

Kurl-on®



ANNUAL REPORT

2019 – 2020

WWW.KURLON.COM

OUR FOUNDER



Late T. Ramesh U. Pai

(October 22, 1924 - January 26, 2005)

KURLON ENTERPRISE LIMITED

BOARD OF DIRECTORS & KMPs

Mr. T. Sudhakar Pai	: Managing Director
Mrs. Jaya S. Pai	: Director
Dr. Nitin G. Khot	: Independent Director
Mr. S. Ananthanarayanan	: Independent Director
Mr. Vishal Murarilal Tulsyan	: Nominee Director
Mr. Ritesh Shroff	: Chief Financial Officer (CFO)
Mr. Monu Kumar	: Company Secretary (CS)

REGISTERED AND CORPORATE OFFICE

#1002/1006, The Avenue,
International Airport Road,
Opp. Hotel Leela, Andheri
(East), Mumbai-400059

N-301, III Floor, North Block,
Front Wing, Manipal Centre,
47, Dickenson Road,
Bangalore-560042

BANKERS & FINANCIAL INSTITUTION:

IDBI Bank Limited
Axis Bank Limited

STATUTORY AUDITORS:

Deloitte Haskins & Sells
Prestige trade tower, level 19, 46, Palace Road,
High Grounds, Bangalore-560001.

REGISTRAR & SHARE TRANSFER AGENT:

Purva Sharegistry (India) Private Limited
9, Shiv Shakti Ind. Estt., J.R. Boricha Marg
Lower Parel (E), Mumbai - 400011
Tel: +91 (022) 2301-6761/2518
E-mail: support@purvashare.com
Contact person: Mr. Rajesh Shah/Mrs. Purva Shah
SEBI Registration Number: INR000001112

FACTORIES:

- Jalahalli Camp Road, Yeshwanthpur, Bangalore-560022
- Plot No. 49, III Phase Peenya Industrial Estate, Chokkasandra Hobli, Bangalore-560022
- Plot No. 22 & 23, KIADB Industrial Area, Dabaspet, Bangalore-562211
- Plot No. 7, KIADB Industrial Area, Dabaspet, Bangalore-562211
- Plot No. 118 Budhihal Industrial Estate, Nelimganga, Bangalore Rural, Bangalore-562123
- Plot No. 88, Chandaka, B - Sector, Industrial Estate, Bhubaneswar-751031
- Plot No. 54-57, Shiv Ganga Industrial Estate, Village - Lakeshwari, P.O. Bhagwanpur, Dist. Haridwar, Roorkee-247667
- Plot No. 902/4, GIDC, Jhagadia Industrial Estate, Taluka - Jhagadia, Dist. - Bharuch, Gujrat-393110
- #28E, 2nd Phase, 4th Main, Peenya Industrial Area, Peenya, Bangalore-560058

AREA SALES OFFICES (ASO):

AGRA	DEHRADUN	JHAGADIA	RAIPUR
AHMEDABAD	DELHI	JAMSHEDPUR	RAJKOT
ANANTHAPUR	DHANBAD	JODHPUR	RAJAHMUNDRY
AURANGABAD	FRIDABAD	KANPUR	RANCHI
BANGALORE	GHAZIABAD	KARIMNAGAR	SAMBALPUR
BARODA	GOA	KOLHAPUR	SILIGURI
BERHAMPUR	GORAKHPUR	LUCKNOW	SURAT
BHIWANDI	GULBARGA	LUDHIANA	TARATALA
BHOPAL	GURGAON	MADURAI	THRISSUR
BHUVANESHWAR	GUWAHATI	MANGALORE	TIRUPATHI
BOWENPALLY	GWALIOR	MYSORE	TRICHY
BURDWAN	HOSUR	MUMBAI	VARNASI
CALCUTTA	HUBLI	MUZAFFARPUR	VIJAYAWADA
CALICUT	HYDERABAD	NAGPUR	VIZAG
CHENNAI	INDORE	NASHIK	WARANGAL
COCHIN	JABALPUR	PATNA	YELAHANKA, BANGALORE
COIMBATORE	JAIPUR	PARWANOO-HP	ZIRAKPUR
DAVANAGERE	JAMMU	PUNE	

Kurlon Mattress Express

Agartala, , Agra, Ahmedabad, Asansol, Aurangabad, Bandra, Bangalore, Barbanksi, Bareilly, Baroda, Bellary, Bhavnagar, Bhayandar, Bhilai, Bhubaneswar, Bhuji, Burdwan, Calicut, Chandigarh, Chennai, Chittorgarh, Cochin, Coimbatore, Cuttack, Dadar, Dehradun, Delhi, Dhanbad, Dimapur, Dombivali, Durgapur, Ernakulam, Ghaziabad, Goa, Gurgoan, Guwahati, Haldwani, Himmatnagar, Howrah, Hubli, Hyderabad, Indore, Jaipur, Jalandhar, Jammu, Jamnagar, Jamshedpur Jodhpur, Jorhat, Junagadh, Kashipur, Kharghar, Kolhapur, Kolkata, Kottayam, Kumbakanam, Kutch, Lucknow, Ludhiana, Malad, Mangalore, Mehsana, Miraroad, Morbi, Mulund, Mumbai, Mysore, Nadiad, Nagpur, Nanded, Nashik, Navi Mumbai, New delhi, Panipat, Patiala, Patna, Puducherry, Pune, Ranchi, Saharanpur, Shillong, Shivmogga, Siliguri, Silvassa, Sonpath, Surat, Thane, Thrissur, Tirupati, Udaipur, Udupi, Ulhasnagar, Vapi, Vasai, Vellore and Warangal

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Event of 9th Annual General Meeting

Day	Tuesday
Date	20 th October, 2020
Time	11:00 A.M.
	Through Video Conference (VC) / Other Audio Visual Means (OAVM)
Venue	The Registered Office of the Company shall be deemed Venue of the Meeting

Corporate Snapshot

Kurl-on® Ltd., founded by Late T Ramesh Pai, was incorporated under the name of Karnataka Coir Products Ltd more than half a century back in October, 1962. The name of the company was changed to Karnataka Consumer Products Ltd. with effect from October, 1980. It was in December, 1995 the name was changed to KURL-ON LTD. to fully reflect all its business activities in diverse areas such as Rubberized Coir, Latex Foam and Polyurethane Foam. Besides mattress KL manufactures and markets an entire range of home comfort solutions and wide range of high-end soft furnishings such as Pillows, cushions, bed linen, to ergonomically designed Furniture, Furnishing, etc. Kurl-on has become synonymous with mattress industry in India and being the pioneer has become a household name across the length and breadth of India.

During 1965, KL introduced, for the first time in the country, the concept of rubberized coir mattress under its renowned brand name “Kurl-On” using the know-how from Austria

KL is the innovator of coir mattresses in India and offers a wide range of comfort solutions for retail consumers and a wide range of institutional clients such as Hotels, Hospitals and Hostels who prefer high performance, high quality branded mattresses with flame retardant, anti-bacterial fabrics.

Currently the company exports its products to various Asian countries.

For the past sixteen years the company has won the Coir Board of India's awards for Outstanding Performance in Export of Rubberized Coir Products, the Development of the Domestic Market for Rubberized Coir and the award for being consistently the country's largest manufacturer

KL is the holding company, which promoted a subsidiary company in the name and style of Kurlon Enterprise Ltd. (“KEL”) in the year 2011. Consequent upon the Business Transfer Agreement between KL and KEL, the business of Rubberized Coir, Latex Foam, Polyurethane Foam, Pillows, Spring Mattresses, Furniture, Furnishing and related products were transferred to KEL w.e.f. 1st April, 2014. Headquartered in Bengaluru, KEL is now the operating company. Both the companies are closely held, unlisted Public Ltd. Company.





BRAND PORTFOLIO

This was an exciting year for Kurl-on. We added new products to our portfolio, which are innovative and perfect to take our brand forward. Some of these products include our Wedding Series Mattresses, Sleepace sleep tracker and our wide range of pillows.

The Kurl-on family came together during the pandemic as one, and we ensured that our employees' safety was our top-most priority.

Take a look at what we've done this year.

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PREMIUM WEDDING SERIES MATTRESSES



Specially designed for newlyweds, our premium range of Wedding Series mattresses are made by the finest craftsmen from around the country. Bring home a piece of your culture add a hint of luxury to your new journey in life called marriage

NEW PRODUCT LAUNCH

In our quest to make sleep better for our customers, we launched the Sleepace Sleep Tracker. This tracker is a step forward taken in the right direction as a brand who wants to provide comfortable sleep to India.



SLEEPSPACE SLEEP TRACKER

Let your every nap be a power nap. Sleepspace is a non-wearable and hassle-free device which allows you to track your sleeping routine by monitoring you and your surroundings. With the help of comprehensive sleep analysis, Sleepspace guides in improving your sleeping habits.

INNOVATIVE LAUNCHES

SUTA

SUTA mattresses by Kurl-on are ergonomically designed to provide you with the ultimate luxury and comfort every time you take a nap.



HUDDLE

Give yourself some virtual huddle time with Kurl-on's Huddle! This pouf seat is utterly comfortable and comes in beautiful colours.



NEW PILLOW VARIANTS

WEDGE PILLOW

Improve your comfort with this Wedge Pillow.



U NECK PILLOW

This is the best pillow for travel. Designed beautifully in U shape to give your neck ultimate comfort and rest as it's filled with micro beads.



KIDS PILLOW

We have 2 types of kids pillows - for boys and girls. These pillows are the perfect addition to a child's room decor.



GLACIES GEL PILLOW

Made of Viscose elastic memory foam this pillow gives adequate support to your neck & spine.



CSR ACTIVITIES

For our CSR activity, we distributed mattresses and bedsheets to orphanages and people in need in Nagaland



EXTRAVAGANT SOFA & FURNITURES



Kurl-on[®]

THE MATTRESS OF INDIA

VISION

Kurlon, will sustain brand leadership with highest consumer delight, through:

- ▶ **World-class manufacturing processes**
 - ▶ **Innovation**
 - ▶ **Making it the best place to work**

Thereby delivering, exponential growth & maximized wealth, for channel & stake holders, in a socially responsible way.



