , Machinery and equipment	Yes	Not applicable

g. Repayment schedule for secured loan taken during the year.

Particular	Citi Bank Spain (Aud Loan)	Citi Bank Spain (EURO Loan)	JP Morgan (INR loan)	Kotak Mahindra (USD Loan)
Number of instalments due (Nos)	51	14	16	16
Rate of Interest (%)	BBSY+ Applicable Margin	3 Month EURIBOR	1.37% over 3M T- Bill rates	2.25%
Within one year (INR)	1,337.00	2,800.61	-	-
After one year but not more than 5 years (INR)	5,368.35	9,767.62	352.77	7,000.00
More than 5 years (INR)	-	-	-	-

- (ii) ₹ 82.21 lakhs obtained from various financials credit institutions. These unsecured loans carries interest rate 0.90%.

## NOTE 23 : LEASE LIABILITY

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liability	12,870.97	12,860.24
<b>Total</b>	<b>12,870.97</b>	<b>12,860.24</b>
Current	2,306.18	2,005.17
Non current	10,564.79	10,855.07

**Note:**

- a. Refer note no. 46 A

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 24 : OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deposits from dealers and others	4,941.19	4,449.92
Unearned Interest Income on deposits from dealers	66.00	521.45
Unearned Rent Income	26.89	46.76
<b>Total</b>	<b>5,034.08</b>	<b>5,018.13</b>

## NOTE 25 : PROVISIONS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Long term provisions:</b>		
Provision for employee benefits:		
- Compensated absences	1,592.91	428.00
- Gratuity	704.41	-
Other provisions:		
- Provision for warranty (Refer note below)	441.02	195.24
<b>Total (A)</b>	<b>2,738.34</b>	<b>623.24</b>
<b>Short term provisions:</b>		
Provision for employee benefits:		
- Compensated absences	9.93	1,041.99
- Gratuity	2.14	-
Other provisions:		
- Provision for warranty (Refer note below)	238.31	426.83
<b>Total (B)</b>	<b>250.38</b>	<b>1,468.82</b>
<b>Grand total (A+B)</b>	<b>2,988.72</b>	<b>2,092.06</b>

### Note:

#### Provision for warranty:

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

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	622.07	631.31
Created during the year	983.10	498.57
Utilised during the year	925.84	507.81
<b>At the end of the year</b>	<b>679.33</b>	<b>622.07</b>

## NOTE 26 : OTHER NON CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deferred capital grant income	22.70	25.54
<b>Total</b>	<b>22.70</b>	<b>25.54</b>



# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 27 : DEFERRED TAX LIABILITIES (NET)

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities (net)	183.80	887.87
<b>Total</b>	<b>183.80</b>	<b>887.87</b>

### Movement of deferred tax liabilities/(assets)

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liabilities/(assets) in relation to</b>		
<b>As at March 31, 2022</b>		
Impact of difference between tax depreciation and deprecation /amortization charged for financial reporting purposes.	(196.49)	806.54
Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis	(320.18)	(495.53)
Fair value gain on financial instruments at fair value through statement of profit or loss (Net)	65.50	69.32
Lease liabilities (net)	387.94	(4.00)
Business Loss	(350.22)	
Others	597.25	511.54
<b>Total</b>	<b>183.80</b>	<b>887.87</b>

Particulars	(₹ in Lakhs)	
	Opening balance	Recognised in profit or loss account
<b>As at March 31, 2021</b>		
Impact of difference between tax depreciation and deprecation /amortization charged for financial reporting purposes.	806.54	436.75
Impact of expenditure charged to the statement of profit & loss in the current year/ earlier years but allowable for tax on payment basis	(495.53)	(244.26)
Fair value gain on financial instruments at fair value through statement of profit or loss (Net)	69.32	75.70
Lease liabilities (net)	(4.00)	(5.34)
Others	511.54	829.08
<b>Total</b>	<b>887.87</b>	<b>1,091.93</b>

## NOTE 28 : CURRENT BORROWINGS

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Term loan from banks	4,137.78	-
Working capital Loans from Banks	-	1,530.28
	<b>4,137.78</b>	<b>1,530.28</b>
<b>Unsecured</b>		
Loan from financial credit institutions*	6,703.47	5,657.46
Loan and advances from others**	116.07	111.40
	6,819.54	5,768.86
<b>Total</b>	<b>10,957.32</b>	<b>7,299.14</b>

\*The International Foam Technologies Spain has taken discounting and foreign trade facilities to meet day to day working capital requirement with interest rate for these facilities ranging from 0.70% & to 1.35%.

\*\*Loan and advances from others carries interest charged equates to the lender's cost of borrowing plus a margin that does not exceed the cost charged by the Bank.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 29 : TRADE PAYABLES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
<b>Trade payables other than acceptances:</b>		
(i) Total outstanding dues of micro enterprises and small enterprises (refer note 56)	506.29	1,168.31
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	29,625.31	31,844.25
<b>Total</b>	<b>30,131.60</b>	<b>33,012.56</b>

### Note:

- Trade payables are non interest bearing and are normally settled on 60 days to 90 days credit terms.
- Ageing Analysis for Trade payable

### As on March 31, 2022

Particulars	Unbilled Dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	more than 3 years	
(i) MSME	-	505.27	1.02	-	-	-	506.29
(ii) Others	6,453.69	17,542.68	5,624.77	0.68	3.49	-	29,625.31
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>6,453.69</b>	<b>18,047.95</b>	<b>5,625.79</b>	<b>0.68</b>	<b>3.49</b>	<b>-</b>	<b>30,131.60</b>

### As on March 31, 2021

Particulars	Unbilled Dues	Payables not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1-2 years	2-3 years	more than 3 years	
(i) MSME	-	1,168.31	-	-	-	-	1,168.31
(ii) Others	8,178.03	19,709.33	3,936.15	20.74	-	-	31,844.25
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>8,178.03</b>	<b>20,877.64</b>	<b>3,936.15</b>	<b>20.74</b>	<b>-</b>	<b>-</b>	<b>33,012.56</b>