LETTER TO SHAREHOLDERS

Dear Shareholders,

During the last few weeks in March, India started to see the impact of COVID-19. Our team mobilized with extreme speed and incredible dedication to combat the pandemic. Our focus has been and continues to be the safety of our employees, our partners, stakeholders in the eco-system and the society at large.

COVID 19 is a pandemic which has created a new 'NORMAL'. For us, this situation was completely unprecedented. We had embarked on our journey of Digital Transformation in FY 2019-20 with focus on remote accessibility, going paperless, digitalization and automation. And this is what helped us in quickly adapting to the remote working environment which was necessitated due to COVID.

The Kurlon Leadership Team, led by our Head - Corporate Strategy, Mrs. Jyothi A Pradhan coordinated with channel partners and vendors of products and services to ensure smooth operation of the Company and the efforts continue unabated. In a large part, this was a result of an incredibly robust infrastructure we had built over the years in terms of networks, telecommunications and relationship with all partners. It is also a result of the social capital we had built by having a stable executive management team called "Kurlon Leadership Team" where leaders know each other well and are able to work with each other remotely with the trust built over time.

I am pleased to present to you the Annual Report for FY 2019-20 of your Company. The end of Q4 in the year under review was, of course, impacted across the country - indeed, around the world - by the unimaginable scale of the coronavirus pandemic. Our business felt that impact too, as social distancing began, then stores had to be closed and e-commerce delivery was also suspended due to which our revenue from operations (on Standalone basis) decreased by **7.06%** as compared to previous year. However the Profit after Tax on Standalone basis grew by **11.67%** to **₹8,369.43 Lakhs** (Before Other Comprehensive Income) as compared to previous year and by **10.30%** to **₹8,403.59 Lakhs** (After Other Comprehensive Income) whereas on Consolidated basis the Group has achieved the revenue

from operations to **₹98,763.14 Lakhs** decreased by **6.11%** as compared to previous year however the Profit After Tax on Consolidated basis grew by **13.92%** to **₹7524.53 Lakhs** (Before Other Comprehensive Income) and by **12.33%** to **₹7558.68** (After Other Comprehensive Income), primarily driven by operational efficiencies. Our Earnings Per Share grew on Standalone Basis, grew by **10.32%** as compared to previous year. We had operating cash flow of **₹12,730.24 Lakhs**, which grew at **112.75%** for the year. And we ended the year with **₹1,387.99 Lakhs** in cash on our balance sheet. The Board announced dividend payout of **₹1279.33 Lakhs** by declaring the dividend at **₹3.50** (i.e. 70%) per equity shares of face value of **₹5/-** each of the Company for FY 2019-20 subject to the approval of shareholders in ensuing Annual General Meeting of the Company.

At the end of the year we had over 1018 employees in the Kurlon family.

Our customer base continues to grow by the day and we continue to focus on delivering satisfaction and value to them. Our products are accessible by consumers through all major channels i.e. exclusive outlets, multi-brand outlets, Modern trade outlets & e-tail. Our constant efforts in product development, sales, marketing and innovation, differentiate us from competition.

We have successfully completed the merger of Spring Air Bedding Company (India) Ltd with the Company which has added international brands to the company's portfolio.

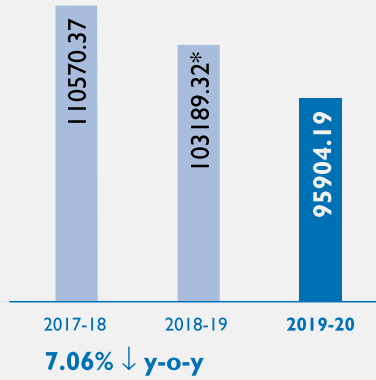
The next few months will be difficult, but your company is strong with deep relationship with customers and suppliers, enviable scale and a diversified business model with strong cash flow and financials. It is well positioned to weather the storms ahead and take advantage of opportunities that come up during the downturn to acquire new capabilities and gain market share. In the post pandemic world, technology will play an ever larger role in helping enterprises adapt to the new normal and differentiate themselves.

On behalf of the Board of Directors of the Company, I want to thank you for your continued trust, confidence, and support.

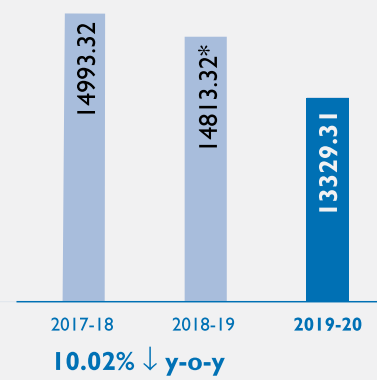
Sd/-
T. Sudhakar Pai
Managing Director
00043298

PERFORMANCE HIGHLIGHTS-KURLON ENTERPRISE LIMITED (STANDALONE)

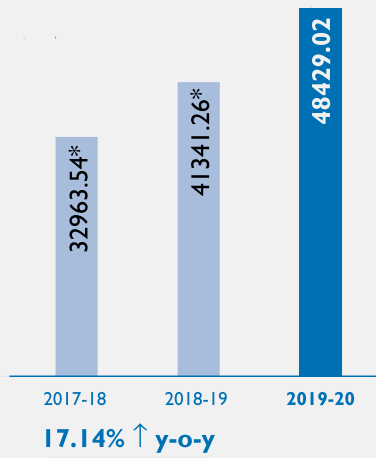
REVENUE (₹ in Lakhs)



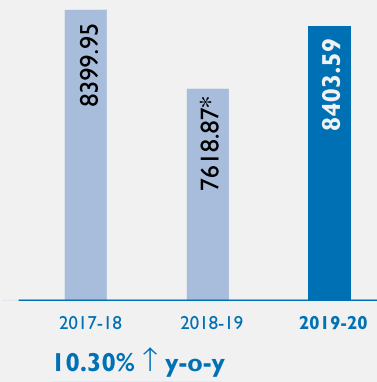
EBIDTA (₹ in Lakhs)



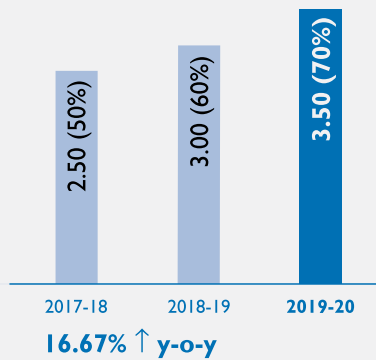
Networth (₹ in Lakhs)



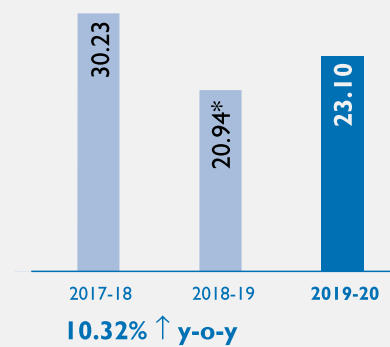
Profit after Tax
(After Other Comprehensive Income)
(₹ in Lakhs)



Dividend per Share (₹)



Earning per Share (₹)

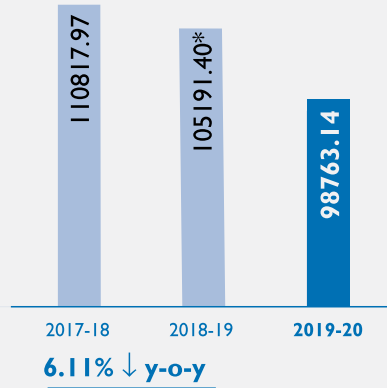


Note:

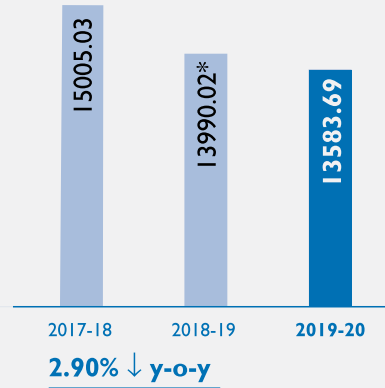
* figures of the previous year have been regrouped/reclassified whenever necessary to confirm to the current year groupings/classifications

PERFORMANCE HIGHLIGHTS-KURLON ENTERPRISE LIMITED (CONSOLIDATED)

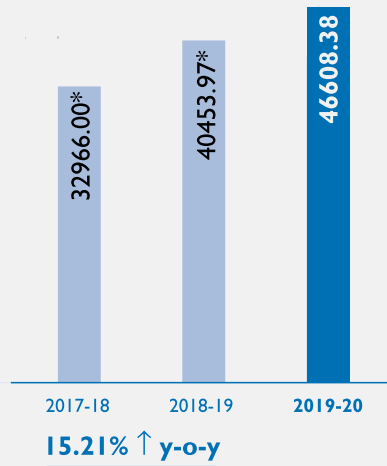
REVENUE (₹ in Lakhs)



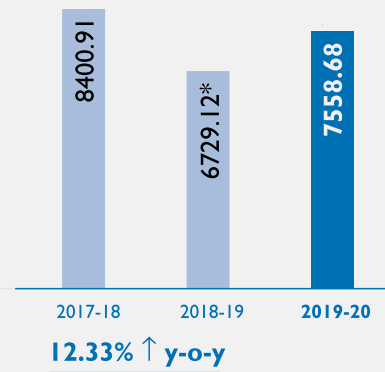
EBIDTA (₹ in Lakhs)



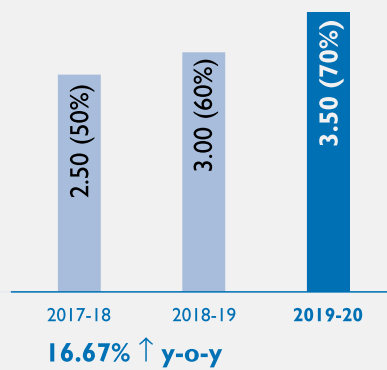
Networth (₹ in Lakhs)



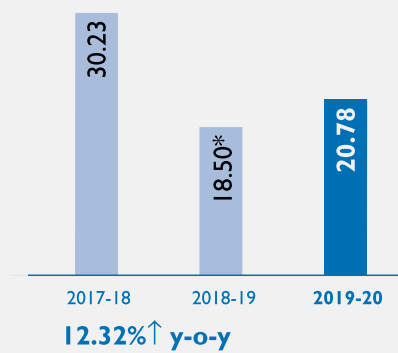
Profit after Tax
(After Other Comprehensive Income)
(₹ in Lakhs)



Dividend per Share (₹)



Earning per Share (₹)



Note:

* figures of the previous year have been regrouped/reclassified whenever necessary to confirm to the current year groupings/classifications

DIRECTORS' REPORT

Dear Members,

The Board of Directors are pleased to present the Company's 9th Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2020.

I. Financial highlights of the Company

Financial results of the Company for the year under review along with previous year's figures are given hereunder;

₹ in Lakhs

Particulars	Standalone		Consolidated	
	2019-2020	2018-2019*	2019-2020	2018-2019*
Revenue from operations	95,904.19	103,189.32	98,763.14	105,191.40
Profit Before Financial charges, tax and Depreciation	13329.31	14813.32	13583.69	13990.02
Less: Finance Charges	577.10	580.58	941.37	598.33
EBDT	12752.21	14232.74	12642.32	13391.69
Less: Depreciation	2,609.61	1,855.62	3,330.45	1,896.45
Profit Before Tax	10,142.60	12,377.12	9,311.87	11,495.24
Add/Less: Income Tax/Earlier year's tax	2406.03	2741.94	2419.65	2741.94
Add/Less: Deferred tax	(632.86)	2,140.50	(632.31)	2,148.37
Profit after tax	8,369.43	7494.69	7,524.53	6,604.94
Other comprehensive income	34.15	124.19	34.15	124.19
Total comprehensive income for the year	8,403.59	7,618.87	7,558.68	6,729.12
Transfer to General reserve	-	-	-	-
Proposed Dividend on Equity Shares	1279.33	1091.47	1279.33	1091.47
Tax on proposed Dividend	-	224.41	-	224.41
Surplus in statement of P & L carried to Balance Sheet	30,454.81	22,931.47	28,563.17	22,044.18
Earnings per share (EPS).	23.10	20.94	20.78	18.50

*The Financial Statements have been presented after accounting for the business combination arising from the Scheme of Arrangement ("Scheme") between the Company and Spring Air Bedding Company (India) Limited, that was approved by the National Company Law Tribunal, Mumbai vide its order dated March 12, 2020 and National Company Law Tribunal, Delhi vide its order dated May 05, 2020, with effect from April 01, 2018, ("the appointed date"). The comparative financial information as at April 01, 2018, as at March 31, 2019 and for the year ended March 31, 2019 presented in these financial statements have been restated from the previously issued financial statements of the Company.

During the current year, Revenues from operation of the Company, on standalone basis, decreased from ₹103,189.32 Lakhs to ₹95,904.19 Lakhs. The decreases in revenue from operations are due to impact of COVID-19 during February/March'20 and the subsequent lockdown during the last week of March'20. However, Profit after Tax for the current year increased by 11.67% to ₹8,369.43 Lakhs from ₹7,494.69 Lakhs (Before Other Comprehensive Income) and increased by 10.30% to ₹8,403.59 Lakhs from ₹7,618.87 Lakhs (After Other Comprehensive Income). From April 1, 2019 onwards, the Company has opted to pay income taxes under the concessional tax regime as prescribed under Section 115BAA of the Income Tax Act, 1961. Accordingly, Current tax Liability for the year ended March 31, 2020 has been determined and recognized at the concessional rate. The impact arising from restating the deferred tax balances at the reduced rate has been recognized during the year.

On a Consolidated basis, Net Revenue from operations decreased to ₹98,763.14 Lakhs from ₹105,191.40 Lakhs. On a consolidated basis Net Profit after Tax increased by 13.92% to ₹7,524.53 Lakhs from ₹6,604.94 Lakhs last year (Before Other Comprehensive Income) and increased by 12.33% to ₹7,558.68 Lakhs from ₹6,729.12 Lakhs (After Other Comprehensive Income).

2. COVID-19

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020.

In the face of uncertainty in market conditions due to COVID19, the team at Kurlon has taken a very pragmatic approach. We have proactively created a COVID19 Taskforce that monitors the number of cases within the company and ensures safety of our teams through frequent sanitization of our physical locations, random temperature checks at our factories and enforcing social distancing at our corporate as well as retail locations. During the lockdown, our teams continued to work remotely to create a digitally enabled infrastructure that has today given our channel partners the ability to instantly place orders into our system. We have also digitized payments thus making the entire process contactless. Key changes in processes in manufacturing have also enabled us to continue to produce product with all social distancing measures and with minimal disruption to market supply. Through this we have also identified new opportunities in comfort products for the home, focus on hygiene and leveraging technology to reach the end consumer.

The said closure(s) have affected the operations of the Company and the impact of the same cannot be assessed at this point of time. However, this does not affect the going concern status of the Company. The Company is now in a phased and safe return-to-work plan with limited staffs as lockdown restrictions are relaxed by the authorities. Though there is no clarity of what is to come next, the team at Kurlon is committed to adapting, transforming and innovating to meet the challenges of tomorrow.

3. Dividend

The Directors are pleased to recommend a final dividend of ₹3.50 (i.e. 70%){Previous year ₹3.00 (i.e. 60%)} per equity share on the equity shares of the Company for the financial year 2019-20. The dividend payout is subject to the approval of shareholders at the ensuing Annual General meeting of the Company and will be paid to those shareholders whose name appear on the register of members of the Company on October 23, 2020 ("Record date"). If the dividend as recommended above, is declared by the members at the Annual General meeting, the total outflow towards dividend on equity shares for the year would be ₹1279.33 Lakhs (Previous year ₹1091.47 Lakhs Plus Dividend Tax of Rs. 224.41 Lakhs). The dividend distribution tax is not applicable for dividend declared after April 1, 2020 as per the amendment in the Finance Act, 2020.

4. Transfer to Reserves;

During the year under review, the Company has not transferred any amount to its general reserve.

5. Consolidated Financial Statement;

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.kurlon.com

6. Change in the nature of business ;

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

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

There have been No material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report except;

- a. As a result of COVID - 19 pandemic and the nationwide lockdown, all operations remained suspended till mid May 2020. Subsequently, the operations recommenced in accordance with the guidelines laid down by the government.

- b. In accordance with the Scheme of Merger of Spring Air Bedding Company (India) Ltd (“Transferor Company”), your Company has issued and allotted 169868 (One Lakh Sixty Nine Thousand Eight Hundred Sixty Eight) Equity Shares of ₹5/- (Rupees Five) each to the eligible shareholders of the Transferor Company who were holding shares as on the Record Date i.e. 24th July, 2020, which constitute 0.46% of the total paid up capital of the Company, ranking pari-pasu in all aspects with existing Equity shares of the Company, in the ratio of 331:1 (for every 331 fully paid-up equity shares of the face value of ₹10/- (Rupees Ten) each held in the Transferor Company, 1 (one) fully paid-up equity shares of ₹5/- each in the capital of the Company on August 3, 2020. Consequent to the Scheme, the Authorized Share Capital of your Company stood increased to 15,06,00,000 (Fifteen Crores Six Lakhs) Equity shares of ₹ 5/- (Rupees Five) each aggregating to ₹75,30,00,000/- (Rupees Seventy Five Crores Thirty Lakhs Only).
- c. The Company has additionally invested, on May 12, 2020, in the securities of M/s Sirar Solar Energies Private Limited, Sirar Dhotre Solar Private Limited and M/s Sevalal Solar Private Limited to the tune of ₹4,00,000/- (Rupees Four Lakhs Only) in each Company and acquired additional 4000 (Four Thousand) Equity shares of ₹100/- (Rupees Hundred) each, in each said Companies. As a result of which the total holdings of the Company in each Companies as above, became to 93.8% of the total paid up capital of said Companies.

8. Merger & Amalgamation

Your Company completed the merger of Spring Air Bedding Company (India) Ltd. (“Spring Air” or “Transferor Company”) on 18.06.2020 (date of on which the certified true copy of order of Hon’ble NCLT Mumbai was filed to ROC). The Financial Statements have been presented after accounting for the business combination arising from this Scheme of Arrangement (“Scheme”) between the Company and Transferor Company, that was approved by the National Company Law Tribunal, Mumbai vide its order dated March 12, 2020 and National Company Law Tribunal, Delhi vide its order dated May 05, 2020, with effect from April 01, 2018, (“the appointed date”). The comparative financial information as at April 01, 2018, as at March 31, 2019 and for the year ended March 31, 2019 presented in these financial statements have been restated from the previously issued financial statements of the Company

The merger is in line with Company’s strategy to build a sustainable and profitable business in India. The Transferor Company has the requisite expertise for conducting business in the sector of manufacturing of mattress and also holds the Indian License of US based International “SPRING AIR” brand. This merger will bolster your Company’s focus to build a profitable and sustainable Mattress business in India. It is expected post amalgamation having increased turnover, operational synergies and better utilization of resources can meet the market and customer needs with greater flexibilities and thus, it may further strengthen the Company’s position in the domestic and international market.

9. Indian Accounting Standards

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

10. Share capital

As per the Scheme of Amalgamation, duly approved by Hon’ble NCLT at Mumbai and Delhi, the Authorized Share Capital of the Company have been increased from ₹19,00,00,000/- (Rupees Nineteen Crores Only) divided into 3,80,00,000 (Three Crores Eighty Lakhs) Equity Shares of ₹5/- (Rupees Five) each to ₹75,30,00,000/- (Rupees Seventy Five Crores Thirty Lakhs Only) divided into 15,06,00,000 (Fifteen Crores Six Lakhs) equity shares of ₹5/- (Rupees Five) each.

The paid up equity share capital as on 31 March 2020 was 1819.12 Lakhs. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year except allotment of 169868 equity shares of the Company pursuant to the Scheme of Amalgamation to the shareholders of the transferor Company. The Company has not issued shares with differential voting rights or sweat equity shares. During the year under review, the Company has not granted any stock options pursuant to the Company Employee Stock Option Scheme 2015. Since the Scheme is completed, hence separate disclosure is not provided in this report. The Company has not bought back any of its securities during the year under review.