## NOTE 30 : OTHER CURRENT FINANCIAL LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Deposits from dealers and others	3,996.74	3,400.95
Book overdraft	26.77	-
Creditors for capital goods	406.28	264.54
Unearned Interest Income	63.99	142.85
Other liabilities	37.99	1,493.74
Unearned Rent Income	6.87	9.52
<b>Total</b>	<b>4,538.64</b>	<b>5,311.60</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 31 : CURRENT TAX LIABILITIES (NET)

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Provision for income tax (Net of advance tax ₹ Nil) March 31,2021 :₹28,512.20 Lacs)	-	453.58
<b>Total</b>	<b>-</b>	<b>453.58</b>

## NOTE 32 : OTHER CURRENT LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Refund liabilities	265.82	-
Deferred capital grant income	2.82	2.83
Contract Liabilities*	5,596.71	5,491.66
Statutory dues payable	1,813.70	1,896.24
<b>Total</b>	<b>7,679.05</b>	<b>7,390.73</b>

\*Consist of advances received from customers towards supply of products.

## NOTE 33 : REVENUE FROM OPERATIONS

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sale of products (refer note below)</b>	297,378.17	243,375.83
Sale of services	610.08	183.47
	<b>297,988.25</b>	<b>243,559.30</b>
<b>Other operating revenue</b>		
-Job Work Services	4.25	-
-Rodtep incentive scheme	10.70	-
-Income from sale of process scrap	177.64	159.92
<b>Total</b>	<b>298,180.84</b>	<b>243,719.22</b>

### NOTE 33.1 : DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the group's revenue from contracts with customers

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Geographical Revenue</b>		
<b>Type of goods</b>		
Revenue from external customers	297,378.17	243,375.83
Total revenue from contracts with customers		
India	206,624.30	166,780.00
Outside India	90,753.87	76,595.83
	<b>297,378.17</b>	<b>243,375.83</b>
<b>Type of services ( IT Support Services)</b>		
Revenue from external customers	610.08	183.47
Total revenue from contracts with customers		
India	297.64	183.47
Outside India	312.44	-
	<b>610.08</b>	<b>183.47</b>
<b>Total revenue from contracts with customers</b>	<b>297,988.25</b>	<b>243,559.30</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 33.2 : CONTRACT BALANCES : MOVEMENT IN CONTRACT BALANCES DURING THE YEAR

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	
Opening Balances	5,491.66	
Less: Revenue recognised during the year	73,702.14	
Add: Amount of consideration received during the year (net of adjustments)	73,597.09	
<b>Closing Balances</b>	<b>5,596.71</b>	

### Note:

a. Contract liabilities consist of advances received from customers towards supply of products

## NOTE 33.3 : RECONCILING THE AMOUNT OF REVENUE RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS WITH THE CONTRACTED PRICE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contracted price (goods and services)	304,730.30	249,963.36
Less: Adjustments		
Sales return	2,304.18	2,649.95
Rebate and discount	4,437.87	3,754.11
<b>Revenue from contracts with customers</b>	<b>297,988.25</b>	<b>243,559.30</b>

## NOTE 33.4 : PERFORMANCE OBLIGATIONS

The performance obligation for sale of product is satisfied upon on dispatch and payment is generally due within 0 to 45 days from delivery.

The performance obligation for sale of services is satisfied over the period of time as per contract with customers

## NOTE 34 : OTHER INCOME

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income from:		
-Bank deposits	7.67	21.10
-Bonds	3,713.11	1,041.83
Inter corporate deposit	45.00	48.00
Others	3.62	264.84
Rental income (refer note (a) below)		
-Investment & Other properties	1,138.54	643.42
-Containers	33.21	
Gain on sale/disposal of fixed assets	-	51.93
Liabilities/provisions no longer required written back	59.43	19.05
Income from sale of Investments (Mutual funds & Bonds)	1,228.48	1,688.03
Fair valuation adjustments of Investments designated as FVTPL (refer note b)	13.77	366.86
Grant Income	134.70	-
Investment Subsidy received	2.84	2.83
Sale of non-process scrap	578.69	378.22
Net gain on foreign currency transactions and translations	749.67	409.59
Other miscellaneous income	207.59	88.60
<b>Total</b>	<b>7,916.32</b>	<b>5,024.30</b>

### Note:

a. Includes rental income of ₹214.73 lakhs (March 31,2021: ₹188.86 lakhs) from Investment property (refer note 5).

b. FVTPL of Investments represent fair valuation changes in mutual funds which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 35 : COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Raw material</b>		
Opening inventory	16,296.05	9,520.31
Add: Purchases	179,834.17	140,205.60
Less: Sales/adjustments	4,445.35	2,835.00
Less: Closing inventory (including goods in transit of ₹2,975.91 (March 31, 2021: ₹ 4,090.40))	19,393.37	16,296.05
<b>Raw material consumed</b>	<b>172,291.50</b>	<b>130,594.86</b>
<b>Packing Material</b>		
Opening inventory	648.24	572.55
Add: Purchases	8,570.16	7,732.55
Less: Sales/adjustments	765.08	567.49
Less: Closing inventory (including goods in transit of ₹ 54.88 (March 31, 2021: ₹ 14.30))	894.79	648.24
<b>Packing material consumed</b>	<b>7,558.53</b>	<b>7,089.37</b>
<b>Cost of material consumed</b>	<b>179,850.03</b>	<b>137,684.23</b>

## NOTE 36 : PURCHASE OF STOCK IN TRADE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses	5,353.84	1,799.48
<b>Total</b>	<b>5,353.84</b>	<b>1,799.48</b>

## NOTE 37 : OTHER MANUFACTURING EXPENSES

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Power and fuel	1,568.18	1,261.62
Repair and maintenance:		
- Buildings	173.56	256.25
- Plant and equipment	1,900.41	1,645.42
Processing and other charges	2,586.54	1,798.90
<b>Total</b>	<b>6,228.69</b>	<b>4,962.19</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 38 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Closing stock:</b>		
Finished goods	4,016.91	3,017.25
Stock in trade	840.21	138.23
Work-in-progress	5,331.22	6,221.22
Right to recover return goods	166.14	-
	<b>10,354.48</b>	<b>9,376.70</b>
<b>Opening stock:</b>		
Finished goods	3,017.25	3,453.05
Stock in trade	138.23	710.34
Work-in-progress	6,221.22	4,612.86
Right to recover return goods	-	-
	<b>9,376.70</b>	<b>8,776.25</b>
<b>Changes in inventories of finished goods, Stock in Trade and work in progress</b>	<b>(977.78)</b>	<b>(600.45)</b>

## NOTE 39 : EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages, allowance, and other benefits	22,923.46	20,386.80
Contribution to gratuity (refer note 44)	185.39	266.30
Contribution to provident and other funds	1,405.60	1,248.32
Workmen and staff welfare	1,254.37	1,268.99
<b>Total</b>	<b>25,768.82</b>	<b>23,170.41</b>

## NOTE 40 : FINANCE COSTS

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest expense:</b>		
-On borrowings from banks	285.88	333.84
- Security deposits	523.06	757.92
-On lease liabilities	557.25	422.88
-Others	131.68	58.18
Bank Charges	199.44	195.45
<b>Total</b>	<b>1,697.31</b>	<b>1,768.27</b>

## NOTE 41 : DEPRECIATION AND AMORTISATION EXPENSE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment (Refer Note 3)	4,835.17	4,736.01
Amortisation of intangible assets (Refer Note 4)	0.14	1.46
Depreciation on right-of-use assets (Refer Note 5)	2,954.06	2,248.42
Depreciation on investment property (Refer note 6)	288.36	300.83
<b>Total</b>	<b>8,077.73</b>	<b>7,286.72</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 42 : OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Repair and maintenance others	1,007.08	785.16
Bad debts	15.16	69.88
Provision for doubtful receivables	5.07	207.38
Advances/Balances written off	34.18	59.67
Freight and forwarding	12,900.42	11,301.23
Rent and hire	618.98	528.42
Insurance	1,239.60	1,063.98
Rates and taxes	356.59	281.88
Legal and professional	1,323.07	656.68
Investment written off	-	1.02
Selling and promotion	19,281.01	15,699.58
Travelling and conveyance	944.43	747.78
Sales commission	118.98	-
Warranty	970.42	498.57
Advertisement	7,044.42	5,221.62
Property, Plant & Equipment written off	-	13.26
Contributions towards CSR (refer note 57)	457.53	489.55
Fair value loss for Investments designated as FVTPL	382.97	-
Loss on sale of fixed assets	28.16	-
Miscellaneous	3,734.57	2,662.46
<b>Total</b>	<b>50,462.64</b>	<b>40,288.12</b>

## NOTE 42.1 : AUDITOR'S REMUNERATION INCLUDED IN LEGAL AND PROFESSIONAL CHARGES (EXCLUDING GST)

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory audit (including limited review)*	41.00	29.54
Certification*	2.00	3.54
Out of pocket expenses*	1.00	0.75
<b>Total</b>	<b>44.00</b>	<b>33.83</b>

Includes ₹ 5.43 lakhs (Previous Year: ₹33.83 lakhs) paid to erstwhile auditors.

## NOTE 43 . EARNINGS PER SHARE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year attributable to Equity shareholders	21,872.80	24,015.17
Earnings used in the calculation of basic earnings per share from continuing operations	21,872.80	24,015.17
Earnings used in the calculation of diluted earnings per share from continuing operations	21,872.80	24,015.17

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022 (Numbers in lakhs)	For the year ended March 31, 2021 (Numbers in lakhs)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	487.83	487.83

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022 (₹ per share)	For the year ended March 31, 2021 (₹ per share)
Basic and diluted earnings per share	44.84	49.23

## NOTE 44 : EMPLOYEE BENEFITS (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

### A. Defined contribution plans

Employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 696.42 lakhs (Previous Year: ₹642.63 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's contribution towards Provident Fund(PF)	605.11	556.00
Employer's contribution towards Employees State Insurance (ESI)	56.49	54.91
Employer's contribution towards National Pension Scheme (NPS)	34.82	31.72
<b>Total</b>	<b>696.42</b>	<b>642.63</b>

### B. Long Term Benefit

#### Long service award

Payable to the eligible employees as retention earned leave, after completion of service of five years, which can be en-cashed or accumulated till retirement. During the year amount of ₹ 146.01 lakhs (Previous Year: ₹ 121.89 lakhs) has been charged to the Statement of Profit and Loss towards the said benefit.

### C. Defined benefit plans

#### Gratuity

The employees' gratuity fund scheme, which is a defined benefit plan, is managed by a trust with effect from 2019 is being maintained by Sheela Foam Employees gratuity trust. Under the gratuity plan, every employee who has completed atleast five years of service gets a gratuity on departure on 15 days of last drawn salary for each completed year of service. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	7.51%	7.08%
Future salary increase/salary escalation	7.00%	5.00%
Retirement age (years)	60	60
Employee turnover		
18 to 30 years	3.00%	3.00%
From 31 to 45 years	2.00%	2.00%
Above 45years	1.00%	1.00%

## Notes:

- i. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- ii. Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/ others.

## Quantitative sensitivity analysis for significant assumptions as at March 31 2022 is shown below:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<b>Discount rate</b>		
Increase by 1.00%	(284.20)	(204.26)
Decrease by 1.00%	331.38	241.28
<b>Salary increase</b>		
Increase by 1.00%	329.76	243.96
Decrease by 1.00%	(288.20)	(209.82)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The following tables summarise the components of net benefit expense recognised in the Statement of Profit and Loss, Other Comprehensive Income and the funded status and amounts recognised in the Balance Sheet for the gratuity plan. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## Expense recognised in Statement of Profit and Loss and Other Comprehensive Income:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Service cost:		
Current service cost	178.11	238.98
Net interest expense	7.28	27.31
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>185.39</b>	<b>266.29</b>
<b>Remeasurement on the net defined benefit liability:</b>		
Actuarial losses/(gains) arising from changes in financial assumptions	431.36	(66.04)
Actuarial (gains) / losses arising from experience adjustments	(11.05)	(159.56)
Return on Plan Asset (Excluding Interest)	5.37	(16.29)
Components of defined benefit costs recognised in other comprehensive income	425.68	(241.89)
<b>Total</b>	<b>611.07</b>	<b>24.40</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefit expenses' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