11. Directors and Key Managerial Personnel

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

DIN/PAN	Directors and Key Managerial Personnel	Designation
00043298	Sri T Sudhakar Pai	Managing Director
00030515	Mrs. Jaya S Pai	Director
00030613	Dr. Nitin Gajananrao Khot	Independent Director
00025505	Sri S Ananthanarayanan	Independent Director
00139754	Mr. Vishal Tulsyan	Nominee Director
BMYPK6724N	Mr. Monu Kumar	Company Secretary
ALGPSI199D	Mr. Ritesh Shroff (w.e.f. 01.08.2019)	Chief Financial Officer

None of the directors of the company is disqualified under section 164 of the Companies Act, 2013

Mrs. Jaya S Pai (DIN: 00030515) was reappointed as Non-Executive Director of the Company in previous Annual General Meeting of the Company, liable to be retire by rotation.

The Company reappointed Sri Ananthanarayanan Subramanian (DIN: 00025505) and Dr. Nitin G Khot (00030613) as an Independent Directors of the Company for a second term of 5 (five) consecutive years on the expiry of their current term of office in its previous Annual General Meeting held on September 27, 2019.

During the year, Mr. Shambhu Kumar Bhotika resigned from the post of Chief Financial officer (CFO) of the Company w.e.f. 31.07.2019 and Mr. Ritesh Shroff was appointed in his place as the Chief Financial Officer (CFO) of the Company w.e.f. 01.08.2019 by the Board of Directors of the Company at their meeting held on July 10, 2019.

As per the provisions of the Companies Act, 2013, Mrs. Jaya S Pai will retire by rotation at the ensuing Annual General Meeting (AGM) of the Company and being eligible, seek re-appointment. The Board has, on the recommendation of Nomination and Remuneration Committee ("NRC"), recommended her reappointment.

There were no changes in the Composition of the Board during the period under review.

12. Declaration by Independent Director;

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in section 149 (6) of the Companies Act, 2013, as amended. The Board took on record the declaration and confirmation submitted by the Independent directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required.

The Ministry of Corporate Affairs vide its circular dated 22 October 2019 further amended the Companies (Appointment and Qualification of Directors) Rules, 2014 by requiring an independent director to apply online, within 1 May 2020, to the Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank for such period till he/she continues to hold office of an Independent Director in any Company. The Independent Directors were also required to submit a declaration of compliance in this regard. Deadline has now been extended till September 30, 2020 by MCA. The Company will ensure that all independent directors of the Company will submit the declaration with respect to the same.

13. Familiarization Programme for Independent Directors

The Company has put in place a Familiarization Program for Independent Directors to familiarize them with the Company, its businesses, their roles, rights, responsibilities & nature of industry in which Company operates. Directors are regularly updated on performance of the business of the Company, business strategy going forward and new initiative being taken/proposed to be taken by the Company through presentation by head of the Departments.

14. Deposit from Public

The Company has not accepted any deposits from the public within the meanings of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.

15. Board Meetings

The Board met Eight times during the financial year. The Board meeting details including committee(s) thereof are provided in the Corporate Governance report in **Annexure “B”** that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013.

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

In terms of the provisions of section 197(14) of the Act, Mr. T Sudhakar Pai receives remuneration and commission in its holding Company Viz. Kurlon Limited., apart from the Remuneration and Commission received from Kurlon Enterprise Limited.

17. Annual Evaluation of Board and its Committees

The Nomination and Remuneration Committee (“NRC”) has laid down proper criteria and procedure to evaluate and scrutinize performance of the Chairperson, each Director (including Executive, Non-Executive and Independent Directors), of the Board as a whole and its Committee. The criteria include different aspects covered under Administrative, Strategic, Operational and Compliance headings.

As per laid down procedure, the Independent Directors would held a separate meeting whenever necessary, to review the performance of the Chairman of the Company after taking into account the views of Executive and Non-Executive Directors. The substantial, and continuing, contribution of the Chairman in the growth of the Company has been highly commended. The Independent Directors also reviewed performance of every Executive and Non-Executive Director of the Board. The performance evaluation of each Independent Director was done by the entire Board (except the Independent Directors being evaluated).

The performance of each committee has been evaluated by its members and found to be satisfactory.

On the basis of this exercise, the NRC and the Board, after recognizing the important contribution being made by each Independent Directors have decided that all Independent Directors should continue to be on the Board.

18. Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. More details on the same are given in the Corporate Governance Report.

19. Details of Subsidiary/Joint Ventures/Associate Companies

During the year, The Company has following subsidiaries;

Sl. No.	Name and address of the Company	CIN/GLN	Subsidiary/Associate/Joint Venture
1	Kurlon Retail Limited	U36104KA2012PLC065664	Wholly Owned Subsidiary
2	Sirar Solar Energies (P) Ltd*	U40106KA2016PTC097367	Subsidiary
3	Sevalal Solar (P) Ltd*	U40106KA2016PTC094328	Subsidiary
4	Sirar Dhotre Solar (P) Ltd*	U40300KA2016PTC097314	Subsidiary

* w.e.f. 24.12.2019

Spring Air Bedding Company (India) Limited ceased to be a subsidiary of the Company by virtue of its Merger with the Company.

During the year, your Company has additionally invested a sum of ₹9,99,99,000- (Rupees Nine Crores Ninety Nine Lakhs Ninety Nine Thousand Only) in the Equity shares of its Wholly Owned Subsidiary (WOS) Viz. Kurlon Retail Limited and acquired 66666 (Sixty Six Thousand Six Hundred Sixty Six) Equity shares of ₹5/- (Rupees Five) each at a premium of Rs 1495/- (Rupees One Thousand Four Hundred Ninety Five Only).

On December 24, 2019, your Company has acquired 690 (Six Hundred Ninety) Equity shares of ₹100/- (Rupees Hundred) each, in Sirar Solar Energies (P) Ltd, Sevalal Solar (P) Ltd and Sirar Dhotre Solar (P) Ltd respectively by way of invocation of pledged shares aggregating to 69% of the total Paid up Equity Share capital in each these Companies.

Pursuant to Section 129(3) of the Companies Act 2013 read with Rule 5 of Companies (Accounts) Rules 2014 a statement containing salient features of financial statements of WOS and its Subsidiaries Companies are provided as **Annexure “A”** in form AOC-I and therefore not repeated to avoid duplication.

20. Directors' Responsibility Statement

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

- a. that in the preparation of the annual accounts for the Financial Year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the State of Affairs as at March 31, 2020 and of the Profit of your Company for the Financial Year ended March 31, 2020;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts for the Financial Year ended March 31, 2020 have been prepared on a going concern basis;
- e. They have laid down internal Financial Controls, which are adequate and are operating effectively.
- f. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

21. Management Discussion and Analysis Report;

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

22. Report on Corporate Governance;

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance practice as set out in the Act. The Company believes that the essence of Corporate Governance lies in the phrase 'Your Company'. It is 'Your' Company because it belongs to you – the shareholders. The Chairman and Directors are 'Your' fiduciaries and trustees. Their objective is to take the business forward in such a way that it maximizes 'Your' long-term value.

Your Company is committed to benchmarking itself with global standards for providing good Corporate Governance. It has put in place an effective Corporate Governance System in the company not for the good secretarial practice but to ensure that the businesses of the Company are being conducted in transparent manners. A Report on Corporate Governance is disclosed as **Annexure “B”** forming part of this Report.

23. Auditors and Auditors' report

Statutory Auditors

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number 008072S) was reappointed as the statutory auditors of the Company to hold office for a second consecutive term of 5(Five) years from the conclusion of the 8th AGM of the Company held on September 27, 2019, till the conclusion of the 13th AGM to be held in the year 2024. The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013 and the Code of Ethics issued by the Institute of Chartered Accountants of India.

Audit reports

The notes on financial statement referred to in the auditors' report are self-explanatory and do not call for any further comments. The Auditors' Report for the FY 2019-2020 contains following qualifications;

- a) The Company has investments of ₹2,000 lakhs in the Commercial papers of an entity which has been classified as current, overdue and outstanding as at March 31, 2020. The entity is presently under insolvency proceedings. Considering, the possible implications arising from the COVID-19 pandemic on the operations of the investee company, the CP being overdue for more than a year as on the date of the report, and the sensitivities surrounding the management's assumptions involved in assessing the recoverability of the investments in the CP, the auditor was unable to comment on the possible adjustment, if any, to be recorded against the carrying value of these assets and the consequential impact on the profit for the year and on these financial statements. Hence, the Audit report was qualified on the above stated point.

Management/Directors Response

The Company had made an investment of ₹2,000 Lakhs in Commercial Paper (CP) issued by an entity in four commercial papers between June 14, 2019 and June 26, 2019. The amounts were due for maturity/redemption in 40-45 days from date of investment. The maturity dates for the four tranches commenced on 29 July 2019 and ended on August 6, 2019.

At the time of making the investment, the CP was rated as A1+ by Credit Rating agency 'CARE' & 'Brickworks'. This rating indicates highest level of safety.

The Company has evaluated the recoverability of these amounts and is confident of recovering the amount in full, in view of the following consideration:

- i. The Company earlier had already invested two tranches of ₹2,500 Lakhs each, in March 2019 and May 2019, which were repaid in full, without any default, on the due dates.
- ii. The Company has been categorized as a Financial Creditor by the Resolution Professional in the resolution proceedings of the entity. The claims of the Company (for principal and interest) has been accepted by the Resolution Professional.
- iii. The Company has filed 2 petitions under Section 138 of the NI Act (One for Principal & One for Interest) against the entity, its directors & Authorized signatories in the Mayo Hall Court, Bangalore which is a criminal proceeding that has been initiated.
- iv. Court Summons have been issued to the directors of the entity.
- v. The Company has obtained Personal Guarantee from the promoter of the entity for ₹2,000 Lakhs, which can be invoked by the Company.
- vi. The Company has also received commitment from the family of the promoter of the entity that they would repay the borrowings by raising monies through sale of their assets.

Accordingly, the management is confident of recovering the entire value of the invested amount and as such a write down in the carrying of investment is not required.

- b) The auditor have stated that a material weakness has been identified in the Company's internal financial controls over financial reporting as at March 31, 2020 wherein the Company did not have an appropriate internal control system for assessment of impairment in the carrying value of its investments, which could potentially result in the Company not recognizing an appropriate impairment provision/ adjustment to the carrying value of its investments.