## The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of funded defined benefit obligation	2,545.09	1,874.94
Fair value of plan assets	(1,838.54)	(1,850.52)
<b>Net liability arising from defined benefit obligation</b>	<b>706.55</b>	<b>24.42</b>

## Movements in the present value of the defined benefit obligation are as follows:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening defined benefit obligation	1,874.94	1,891.61
Current service cost	178.11	238.98
Interest cost	132.73	128.25
Remeasurement (gains)/losses:		
Actuarial losses and (gains) arising from changes in demographic assumptions		
Actuarial losses and (gains) arising from changes in financial assumptions	433.18	(66.04)
Actuarial losses and (gains) arising from experience adjustments	(12.87)	(159.56)
Acquisition /Business Combination / Divestiture	18.42	-
Benefits paid	(79.42)	(158.30)
<b>Closing defined benefit obligation</b>	<b>2,545.09</b>	<b>1,874.94</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

Change in plan assets are as follows:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening fair value of plan assets	1,850.52	1,488.68
Return on plan assets	125.46	100.93
Fund management charges	-	
Employer contribution	5.00	402.95
Actuarial loss/(gain) on Asset	5.37	(16.29)
Benefits paid	(147.81)	(125.73)
<b>Closing fair value of plan assets</b>	<b>1,838.54</b>	<b>1,850.54</b>

The major categories of plan assets:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Fund managed by insurer	1,838.54	1,850.54
<b>Total</b>	<b>1,838.54</b>	<b>1,850.54</b>

Maturity profile of gratuity liability is as follows:

Year	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
0 to 1 year	54.03	65.01
1 to 2 Year	45.55	82.84
2 to 3 Year	57.27	44.28
3 to 4 Year	117.36	71.05
4 to 5 Year	154.36	98.56
5 Year onwards	2,116.52	1,513.20
<b>Expected contribution to the fund in next year.</b>	<b>823.87</b>	<b>134.31</b>

## NOTE 45 : RELATED PARTY TRANSACTIONS

(A) Names of related parties and nature of relationship are given below :

Relationship	Name of the party
a. Entities in which Key Management Personnel or their Relatives have significance influence	Rangoli Resorts Pvt. Ltd.
	Core Moulding Pvt. Ltd.
	Sleepwell Foundation (Trust)
b. Key management personnel	Mr. Rahul Gautam (Managing Director)
	Mr. Rakesh Chahar (Wholetime Director)
	Mrs. Namita Gautam (Wholetime Director)
	Mr. Tushaar Gautam (Wholetime Director)

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## (B) Transactions during the year

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(i) Sale of material/ capital goods</b>		
Related entities		
Sleepwell Foundation (Trust)	0.36	0.33
	<b>0.36</b>	<b>0.33</b>
<b>(ii) Key management personnel</b>		
Compensation of Key management personnel		
Short-term Employee Benefits	1,107.55	1,025.44
Post Employment Benefits	13.56	12.97
	<b>1,121.11</b>	<b>1,038.41</b>
<b>(iii) Contributions for CSR expenses</b>		
Sleepwell Foundation (Trust)	315.00	325.00
	<b>315.00</b>	<b>325.00</b>

## (C) Balances outstanding at the end of the reporting period

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Post employee benefit plan for the benefitted employees</b>		
SFL Employee Gratuity Trust	621.54	(29.52)

## NOTE 46 : DISCLOSURES AS PER IND AS 116 'LEASES'

### (A) group as lessee

(i) The group's significant leasing arrangements are in respect of the following assets:

(a). The group has lease of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 3 years to 9 years.

(ii) The carrying amounts of lease liabilities and the movements during the year:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
As at April 1, 2021	12,860.24	9,832.70
Additions	2,490.99	3,395.55
Accretion of interest	557.25	422.88
Deletion	(3,037.51)	(790.89)
<b>Closing liability as at March 31, 2022</b>	<b>12,870.97</b>	<b>12,860.24</b>
Current	2,306.18	2,005.17
Non current	10,564.79	10,855.07
	<b>12,870.97</b>	<b>12,860.24</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

(iii) Maturity analysis of the lease liabilities:

Contractual undiscounted cash flows	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
3 months or less	765.50	-
3-12 months	2,380.51	2,411.02
1-2 years	2,335.75	2,334.98
2-5 years	4,406.38	3,943.72
More than 5 years	7,906.67	8,114.48
<b>Total undiscounted lease liability</b>	<b>17,794.81</b>	<b>16,804.20</b>
Less: Impact of discounting and other adjustments	4,923.84	3,943.96
<b>Lease liability as at March 31, 2022</b>	<b>12,870.97</b>	<b>12,860.24</b>

(iv) The following are the amounts recognised in the Statement of Profit and Loss:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Finance cost	557.25	422.88
Depreciation and amortisation expense	2,954.06	2,248.42
Expenses relating to short term leases	618.98	528.42

(v) The following are the amounts disclosed in the Statement of Cash Flows:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash outflow from leases	2,445.30	2,586.06

## (B) Group as lessor

(i) The Company has entered into lease agreements to lease the following properties which have been treated as "Investment Property".

Land & Factory Building situated at Sikkim	The lease agreement was executed on 1 <sup>st</sup> December, 2016. The said lease is for a term of 10 years with a clause to enable upward revision of the rental charge after every 3 years. The total rent recognized as income during the year is ₹ 158.40 lakhs (Previous year: ₹ 153.12 lakhs).
Residential Flat situated at Greater Noida	The lease agreement was executed w.e.f. 15 <sup>th</sup> September, 2018. The said lease was initially for a term of 11 months with a clause of subsequent renewal by mutual consent and the same being ongoing renewed. The total rent recognized as income during the year is ₹ 7.20 lakhs (Previous year: ₹ 7.08 lakhs).
Land & Factory Building situated at Silvassa	The lease agreement was executed w.e.f. 31 <sup>st</sup> August, 2020. The said lease is for an initial period of 3 years with a clause of automatically renewal for year-on-year basis until receive termination from party. Lease rent will be increased by 5% if both parties agreed on year-on-year basis. The total rent recognized as income during the year is ₹ 49.13 lakhs (Previous year: 28.66 lakhs).