Management/Directors Response

Your directors and the management of the company continuously evaluates the investments made, portfolio of securities held, credit rating of the issuer and regular monitoring of the investments made.

The management carries out detailed evaluation procedures both before and after the investment has been made. Appropriate and timely decisions are taken when there is an indication of impairment in the investment to ensure that the value of the investment is preserved. As such sufficient and appropriate internal controls are laid out in assessing the value of the investments.

Thus, your directors and the management are of the opinion that sufficient and appropriate internal controls have been laid out and the same have been functioning effectively.

Report is enclosed with the financial statements in this Annual Report.

Secretarial Auditor:

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board appointed Deepak Sadhu, Practising Company Secretaries, as Secretarial Auditor of the Company for FY 2019-20.

The Secretarial Audit Report for FY 2019-20 is annexed herewith as an **Annexure “D”** to this report. The report contains the following observations;

FCGPR is not filed with RBI pursuant to issue of bonus allotted on October 8, 2018

Management’s reply;

Due to non-availability of certified true copy of form FCTRS along with acknowledgement thereof from the respective shareholders of the Company, the Company could not proceed with filing of form FCGPR. The Company had requested from the respective shareholders to furnish said document which is pending from their end. We undertake to file form FCGPR for bonus issue promptly after receipt of aforesaid documents from respective shareholders.

Cost Auditor:

As per the Cost Audit Orders, Cost Audit is applicable to the Company’s manufacture of PU Foam and foam products/ business of the Company for the FY 2020-21.

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. GNV & Associates, Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your Company for the financial year 2020-21. The remuneration proposed to be paid to them requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting. The Company has received consent from M/s. GNV & Associates, Cost Accountants, to act as the Cost Auditor for conducting Audit of cost records for the FY 2020-21 along with a certificate confirming their independence and arm’s length relationship.

The Company has appointed M/s. GNV & Associates, Cost Accountants, as the Cost Auditor, to conduct the audit of cost records of your Company for the F.Y. 2019-20.

Your Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

24. Fraud Reporting (required by Companies Amendment Bill, 2014):

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

25. Transfer to Investor Education and Protection Fund (IEPF)

The Company regularly deposits the declared dividend amount to the shareholders Account hence the Company does not require to transfer shares/ unclaimed or unpaid dividend to IEPF authority in terms of IEPF Rules during the year.

26. Loans, Guarantees and Investments

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

Category	Date of Loan/ Investment/ Security/ Guarantee	Details of Loan/Security/ Guarantee	Name of the Company in which Investment/Loan/ Guarantee is made/given	Purpose of which the loan/ guarantee/ security is proposed to be utilized by the recipient	Amount (In Lakhs)
Loan	09.04.2018	Loan repayable on demand @ rate of interest of at least 10% p.a.	General Investment and Commercial Corporate Ltd	For its Principal business activities	636.6
Investment	31.03.2020	Acquisition of unquoted Equity Shares	Kurlon Retail Ltd	NA	999.00
Investment	24.12.2019	Acquisition of unquoted Equity Shares	Sevalal Solar (P) Ltd	NA	0.69
Investment	24.12.2019	Acquisition of unquoted Equity Shares	Sirar Dhotre Solar (P) Ltd	NA	0.69
Investment	24.12.2019	Acquisition of unquoted Equity Shares	Sirar Solar Energies (P) Ltd	NA	0.69
Investment	14.06.2019	Investment in Commercial Papers	Cox & Kings Ltd	NA	500.00
Investment	14.06.2019	Investment in Commercial Papers	Cox & Kings Ltd	NA	500.00
Investment	26.06.2019	Investment in Commercial Papers	Cox & Kings Ltd	NA	500.00
Investment	26.06.2019	Investment in Commercial Papers of Cox & Kings Ltd	Cox & Kings Ltd	NA	500.00
Security/ Guarantee	Nil	Nil	Nil	NA	Nil

Total Investments of the Company in the Mutual Funds as at 31.03.2020 are ₹9475.60 Lakhs

27. Particulars of Contracts or Arrangements with related parties

All related party transactions pursuant to Section 188(1) of the Act that were entered into during the Financial Year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by your Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which might have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is also obtained from the audit committee for the related party transactions which are of repetitive nature.

The information on transactions with related parties pursuant to section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given elsewhere in this report and the same forms part of this report.

28. Risk Management System

The Company has laid down a well defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor and non-business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/mitigate the same through a properly defined framework.

During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may threaten the existence of the Company.

29. Environment & Safety

Since inception the Company has striven to embed environmental considerations in business decisions & continues its focus on Environmental Management System which is a structured and systematic process for achieving continuous improvement in environmental performance.

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

The Company stands ahead of its peers for its management of natural resources, energy management, carbon emissions reduction, conservation of water resources and biodiversity and management of waste and is committed to providing a quality service in a manner that ensures a safe and healthy workplace for our employees and minimizing our potential impact on the environment. To mark our commitment to moving towards a paperless organization, for the year 2020, the Company distributed undated journals made from 100% recycled paper to all its employees.

The Company operates in compliance with all relevant environmental legislation and we will strive to use pollution prevention and environmental best practices.

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

- ✓ Proper management of Hazardous waste & solid waste
- ✓ Maintain 'Zero' discharge pattern by installation of Effluent Treatment Plant & Sewage Treatment Plant.
- ✓ Regular compliance of environmental Rules & Regulation.
- ✓ Maintain open channels of communication with customers, employees, government agencies, public officials, the media and the public to meet their information needs in regard to energy, environment and sustainability issues.

The Company is also committed to ensure the safety of all its employees, contractors and others connected with its operations, through a "Zero Accident" policy. The Company has substantially reduced the number of on-site injuries with its strong emphasis on improving health and safety parameters, reducing risks through people engagement, capability building, and its strengthening health and safety management systems and processes.

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

30. Vigil Mechanism/ Whistle Blower Policy

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

31. Corporate Social Responsibility (CSR)

Kurlon has been an early adopter of CSR initiatives. The Company works primarily through various Trusts/societies, School and Colleges, towards supporting projects in the areas of promotion of sports, health and Education; rehabilitation, enhancing vocational skills; promoting healthcare including preventive health care and rural development. The Company's CSR Policy is available on our website, at www.kurlon.com. The annual report on our CSR activities is appended as **Annexure "E"** to the Board's report.

32. Audit Committee

The Board has constituted an Audit Committee with Dr. Nitin G Khot as Chairperson, Sri. S Ananthanarayanan, Sri. T Sudhakar Pai and Mr. Vishal Tulsyan as Members. There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

The details about Audit Committee and its terms of reference etc. have been given in Corporate Governance Report.

33. Nomination and Remuneration Committee (“NRC”)

Details of NRC are provided in Corporate Governance Report as annexed to this report.

34. Internal Audit and Control

Your Company has a proper and adequate system of internal controls. This ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. An extensive program of internal audits and management reviews supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The Internal Control System has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. However, during the audit, the statutory auditor have observed a material weakness in the Company’s internal financial controls over financial reporting as at March 31, 2020 which have been suitably answered by the Management.

35. Extract of Annual Return:

In accordance with the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as **Annexure “F”** to the Board’s report.

36. 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.

37. Secretarial Standards

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

38. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWWA):

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company’s premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. Three member Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

No complaints pertaining to sexual harassment was reported during the year.

39. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

40. Human Resources

During the year the Company had cordial relations with workers, staff and officers. The Company has taken initiative for safety of employees and implemented regular safety audit, imparted machine safety training, wearing protective equipment's etc.

The Company believes in empowering its employees through greater knowledge, team spirit and developing greater sense of responsibility. On the job training as well as classroom training by way of seminars, conventions, functional and managerial programs for capability development and building technical expertise were attended by respective functions such as Sales & Marketing, Finance & Accounts, procurement, supply chain, Human resources, NPD, Manufacturing and retail etc.

41. Acknowledgements

The Directors wish to place on record their sincere gratitude for the co-operation, guidance, support and assistance provided during the year by its Bankers, Registrars and Industries Dept. of Govt., Local Authorities, Suppliers, Contractors, Customers and Vendors. Your Directors also wish to express their deep sense of appreciation for the dedicated services rendered by the staff at all levels towards its successful operations. The Directors also thank the Shareholders of the Company for reposing their faith in the Company and for giving their dedicated and ever-willing support towards taking the Company forward on the path of progress and growth.

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

Date: 22.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Managing Director
DIN: 00043298

Sd/-
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

Form AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: **Nil**
2. Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2020 are as follows;

Name of related party	Nature of relationship	Nature of transactions	Duration of contract	Salient terms	Date of Board approval	₹ in Lakhs
Kurlon Limited	Holding Company	Sale and purchase of goods	Ongoing	As per BTA	17.05.2019	14658.57
Kurlon Retail Limited	WOS	Sale of goods	Ongoing	As per MOU	17.05.2019	2064.15
Mrs. Jyothi A Pradhan	Holding Office or Place of profit	Remuneration	Ongoing	As per members resolution	10.07.2019	50.00
Manipal Advertising Services (P) Ltd.	Entity significantly influenced by Director(s)	Advertisement expenses	Ongoing	As per PO	17.05.2019	1,497.33

ANNEXURE-“A”
FORM AOC-I
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF WHOLLY OWNED SUBSIDIARY COMPANY AND OTHER SUBSIDIARY COMPANIES OF THE COMPANY

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014]

In accordance with the General Circular No: 2/2011 dated 8 February, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the Statement of Profit and Loss and other documents of the subsidiary are being attached with the Annual Accounts of the Company. This Annual Report also contains Consolidated Financial Statement of the Company and its subsidiary in accordance with the relevant Accounting Standards and the same has been duly audited by Statutory Auditors. The annual Accounts of the Subsidiary Company and related information will be made available to the shareholders of the Company and its Subsidiary Company on request and will also be kept open for inspection by the shareholders at the Registered Office of the Company and the subsidiary.

₹ in Lakhs

Name of Subsidiaries	Kurlon Retail Limited (WOS)	Sirar Solar Energies (P) Ltd	Sirar Dhotre Solar (P) Ltd	Sevalal Solar (P) Ltd
Date of Incorporation/acquisition	31/08/2012	25/10/2016	21/10/2016	22/06/2016
Place of Incorporation	Bangalore	Bangalore	Bangalore	Bagalkot
Issued & Subscribed Capital	763.33	1.00	1.00	1.00
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	24.12.2019 to 31.03.2020	24.12.2019 to 31.03.2020	24.12.2019 to 31.03.2020
Share capital	763.33	1.00	1.00	1.00
Reserves & Surplus	(587.20)	22.36	21.67	(2.31)
Total Assets	6427.72	305.37	301.16	40.30
Total Liabilities (Excluding Share capital & Reserve & Surplus)	6251.59	282.01	278.48	41.61
Investments	-	-	-	-
Turnover/Income from operations	4016.92	53.42	49.69	-
Profit/(Loss) before Tax	(654.33)	22.56	16.44	(1.81)
Provision for Taxation	0.55	7.59	6.03	-
Profit/(Loss) After Tax	(654.88)	14.97	10.41	(1.81)
Proposed Dividend	-	-	-	-
% of shareholding	100%	69%	69%	69%

* Control date is 24.12.2019 in each Solar Company. figures as at 31.03.2020 is presented of each Subsidiaries

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

Date: 22.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Managing Director
DIN: 00043298

Sd/-
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

ANNEXURE-“B”

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of the Company.

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

However your Company is not a listed company hence it is not bound to comply with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Company recognizes that good Corporate Governance is a Continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders. The Company is conscious of its responsibility as a good corporate citizen. The company values transparency, professionalism and accountability.

2. BOARD OF DIRECTORS

I. Composition & Category of Directors;

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Companies Act, 2013 ('the Act').

As on March 31, 2020, the Board comprised Five (5) members, consisting of 1 (one) Non-Executive Director, 1 (one) Executive Director, 2 (Two) Non Executive Independent Directors and 1 (one) Nominee Director. An Independent Director is the chairperson of the Board committees – namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee whereas Non-Executive director is the Chairperson of Corporate Social Responsibility (CSR) committee. All Directors possess relevant qualifications and experience in general corporate management, finance, and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors.

II. Attendance at the Board meeting, last Annual General Meeting and number of other Directorships and Chairmanships/ Memberships of Committees of each Director in various Companies.

Membership and Chairmanship of all Directors who are on various Committees, the composition of the Board and the number of outside Directorship and Committee position as held by each of the Directors during the financial year ended 31st March, 2020 are as follows:-

Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2019-2020	Attendance at the Last AGM	As on 31-03-2020		
				No. of Directorship in other Co.	Committee membership in other Companies	Chairman in Committees in which they are members
Mr.T Sudhakar Pai Managing Director DIN: 00043298	Executive, Promoter	8	Yes	9	-	-
Mrs. Jaya S Pai Director DIN: 00030515	Non-Executive, Promoter	7	No	5	4	1
Dr. Nitin G Khot Independent Director DIN: 00030613	Non-Executive, Independent	7	No	1	4	-
Sri. S Ananthnarayanan Independent Director DIN: 00025505	Non-Executive, Independent	8	No	1	4	3
Mr.Vishal Tulsyan Nominee Director DIN: 00139754	Non-executive Nominee	4	No	8	-	-

III. Meetings;

During the financial year under review the Board of Directors of your Company met 8(Eight) times as at 17.05.2019, 10.07.2019, 19.07.2019, 23.07.2019, 05.08.2019, 01.10.2019, 12.11.2019 and 21.01.2020 respectively and the gap between two meetings did not exceed 120 days.

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

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

3. AUDIT COMMITTEE

a. Terms of Reference

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, are as follows:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discuss and review with the management the annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.
- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Hold timely discussions with the statutory auditors regarding critical accounting policies and practices and significant financial reporting issues and judgments made.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.

- Review and monitor the auditor's independence, qualification and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and frequency of internal audit.
- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower/Vigil mechanism.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and oversee compliance with legal and regulatory requirements.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.

b. Composition & Attendance during the year

The Audit Committee of the Company have been constituted in accordance with the provisions of Section 177 of the Act. All members of the Committee including its chairperson are financially literate, having the relevant accounting and financial management expertise.

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

Name of the Member	Category	No. of meetings	
		Held during the Year	Attended
Dr. Nitin G Khot	Independent, Non-Executive	7	6
Sri. S Ananthnarayanan	Independent, Non-Executive	7	7
Mr. T. Sudhakar Pai	Executive, Non-Independent	7	7
Mr. Vishal Tulsyan	Non-Executive Nominee	7	4

The Committee met 7 (Seven) times during the Financial Year 2019-2020 as at 17.05.2019, 10.07.2019, 19.07.2019, 05.08.2019, 01.10.2019, 12.11.2019 and 21.01.2020 respectively. The necessary quorum was present at the above meetings.

The Chairperson of the Audit Committee, Dr. Nitin G Khot could not attend the Annual General Meeting of the Company held on 27th September, 2019. The Company Secretary acts as secretary to the meeting.

4. NOMINATION AND REMUNERATION COMMITTEE

a. Term of reference;

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

- To formulate criteria for determining qualifications, positive attributes and independence of a director.
- To formulate criteria for evaluation of independent directors on the Board.
- To recommend to the Board policy relating to remuneration for directors, Key Managerial Personnel and other senior management.
- To carry out evaluation of every Director's performance;
- To devise policy on Board diversity;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or notification as may be applicable.

b. Composition and Attendance during the year

In terms of the provisions of Section 178 of the Act, your Company has duly constituted a Nomination and Remuneration Committee ("NRC") with a view to review and recommend the payment of remuneration, commission and finalizes service agreements and other employment conditions of Executive Directors & Key managerial personnel. The Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages.

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

Name of the Member	Category	No. of meetings	
		Held during the Year	Attended
Dr. Nitin G Khot	Independent, Non-Executive	3	3
Sri. S Ananthnarayanan	Independent, Non-Executive	3	3
Mrs. Jaya S Pai	Non Independent, Non-Executive	3	3
Mr. Vishal Tulsyan	Non-Executive Nominee	3	2

The Committee met Thrice during the FY 2019-2020 as at 10.07.2019, 12.11.2019 and 21.01.2020 respectively. The necessary quorum was present at all meetings. The Chairperson of the NRC, Dr. Nitin G Khot could not attend the Annual General Meeting of the Company held on 27th September, 2019. The Company Secretary acts as secretary to the meeting.

c. Remuneration policy:

In view of the requirement of the provision of section 178 of Companies Act, 2013, the NRC has suitably framed and implemented remuneration policy of the Company to keep pace with the business environment and market linked positioning. The NRC takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages for Directors.

Further the compensation package for Directors, Key Managerial Personnel, Senior Management and other employees are designed based on the following set of principles:

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

Remuneration paid to Executive Directors & KMP(s)

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

At the Board meeting, only the Non-Executive and Independent Directors participate in approving the remuneration paid to the Executive Directors. The remuneration is arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company. The elements of the remuneration and limits are pursuant to the provisions of Section 197, 198 and Schedule V of the Act. The remuneration structure comprises of Basic Salary, Commission, Perquisites if any and Allowances, Contribution to Provident Fund and other funds. The term of appointment of Executive Directors is 5 (five) years.

5. SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE

a. Terms of Reference

The terms of reference of the Stakeholders Relationship Committee ("SRC") are as follows;

1. To approve request for transfer and transmission of shares of the Company;
2. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
3. Issue of duplicate / split / consolidated share certificates;
4. Allotment of shares;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. To approve the dematerialization and re-materialization of shares;
7. To review from time to time overall working of the secretarial department of our Company relating to the shares of our Company and functioning of the share transfer agent and other related matters;
8. Reference to statutory and regulatory authorities regarding investor grievances; and
9. Otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

b. Composition and Attendance during the year;

The SRC met 3 (Three) times during the year as at 10.07.2019, 01.10.2019 and 21.01.2020 respectively.

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

Name of the Member	Category	No. of meetings	
		Held during the Year	Attended
Sri. S Ananthnarayanan	Independent, Non-Executive	3	3
Dr. Nitin G Khot	Independent, Non-Executive	3	3
Mr. T Sudhakar Pai	Non Independent, Executive	3	3

Sri S Ananthnarayanan being an independent director acts as chairperson of the meeting and the Company Secretary acts as secretary to the meeting.

c. Details of investor complaints received, redressed and pending during the financial year ended 31st March, 2020

Pending at the beginning of the year	Received during the year	Redressed/replied during the year	Pending at the end of year
Nil	Nil	Nil	Nil

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (“CSR” COMMITTEE)

a. Term of reference

The terms of reference of the Corporate Social Responsibility (CSR) Committee are as follows:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company’s CSR Policy periodically.
- Oversee the Company’s conduct with regard to its Corporate and societal obligations and its reputation as a responsible corporate citizen.
- Attend to such other matters and functions as may be prescribed from time to time.

The Corporate Social Responsibility Committee of the Board (“CSR Committee”) has been constituted pursuant to the provision of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, in order to oversee the CSR Policy of the Company and recommend the amount of expenditure to be incurred on the activities mentioned in the Schedule VII of the Act. The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The Annual Report on CSR activities for the year 2019-20 is annexed as an **Annexure F** forms a part of the Board’s Report.

b. Composition and Attendance during the year;

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

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

Name of the Member	Category	No. of meetings	
		Held during the Year	Attended
Mrs. Jaya S Pai	Non Independent, Non-executive	4	4
Dr. Nitin G Khot	Independent, Non-Executive	4	4
Sri. S. Ananthanarayanan	Independent, Non-Executive	4	4
Mr. Vishal Tulsyan	Non-Executive Nominee	4	3

The CSR Committee met 4(Four) times during the FY 2019-20 as at 17.05.2019, 10.07.2019, 12.11.2019 and 21.01.2020 respectively. Mrs. Jaya S Pai acts as the chairperson to the meeting and the Company Secretary acts as secretary to the meeting.