## NOTE 47 : FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1.The group has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

2.Financial instruments with fixed and variable interest rates are evaluated by the group based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 48 : FAIR VALUE HIERARCHY

The group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

### Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2022:

#### Fair Value measurement hierarchy of Assets:

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
<b>Financial Assets measured at fair value though profit and loss</b>					
Other Investments	March 31, 2022	13,919.86	8,913.05	-	5,006.80
<b>Financial Assets measured at fair value though other comprehensive income</b>					
Other Investments	March 31, 2022	47,876.02	-	47,876.02	-
<b>Financial Assets measured at amortized cost</b>					
Other Investments		25.35	-	-	25.35
Loans		563.54	-	-	563.54
Trade receivables	March 31, 2022	28,504.18	-	-	28,504.18
Cash and cash equivalents		4,081.28	-	-	4,081.28
Bank balances other than cash and cash equivalents		31.58	-	-	31.58
Other financial assets		3,091.03	-	-	3,091.03

#### Assets for which Fair Values are disclosed:

	March 31, 2022	March 31, 2021
Investment Property	5,617.11	5,905.47

#### Fair Value measurement hierarchy of Liabilities:

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
<b>Financial liabilities measured at amortized cost</b>					
Borrowings	March 31, 2022	33,775.50	-	-	33,775.50
Lease liabilities		12,870.97	-	-	12,870.97
Trade payables		30,131.60	-	-	30,131.60
Other financial liabilities		9,572.72	-	-	9,572.72

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2021:

### Fair Value measurement hierarchy of Assets:

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
<b>Financial Assets measured at fair value through profit and loss</b>					
Other Investments	March 31, 2021	7,488.71	7,488.71	-	-
<b>Financial Assets measured at fair value through other comprehensive income</b>					
Other Investments	March 31, 2021	33,572.09	-	33,572.09	-
<b>Financial Assets measured at amortized cost</b>					
Other Investments		0.35	-	-	0.35
Loans		571.15	-	-	571.15
Trade receivables	March 31, 2021	30,215.33	-	-	30,215.33
Cash and cash equivalents		5,736.31	-	-	5,736.31
Bank balances other than cash and cash equivalents		73.78	-	-	73.78
Other financial assets		1,211.48	-	-	1,211.48

### Fair Value measurement hierarchy of Liabilities:

Particulars	Date of Valuation	Total	Fair value measurement using		Significant unobservable inputs (Level 3)
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	
<b>Financial liabilities measured at amortized cost</b>					
Borrowings		20,562.62	-	-	20,562.62
Lease liabilities	March 31, 2021	12,860.24	-	-	12,860.24
Trade payables		33,012.56	-	-	33,012.56
Other financial liabilities		10,329.73	-	-	10,329.73

## NOTE 49 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial liabilities comprises of Borrowings , Lease Liabilities, deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations

The group's financial risk management is an integral part of how to plan and execute its business strategies. The group is exposed to market risk, credit risk and liquidity risk.

The group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the group are accountable to the Board of Directors and Audit Committee. This process provides assurance to group's senior management that the group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with group policies and group risk objective.

The management reviews and agrees policies for managing each of these risks which are summarized as below:

### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021.

The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022 and March 31, 2021.

## (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in foreign currency). The group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The group is exposed to foreign currencies such as "USD", "AED", "GBP", "NZD" and "EURO".

The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	As at March 31, 2022	As at March 31, 2021
<b>Financial assets:</b>			
Trade receivables	USD	778.46	177.15
Vendor advances	USD	104.57	269.96
Vendor advances	EURO	0.12	39.88
Vendor advances	GBP	-	356.05
Capital advances	GBP	1,764.25	-
Capital advances	USD	1,432.19	31.79
Bank balances	USD	268.87	355.74
Bank balances	AED	0.11	-
<b>Financial liabilities:</b>			
Trade payables	USD	(2,030.66)	(1,207.62)
Trade payables	EURO	(79.48)	(208.94)
Trade payables	GBP	(19.28)	(6.20)
Trade payables	NZD	(127.14)	(92.83)
Customer advances	USD	(147.84)	(85.99)
Term loan	USD	(7,247.32)	-
<b>Net assets / (liabilities)</b>		<b>(5,303.15)</b>	<b>(371.01)</b>

## Foreign currency sensitivity analysis

The group is mainly exposed to USD, EURO, GBP and NZD . The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.



# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## Foreign currency sensitivity

Currency	%	As at March 31, 2022	%	As at March 31, 2021
USD	2%	267.91	2%	34.22
	-2%	(267.91)	-2%	(34.22)
EURO	3%	79.59	5%	12.14
	-3%	(79.59)	-5%	(12.14)
GBP	2%	37.96	5%	18.20
	-2%	(37.96)	-5%	(18.20)
NZD	5%	6.36	8%	7.43
	-5%	(6.36)	-8%	(7.43)

### (ii) Interest risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's financial liabilities comprises mainly of interest-bearing (USD , AUD & EURO) project term loans. The Group exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

However, USD ,AUD & EURO term loans are not exposed to risk of fluctuation in market interest rate as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Exposure towards INR term loan is very small and management intends to repay same from operating cash flows in case of high fluctuations in interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

### (iii) Commodity price risk

The group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the group has entered into various purchase contracts for these material for which there is an active market. The group's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the group increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

### b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## (i) Trade receivables

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The group regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

## (ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's finance department in accordance with the group's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the group.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-current assets</b>		
- Other Investments	52,883.17	30,359.99
- Loans	8.47	15.91
- Other non-current financial assets	453.61	518.69
<b>Current assets</b>		
- Other Investments	8,938.05	10,701.16
- Trade receivables	28,504.18	30,215.33
- Cash and cash equivalents	4,081.28	5,736.31
- Bank balances other than cash and cash equivalents	31.58	73.78
- Loans	555.07	555.24
- Other current financial asset	2,637.42	692.79
<b>Total</b>	<b>98,092.83</b>	<b>78,869.20</b>