7. BANKING COMMITTEE

Banking Committee has been constituted by the Board of Directors of the Company on 5th November, 2015, in order to rationalize the bulk banks related transaction such as opening and closing of numerous bank accounts.

a. Terms of Reference

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

- I. To open and close bank(s) account whenever necessary and to authorize any employee(s) of the Company to operate such accounts including but not limited to avail online facilities, changing authorized signatory and other bank related matters.

b. Composition and Attendance during the year;

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

Name of the Member	Category	No. of meetings	
		Held during the Year	Attended
Mr. T Sudhakar Pai	Non Independent, Executive	8	8
Dr. Nitin G. Khot	Independent, Non-Executive	8	7
Sri. S. Ananthanarayana	Independent, Non-Executive	8	8

The Banking Committee met Eight (8) times during the year as at 17.05.2019, 10.07.2019, 19.07.2019, 23.07.2019, 05.08.2019, 01.10.2019, 12.11.2019 and 21.01.2020 respectively. Necessary Quorum was present throughout the meetings. Mr. T Sudhakar Pai acts as the chairperson to the meeting and Company Secretary acts as secretary to the Meeting.

8. RISK MANAGEMENT COMMITTEE ("RMC")

The Company has constituted a Risk Management Committee on November 5, 2015 for effective risk assessment and minimization procedures which are reviewed by the members periodically. The procedures comprise of an in-house exercise on Risk Management carried out periodically by the Company; including the functioning of a structure to identify and mitigate various risks faced by the Company from time to time. The structure also comprises of risk identification and assessment by the concerned departments, identification of controls /mitigation process in place, updating of Risk registers by various departments, if required. The RMC deliberates extensively on the structure and identifies risks to ensure timely actions.

a. Term of reference;

The terms of reference of the RMC inter-alia includes the following:

1. managing and monitoring the implementation of action plans developed to address material business risks within the Company and its business units, and regularly reviewing the progress of action plans;
2. setting up internal processes and systems to control the implementation of action plans;
3. regularly monitoring and evaluating the performance of management managing risk;
4. providing management and employees with the necessary tools and resources to identify and manage risks;
5. regularly reviewing and updating the current list of material business risks; and
6. Regularly reporting to the Board on the status of material business risks.

b. Composition and Attendance during the year;

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

Name of the Member	Category	No. of meetings	
		Held during the Year	Attended
Mr. T Sudhakar Pai	Non Independent, Executive	2	2
Sri. S. Ananthanarayanan	Independent, Non-Executive	2	2
Mr. Ritesh Shroff	Chief Financial officer ("CFO")	2	2

The RMC Committee met twice during the year, on 10.07.2019 & 21.01.2020 respectively. Necessary Quorum was present throughout the meetings and Mr. T Sudhakar Pai acts as the chairperson to the meeting and Company Secretary acts as secretary to the meeting.

9. GENERAL BODY MEETINGS

A. Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Summary of special resolution(s) passed if any,	Time
2019	27.09.2019	“GMS Banquet Hall” Sitladevi Building, 1 st Floor, D.N. Nagar, Opp. Indian oil Nagar on link road, Andheri (West) Mumbai-400053	To reappoint Sri S Ananthanarayanan as an Independent Director of the Company To reappoint Dr. Nitin G Khot as an Independent Director of the Company	3.00 P.M.
2018	20.09.2018	“GMS Banquet Hall” Sitladevi Building, 1 st Floor, D.N. Nagar, Opp. Indian oil Nagar on link road, Andheri (West) Mumbai-400053	To issue of Bonus shares	4.00 P.M.
2017	27.09.2017	#1002/1006, The Avenue, International Airport Road, Opp. Hotel Leela, Andheri (East), Mumbai-400059	Alteration in the Memorandum of Association (“MOA”) Adoption of New set of MOA Re-appointment of Mr. T Sudhakar Pai as Managing Director	11.00 A.M.

All resolutions moved at the last Annual General Meeting held on 27.09.2019 were passed by the requisite majority of shareholders except as above which was approved through Special resolution.

B. Extra ordinary General Meeting

There was No EoGM held during the year.

C. Postal Ballot

There was no any Special/Ordinary Resolutions passed by the Company through Postal Ballot.

10. RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by Companies Amendment Act, a qualified Practicing Company Secretaries/ Chartered Accountants carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every half yearly and the report thereon is submitted to the Registrar of Companies Karnataka Bangalore.

11. DISCLOSURES

A. Related Party Transactions

All the transactions entered into with Related Parties as per the Companies Act, 2013 during the Financial Year 2019-20 were in ordinary course of business and on an arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. Further, there was no material related party transaction which required shareholder's approval. The required statements / disclosures with respect to the related party transactions are placed before the Audit Committee on regular basis. Suitable disclosures as required by IND-AS 24 have been made in notes to the Financial Statements. Further, the Company has not entered into any transaction of material nature with Promoters, the Directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interest of the Company.

B. Disclosure of Accounting Treatment in Preparation of Financial Statements

In the financial statements for the year ended 31 March, 2020, the Company has followed the treatment as prescribed in the applicable Ind-AS.

C. Management Discussion and Analysis Report.

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

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

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

E. Whistle-Blower Policy/Vigil Mechanism

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

F. Risk Management Framework.

The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews through Risk Management Committee to ensure that critical risks are controlled by the management. The details of the Risk Management Committee are provided elsewhere in this Report and details of Risk Management Framework are provided in Director's Report.

12. GENERAL SHAREHOLDERS INFORMATION**A. Annual General Meeting**

Day & Date	Time	Venue
Tuesday, October 20, 2020	11.00 a.m.	Venue- E- Meeting, through video Conference (VC) or other Audio visual Means (OAVM). Registered office shall be deemed venue for AGM

B. Dates of Book Closure

The share transfer book and register of members of the Company will remain closed from October 13, 2020 to October 20, 2020 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

C. Dividend Payment Date

The Board of Directors of the Company at their duly convened Board meeting held on 19th day of August, 2020 has recommended final dividend of ₹3.50 (i.e 70%) **{Previous year ₹3.00 (i.e. 60%), the total outflow towards dividend on equity shares for the year would be ₹1279.33 Lakhs (Previous year ₹1091.47 Lakhs Plus Dividend Tax of Rs. 224.41 Lakhs)}**. The dividend distribution tax is not applicable for dividend declared after April 1, 2020 as per the amendment in the Finance Act, 2020. The dividend payout is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company and will be paid to those shareholders whose name appear on the register of members of the Company on October 23, 2020 within the time frame as prescribed under Companies Act, 2013.

D. Listing on Stock Exchanges:

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

Payment of Depository Fees

Annual Custody/Issuer fee for the year 2019-20 has been paid by the Company to CDSL & NSDL.

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

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

Particulars	Purva Sharegistry (India) Private Limited
Contact Person	Ms. Purva Shah
Address	9, Shiv Shakti Ind. Estt. J.R. Boricha Marg, Lower Parel(E), Mumbai-400011
Phone Nos.	+91-022-2301-6761/2518
Email ID	support@purvashare.com

F. Distribution of Shareholding as on 31st March 2020:

Slab of Shareholding (₹)	No. of Shareholders	% of total	Nominal Value (in ₹)	% of Shareholding
0-5000	1009	81.70	1304375	0.72
5001-10000	98	7.94	684485	0.38
10001-20000	52	4.21	705580	0.40
20001-30000	24	1.94	590795	0.30
30001-40000	16	1.30	552200	0.26
40001-50000	6	0.49	274270	0.15
50001-100000	14	1.13	948490	0.64
100001 and above	16	1.30	176851770	97.22
Total	1235	100.00	181911965	100.00

G. Categories-wise list of Shareholders

Category	No. of Shareholders	% of Shares	Total
Promoters	2	0.00	694
Corporate Promoter	1	85.06	30946755
N.R.I	29	0.36	129946
Bodies Corporate	23	0.18	65205
Clearing Members	2	0.01	3740
LLP	5	0.06	23313
Individuals	1119	4.14	1505807
Foreign Corporate Bodies	1	6.47	2354086
Trust	2	3.64	1324457
Hindu Undivided Family	51	0.08	28390
Total	1235	100	36382393

I. Dematerialization of shares and liquidity:

Percentage of shares held in physical and dematerialized form as on 31st March, 2020:

Physical form : 0.00%

Electronic form with NSDL & CDSL : 100.00%

J. Factories Locations

All factories location is mentioned on the first page of this Annual Report.

K. Address for Correspondence:

The shareholders may send their grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned elsewhere in this report or to the Company at:

- I. Secretarial Department
Kurlon Enterprise Limited,
N-301, 3rd Floor, Front Wing, North Block,
Manipal Centre, 47, Dickenson Road,
Bangalore-560042.
e-mail: secretary@kurlon.org

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

Company is regular in depositing the declared dividend to shareholders account.

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

Date: 22.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Managing Director
DIN: 00043298

Sd/-
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

ANNEXURE-“C”

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MARKET OVERVIEW

Rise in income levels, health consciousness and growth in the real estate and hospitality sectors are major factors that accelerated the growth of the Indian mattress market. A visible shift has been observed in the consumers' perspective, where the main focus now is on the comfort and functionality of the product. In line with the changing times, Kurlon has adopted innovative strategies to ensure customer satisfaction. Several new trends are expected in the mattress industry during the coming years. The demand for customized and luxury mattresses is expected to increase significantly. Mattresses are no longer considered as mere consumer durables, they are an indicator of the quality of life. Demand in both residential and institutional sectors are expected to grow in India. Among various sizes available, king size mattresses are the most preferred one, and comfort and durability are the most important factors for dominance in the market.

ECONOMIC OVERVIEW

Global Economy

The year 2019 was a difficult year for the global economy with world output growth estimated to grow at its slowest pace of 2.9 per cent since the global financial crisis of 2009, declining from a subdued 3.6 per cent in 2018 and 3.8 per cent in 2017 (Source: The World Economic Outlook (WEO) Update of January 2020 published by IMF). The subdued growth is a consequence of elevated trade barriers, Brexit related concerns, geopolitical tensions and macroeconomic stress in several emerging economies. However, there have been positives since the beginning of 2020, which include United States (US)-China trade negotiations, a successful Brexit and continued monetary easing. Additionally, emergence of COVID-19 in last December 2019 in Wuhan Province, China, which has been declared as a pandemic by WHO, has affected the global economy adversely.