## (c) Liquidity risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time or at reasonable price. The group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short-term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the group's liquidity position through rolling forecasts on the basis of expected cash flows. The group assessed the concentration of risk with respect to its debt and concluded it to be very low.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments

Particulars	Less than 1 Year	More than 1 Year	Total
<b>Year ended March 31, 2022</b>			
Trade payables	30,131.59	-	30,131.59
Other financial liabilities	4,538.64	5,034.08	9,572.72
Borrowings	10,957.32	22,818.18	33,775.50
Lease Liability	2,306.18	10,564.79	12,870.97
	<b>47,933.73</b>	<b>38,417.05</b>	<b>86,350.78</b>
<b>Year ended March 31, 2021</b>			
Trade payables	33,012.56	-	33,012.56
Other financial liabilities	5,311.60	5,018.13	10,329.73
Borrowings	7,299.14	13,263.48	20,562.62
Lease Liability	2,005.17	10,855.07	12,860.24
	<b>47,628.47</b>	<b>29,136.68</b>	<b>76,765.15</b>

## NOTE 50 : CAPITAL MANAGEMENT

For the purpose of the group's capital management, capital includes issued equity capital, convertible preference shares and all other equity reserves attributable to the equity holders. The primary objective of the group's capital management is to maximize the shareholder value and to ensure the group's ability to continue as a going concern.

The group has not distributed any dividend to its shareholders. The group monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing & current borrowings from banks & financial Institutions. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars		As at March 31, 2022	As at March 31, 2021
Equity		2,439.14	2,439.14
Other Equity		137,580.81	116,881.76
<b>Total equity</b>	(i)	<b>140,019.95</b>	<b>119,320.90</b>
Borrowings		33,775.50	20,562.62
Less: cash and cash equivalents		4,081.28	5,736.31
<b>Total debt</b>	(ii)	<b>29,694.22</b>	<b>14,826.31</b>
Overall financing	(iii) = (i) + (ii)	169,714.17	134,147.21
Gearing ratio	(ii)/ (iii)	0.17	0.11

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2022

## NOTE 51 : COMMITMENTS FOR EXPENDITURE

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹ 720.89 lacs & March 31,2021: ₹ 225.12 lacs)	9,078.19	3,454.69
	<b>9,078.19</b>	<b>3,454.69</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 52 : CONTINGENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Claims against the holding company not acknowledged as debt (refer note below)		
Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards		
- Sales tax	480.99	888.28
- Entry tax	194.11	165.24
- Income tax	439.12	447.57
- Excise Duty	410.57	380.46
(b) Guarantees given by the Bankers on behalf of the group to third parties	56.19	43.04
(c) Other money for which the group is contingently liable	75.00	75.00

### Note:

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

## NOTE 53 : ASSET PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current Asset</b>		
Inventories	5,776.56	-
Trade receivables	6,252.66	-
Other current assets	2,452.68	-
	<b>14,481.90</b>	-
<b>Non-Current assets</b>		
Leasehold land	1,362.29	907.34
Property, plant and equipment	16,865.29	7,571.60
Capital work in progress	11,756.50	-
Intangible Assets	33.67	-
	30,017.75	8,478.94
<b>Total Assets pledged as security</b>	<b>44,499.65</b>	<b>8,478.94</b>

### Note based on the terms and conditions written on sanction letters by bank

1. Term loan with JP Morgan & Kotak Mahindra Bank in International Comfort Technologies Private Limited has been secured by hypothecation of first charge on entire fixed assets ( Movable fixed assets and immovable fixed assets & corporate guarantee provided by Holding Company

2. Euro Term Loan with Citi Bank Spain in International Comfort Technologies Spain having exclusive charge on owned fixed assets (moveable and immovable) in holding company at manufacturing plant located at Jalpaiguri, West Bengal , Sahibabad , U.P , Rajpura , Punjab and Erode , Tamil Nadu

3. AUD Term Loan with Citi Bank Australia in Joyce Foam Pty Limited having fixed charge over present & future interest in Non -Disposable Property ( Which include both Movable & Immovable property ) & floating charge on all other assets which does not subject to fixed charge .

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 54 : SEGMENT INFORMATION

### Operating segment information

The group is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments.

### Geographical information

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue from external customer</b>		
Sale of products & services		
Within India	206,921.94	166,963.46
Outside India	91,066.31	76,595.83
<b>Total revenue</b>	<b>297,988.25</b>	<b>243,559.29</b>
<b>Assets</b>		
Within India	151,114.94	122,817.80
Outside India	86,130.07	84,118.03
<b>Total assets</b>	<b>237,245.01</b>	<b>206,935.83</b>
<b>Liabilities</b>		
Within India	36,373.04	40,847.94
Outside India	60,852.02	46,767.00
<b>Total Liabilities</b>	<b>97,225.06</b>	<b>87,614.94</b>

The revenue information is based on location of customer.

### Non-current operating assets

The group has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

## NOTE 55 : TRANSFER PRICING (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The group has appointed an independent consultant for conducting a Transfer Pricing Study to determine whether the transactions with associate enterprises undertaken during the financial year are on an "arm's length basis". The Transfer Pricing study under the Income Tax Act, 1961 in respect of transaction with the associated enterprises for the financial year ended March 31, 2022 is not yet complete. Adjustments, if any, arising from Transfer Pricing study shall be accounted for as and when the study is completed. The management confirms that all international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms. During the current year, the Transfer Pricing certificate under section 92E of Income Tax Act, 1961 for the year ended March 31, 2021 has been obtained and there are no adverse comments requiring adjustments.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 56 : EXPOSURE TOWARDS MICRO, SMALL AND MEDIUM ENTERPRISES (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information are as under:		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier.		
Principal amount:	506.29	1,168.31
Interest:	-	-
(ii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day for the year ending.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year).	-	-
(iv) The amount of interest accrued and remaining unpaid for the year ending.	-	-
(v) The amount of further interest remaining due and payable for the earlier years.	-	-

The Information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available. Further, the amount payable to these parties is not overdue hence no interest is required to be provided/accrued as at March 31, 2022 and March 31, 2021

- II The credit period for purchase of goods and services are normally up to 30 days. No interest is chargeable on trade payables.

## NOTE 57 : CORPORATE SOCIAL RESPONSIBILITY

As per provisions of Section 135 of the Companies Act, 2013, the holding company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount required to be spent as per section 135 of the Act	409.07	372.91
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	<b>409.07</b>	<b>372.91</b>
b) <b>Amount approved by the Board to be spent during the year</b>	457.53	489.55
c) <b>Amount spent during the year on</b>		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	457.53	489.55
d) <b>Details related to amount spent .</b>		
Contribution to Sleepwell Foundation Trust	315.00	325.00
Spent on Health Support , Promoting education including employment enhancing vocational skills.	142.53	164.55
	<b>457.53</b>	<b>489.55</b>
e) <b>Details of CSR expenditure in respect of other than ongoing projects</b>		
Balance unspent as at opening	-	-
Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	-	-
Amount required to be spent during the year	457.53	489.55
Amount spent during the year	457.53	489.55
Balance unspent as at closing	-	-
f) Corporate social responsibility expenses of holding company are managed by related party -Sleepwell foundation (refer note no. 45)		

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 58 : STATUTORY GROUP INFORMATION

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	INR	As % of consolidated profit and loss	INR	As % of consolidated other comprehensive income	INR	As % of consolidated total comprehensive income	INR
<b>Parent</b>								
Sheela Foam Limited								
Balance as at 31 March, 2022	87%	121,172.08	91%	19,884.05	63%	-116.36	91%	19767.69
Balance as at 31 March, 2021	88%	105,038.23	74%	17,874.98	11%	209.91	70%	18084.89
<b>Subsidiaries</b>								
<b>Indian</b>								
1 Divya Software Solutions Private Limited								
Balance as at 31 March, 2022	-1%	(1,131.10)	-2%	(390.48)	0%	0.00	-2%	(390.48)
Balance as at 31 March, 2021	-1%	(740.62)	-2%	(421.95)	0%	0.00	-2%	(421.95)
2 Sleepwell Enterprises Private Limited								
Balance as at 31 March, 2022	0%	207.32	0%	(28.56)	0%	0.00	0%	(28.56)
Balance as at 31 March, 2021	0%	235.89	0%	65.42	0%	0.00	0%	65.42
3 Staquo World Private Limited								
Balance as at 31 March, 2022	-1%	(809.03)	-5%	(1,156.72)	12%	(22.28)	-5%	(1,179.00)
Balance as at 31 March, 2021	0%	369.96	1%	291.15	3%	54.26	1%	345.41
4 International Comfort Technologies Private Limited								
Balance as at 31 March, 2022	0%	(587.51)	-3%	(591.13)	-2%	3.61	-3%	(587.52)
Balance as at 31 March, 2021	0%	-	0%	-	0%	0.00	0%	0.00
<b>Foreign</b>								
1 Joyce Foam Pty Limited								
Balance as at 31 March, 2022	10%	13,782.87	9%	2,038.01	22%	(41.51)	9%	1996.50
Balance as at 31 March, 2021	8%	9,281.71	11%	2,694.96	12%	227.95	11%	2922.91
2 International Foam Technologies Spain SLU								
Balance as at 31 March, 2022	5%	6,621.97	9%	1,977.80	5%	(8.53)	9%	1969.27
Balance as at 31 March, 2021	4%	4,243.87	14%	3,267.52	74%	1388.98	18%	4656.50
<b>Non-controlling interests in all subsidiaries</b>								
Balance as at 31 March, 2022	1%	763.34	1%	139.83	0%	0.00	1%	139.83
Balance as at 31 March, 2021	1%	891.86	1%	243.09	0%	0.00	1%	243.07
<b>Total</b>	<b>100%</b>	<b>140,019.95</b>	<b>100%</b>	<b>21,872.80</b>	<b>100%</b>	<b>(185.07)</b>	<b>100%</b>	<b>21,687.73</b>
<b>Balance as at 31 March, 2021</b>	<b>100%</b>	<b>119,320.90</b>	<b>100%</b>	<b>24,015.17</b>	<b>100%</b>	<b>1,881.10</b>	<b>100%</b>	<b>25,896.27</b>

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 59 : INTEREST IN OTHER ENTITIES

### Subsidiaries

The group's subsidiaries at 31 March 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non- controlling interests		Principal activities
		31 March 2022	31 March 2021	31 March 2022	31 March 2021	
Joyce Foam Pty. Limited, Australia	Australia	100%	100%	0%	0%	Manufacturer of technical foam supplied to Business to Business customers (mattress and furniture manufacturers)
Divya Software Solutions (P) Ltd., India	India	100%	100%	0%	0%	Software development and related ancillary activities
Sleepwell Enterprises (P) Ltd., India	India	100%	100%	0%	0%	Providing of its Trademarks, Patents, Logos etc. and earning royalty thereon
International Foam Technologies SL, Spain	Spain	100%	100%	0%	0%	To invest in a Wholly Owned Subsidiary Company in Spain, engaged in manufacturing of Polyurethane Foam
Staqa World Pvt. Ltd., India	India	100%	100%	0%	0%	Information technology and related ancillary activities
International comfort Technologies Private Limited, India	India	100%	100%	0%	0%	Manufacturer of mattresses supplied to domestic & overseas customers

## NOTE 60 : DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at balance sheet date:

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
		Amount in foreign currency	In INR	Amount in foreign currency	In INR
Trade payables	USD	26.23	2,030.66	16.06	1,207.62
	EURO	0.92	79.48	2.47	208.94
	GBP	0.19	19.28	0.06	6.20
	NZD	2.41	127.14	1.82	92.83
Advance From Customers	USD	1.91	147.84	1.14	85.99
Trade receivables	USD	94.10	7,247.32	-	-
	USD	10.28	778.46	2.38	177.15
	USD	18.50	1,432.19	0.42	31.79
Advance to vendors	GBP	10.52	1,764.25	-	-
	EURO	0.00	0.12	0.48	39.88
	GBP	-	-	3.63	356.05
Loan to Subsidiary Company	USD	1.41	104.57	3.66	269.96
Bank balance	AED	590.00	0.11	-	-
	USD	1,833.46	268.87	4.73	355.74

## NOTE 61 : INCOME TAX RECOGNISED IN PROFIT OR LOSS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Current tax</b>		
In respect of current year	8,323.45	8,549.12
Tax expenses related to earlier years	(22.04)	(42.32)
	<b>8,301.41</b>	<b>8,506.80</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(585.48)	(48.58)
	<b>(585.48)</b>	<b>(48.58)</b>
Total income tax expense recognised in the current year	<b>7,715.93</b>	<b>8,458.22</b>



# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Profit before tax (Including Other comprehensive income)</b>	<b>29,453.69</b>	<b>32,737.57</b>
Income tax expense calculated at 25.168%	7,412.90	8,239.39
Effect of expenses that are not deductible in determining taxable profit	115.15	-
Effect of difference in tax rates	197.17	115.29
Others	12.74	145.85
	<b>7,737.96</b>	<b>8,500.53</b>
Adjustments recognised in the current year in relation to tax of prior years	(22.04)	(42.32)
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>7,715.93</b>	<b>8,458.22</b>
<b>Effective Tax Rate</b>	<b>26.20%</b>	<b>25.84%</b>

## NOTE 62 : THE CODE ON SOCIAL SECURITY 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits in India, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

## NOTE 63: UTILISATION OF BORROWED FUNDS

- (i) The group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiarie
- (ii) The group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

## NOTE 64 : EVENTS AFTER THE REPORTING PERIOD

There are no significant adjusting events after the reporting period.

## NOTE 65 : DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

The group has not traded or invested in Crypto currency or Virtual currency during the financial year.

## NOTE 66 : UNDISCLOSED INCOME (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

There is no undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

## NOTE 67: DETAILS OF BENAMI PROPERTY HELD (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

There is no Benami property, where any proceeding has been initiated or pending against the group for holding any Benami property.

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

## NOTE 68: RELATIONSHIP WITH STRUCK OFF COMPANIES UNDER SECTION 248 OF THE COMPANIES ACT, 2013 OR SECTION 560 OF COMPANIES ACT, 1956 (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

There is no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

## NOTE 69: RECONCILIATION OF MONTHLY RETURNS OR STATEMENTS OF CURRENT ASSETS FILED WITH BANKS OR FINANCIAL INSTITUTIONS

### 31 March 2022

Month	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the Monthly statement	Amount of difference	Reason for material discrepancies
Apr/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	28,090.01	28,090.01	-	-
May/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	25,909.24	25,909.24	-	-
Jun/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	23,930.09	23,930.09	-	-
Jul/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	24,797.80	24,797.80	-	-
Aug/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	26,151.99	26,151.99	-	-
Sep/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	29,075.37	29,075.37	-	-
Oct/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	32,969.64	32,969.64	-	-
Nov/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	29,760.13	29,760.13	-	-
Dec/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	27,449.27	27,449.27	-	-
Jan/22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	26,551.13	26,551.13	-	-
Feb/22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	25,878.66	25,878.66	-	-
Mar/22	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	26,924.84	26,924.84	-	-

### 31 March 2021

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the Monthly statement	Amount of difference	Reason for material discrepancies
Apr/20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	19,479	19,479	-	-
May/20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	17,604	17,604	-	-
Jun/20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	16,686	16,686	-	-
Jul/20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	17,774	17,774	-	-
Aug/20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	19,611	19,611	-	-
Sep/20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	19,934	19,934	-	-
Oct/20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	24,515	24,515	-	-
Nov/20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	26,910	26,910	-	-

# Notes to Consolidated Financial Statements

for the year ended march 31, 2022

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the Monthly statement	Amount of difference	Reason for material discrepancies
Dec/20	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	25,824	25,824	-	-
Jan/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	25,748	25,748	-	-
Feb/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	24,489	24,489	-	-
Mar/21	CITI BANK , KOTAK MAHINDRA BANK & YES BANK	Book Debts ( Net of advances from customers) & Inventories	26,441	26,441	-	-

## NOTE 70 : COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES (IN RESPECT OF COMPANIES INCORPORATED IN INDIA)

Has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

## NOTE 71

The group did not have any material foreseeable losses on long term contracts including derivative contracts

## NOTE 72

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

## NOTE 73: FOLLOWING ARE THE RECLASSIFICATIONS MADE IN THE PREVIOUS YEAR FIGURES TO MAKE THEM COMPARABLE/ BETTER PRESENTATION WITH THE CURRENT YEAR FIGURES:

Particulars	March 31,2021	March 31,2021	Nature
	(Revised)	(Published)	
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(iii) Other Financial Liabilities	5,018.13	8,444.62	Reclassification items
<b>Current Liabilities</b>			
Trade Payable	33,012.56	22,964.51	Reclassification items
Financial Liabilities			
(iii) Other Financial Liabilities	5,311.60	12,586.54	Reclassification items

As per our Report of even date attached  
For **MSKA & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
Sheela Foam Limited  
CIN: L74899DL1971PLC005679

**Manish P Bathija**  
Partner  
Membership No.: 216706

**Rahul Gautam**  
Managing Director  
DIN:00192999

**Tushaar Gautam**  
Whole Time Director  
DIN:01646487

**Nikhil Ghanashyam Datye**  
Chief Financial Officer

Place: Gurugram  
Date: May 12, 2022

Place: Noida  
Date: May 12, 2022

**Md. Iqbal Ahmad**  
Company Secretary  
Membership No.: A20921



[www.sheelafoam.com](http://www.sheelafoam.com)

Registered Office: 604 Ashadeep, 9 Hailey Road, New Delhi - 110001, India