COVID-19 Impact

Amid the COVID-19 pandemic, several countries across the world resorted to lockdowns to “flatten the curve” of the infection. These lockdowns meant confining millions of citizens to their homes, shutting down businesses and ceasing almost all economic activity. According to the International Monetary Fund (IMF), the global economy is expected to shrink by over 3 per cent in 2020 – the steepest slowdown than the financial crisis a decade ago. The economic outlook seems gloomier at this juncture with growth estimated at 1.9% for FY 2020-21 with potential downsides. Strict containment measures, such as the nationwide lockdown have stalled economic activity and have impacted both consumption and investment. Nonetheless, Global Economy growth is expected to recover sharply to 7.4% in FY 2021-22.

INDIAN ECONOMY

As per the International Monetary Fund (IMF) estimates, India's Gross Domestic Product (GDP) is expected to grow by 4.2% in FY 2019-20, way lower than the 6.8% growth clocked in FY 2018-19 (Source: Economic times). Primary factors responsible for this expected growth deceleration include the global economic slowdown, subdued consumption and private investment, weak exports and liquidity constraints. However, now with COVID-19 striking India too, its economic impact has not yet been fully analyzed, and performance of GDP is yet to be recorded.

Despite these short and medium-term challenges, the Indian economy continues to have some positives. India improved by 14 ranks in the World Bank's Ease of Doing Business Index 2020 to the 63rd position (Source: <https://www.livemint.com/news/india/india-jumps-14-notches-in-world-bank-s-ease-of-doing-business-rankings-11571882591868.html>). In an attempt to boost investment, consumption and exports, the government has taken important reforms such as reduction in policy rates, transmission in policy rates, Funding to Micro, Small & Medium Enterprises, reduction in Income Taxes, Reduction in Goods and Services Tax (GST), Foreign Direct Investment (FDI) liberalization, among others, which would improve the prospects of India's growth story in the years to come. With COVID 19 impacting the Indian Supply Chain, India has laid out an aggressive 'MAKE IN INDIA' strategy which is expected to drive significant benefits for the economy

OUR BUSINESS

Kurlon is the Mattress of India. Every minute, about 5 homes in India buy a Kurlon Mattress. Our motto is to have more and more people enjoying a happy and healthy life by using a Kurlon product

Kurlon has geographical presence across all cities in India and is possibly the only Company reaching consumers directly through various channels such as Exclusive counters (Company owned Company Operated Stores (COCO) and Franchisees), Multi Brand Outlets, Large format retail outlets, etc to millions of consumers every year and the numbers are growing.

The company has evolved and now manufactures mattresses in 126 different configurations. Pan-India, and have partnered with a network comprising more than 10000 dealers, 72 branch and stock points, and 12 strategically located manufacturing facilities across Karnataka, Orissa, Madhya Pradesh, Uttaranchal, and Gujarat. With state-of-the-art technology, these factors continue to improve the standards in the mattress industry and serve the growing Indian population.

The Online segment is a key focus for the Company. With COVID 19 pandemic, this segment has attained great significance and its potential has multiplied. Kurlon is targeting this segment through its own website, Kurlon.com as well as through e-marketplace partners

Customer Experience continues to be another focus area and in order to continue improving the customer experience, Kurlon has increased its COCO retail outlets, housed under its wholly owned subsidiary M/s Kurlon Retail Ltd, to 93 during the year. These COCO stores are expected to contribute significantly to its growth in the coming years

Your Company's distribution network and brand name is well suited for marketing its product. Mattress requires high consultative selling; the dealer has a very high influence on converting the customer to our brand. By reaching out to such dealers, training them on the features of each of the mattress, creating a high quality speak about the product & improving the customer experience, we target upgrading the customer to better products from the Company's stable and increasing their satisfaction. Company has also taken several measures to sensitize its distribution network partners about the dangers from

COVID 19, keep in regular contact with them, extend help as necessary to ensure the health and safety of all its partners

VISION & MISSION:-

Kurl-on will sustain Brand leadership with highest Consumer delight through our World class Manufacturing Processes, Innovation and making it the best place to work thereby delivering, exponential Growth and Maximized wealth, for channel and stakeholders in a socially responsible way.

FINANCIAL OVERVIEW

During the year under review, Net Revenue from operations on standalone basis decreased to **₹95,904.19 Lakhs** from **₹103,189.32 Lakhs**, due to the impact of COVID-19 during February/March'20 and the subsequent lockdown during the last week of March'20. However, Profit After Tax for the current year increased by **11.67%** to **₹8,369.43 Lakhs** from **₹7,494.69 Lakhs** (Before Other Comprehensive Income) and increased by **10.30%** to **₹8,403.59 Lakhs** from **₹7,618.87 Lakhs** (After Other Comprehensive Income).

The Financial Statements have been presented after accounting for the business combination arising from the Scheme of Arrangement ("Scheme") between the Company and Spring Air Bedding Company (India) Limited, that was approved by the National Company Law Tribunal, Mumbai vide its order dated March 12, 2020 and National Company Law Tribunal, Delhi vide its order dated May 05, 2020, with effect from April 01, 2018, ("the appointed date")

The comparative financial information as at April 01, 2018, as at March 31, 2019 and for the year ended March 31, 2019 presented in these financial statements has been restated from the previously issued financial statements of the Company.

On a Consolidated basis, Net Revenue from operations decreased to **₹98,763.14 Lakhs** from **₹105,191.40 Lakhs**. On a consolidated basis Net Profit after tax increased by **13.92%** to **₹7,524.53 Lakhs** from **₹6,604.94 Lakhs** last year (Before Other Comprehensive Income) and increased by **12.33%** to **₹7,558.68 Lakhs** from **₹6,729.12 Lakhs** (After Other Comprehensive Income).

OUTLOOK ON FUTURE PROSPECTS, OPPORTUNITIES, THREATS, RISKS AND CONCERNS :-

With the onset of the COVID-19 pandemic across the globe, new ways and methods of working are the key to ensure every organization emerges out stronger after this pandemic.

Future Prospects & Opportunities;

- The Company has established itself as the top mattress producer / seller in the Country with the brand Kurlon being a Superbrand.
- COVID - 19 pandemic has adversely affected the economy. To support the Economy, the Government of India has rolled out policy stimulus equivalent to INR 20 trillion. It is expected that by end of the year the Indian economy would be back on track.
- With Work From Home expected to be the new normal and more people spending greater time at home, it is expected that the demand for the products used at home would go up specially in the Mattress and furniture space
- Online segment is expected to experience significant growth due to thrust on online mode of purchasing by customers
- The company has acquired the licensee rights of Spring Air and Englander brands which are premium luxury brands in the global market which would improve the penetration in the luxury segment of the Company
- The Industry is largely unorganized and with greater awareness and higher income levels, the market share of the organized players would eventually go up
- In the current challenging scenario, your Company foresees a good opportunity for growth and off take of its products owing to its strong manufacturing base, established marketing & logistics infrastructure, & strong financials
- Your Company will be internally reorganizing businesses (SBU verticals) with subsidiaries to drive the furniture (Home Comforts / Kitchen etc) business.

Threats, Risks & Concerns;

- Impact of the COVID-19 pandemic and its lasting effect has affected/would affect the economies across the globe
- Loss of jobs and income levels would have a temporary impact on demand for non-essential products affecting the sector
- State wise announcement of lockdowns resulting in disruptions in the supply and distribution chain

INTERNAL CONTROL SYSTEM & ADEQUACY:

The Company has an adequate system of internal controls commensurate with the size and nature of business of the company designed to provide reasonable assurance that assets are safeguarded; transactions are executed in accordance with the management's authorization and properly recorded. Accounting records are adequate for preparation of financial statements and other financial information. Internal audit is conducted on a continuous basis to ascertain the adequacy and effectiveness of internal control systems. Their observations are reviewed by the senior management and the Audit Committee. However, during the audit, the statutory auditor have observed a material weakness in the Company's internal financial controls over financial reporting as at March 31, 2020 which have been suitably answered by the Management in the Directors' Report.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES:

Human capital being the most crucial asset of the company, the Company has to continue to invest in the development of its employees, which is very important for ensuring sustained high performance. The Company is in the process of strengthening and introducing a system that would enable employees to track their own progress as well as bring up issues that concerns them and the company for better performance. The company has put in place a feedback mechanism wherein each and every employee of the company can provide constructive feedback on their views on any activities pertaining to the company. The industrial relations continued to remain cordial throughout the year.

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

Date: 22.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Managing Director
DIN: 00043298

Sd/-
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

ANNEXURE-“D”**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31.03.2020****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

To

The Members

KURLON ENTERPRISE LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KURLON ENTERPRISE LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2020 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by KURLON ENTERPRISE LIMITED during the audit period for the financial year ended on 31.03.2020 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings;
- v. Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing companies the following laws / acts are also inter alia, applicable to the Company:
 - a) The Environment (Protection) Act, 1986
 - b) Water (Prevention and Control of Pollution), Act, 1974
 - c) The Legal Metrology Act, 2009
 - d) Air (Prevention and Control of Pollution), Act, 1981
 - e) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

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

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

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

Following observations were made during the audit:

- FCGPR is not filed with RBI pursuant to issue of Bonus shares allotted on 08.10.2018.

I have not examined compliance by the Company with:

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

I further report that:

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

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

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

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

- The Board of Directors at their meeting held on 17th May 2019 subject to the approval of NCLT, Secured, Unsecured Creditors, Banks, other relevant regulatory authorities have approved the Amalgamation of Spring Air Bedding Company (India) Limited with Kurlon Enterprise Limited.
- There was no other event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **DEEPAK SADHU & CO, COMPANY SECRETARIES**

Sd/-

(DEEPAK SADHU)

Authorized Signatory

ACS: 39541; CP No: 14992

Bangalore

Date: 13th August, 2020

UDIN: A039541B000577914

ANNEXURE TO THE SECRETARIAL AUDIT REPORT

To,

The Members,

Kurlon Enterprise Limited

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

1. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed, provide a sound basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **DEEPAK SADHU & CO, COMPANY SECRETARIES**

Sd/-

(DEEPAK SADHU)

Authorised Signatory

ACS: 39541; CP No: 14992

Bangalore

Date: 13th August, 2020

UDIN:A039541B000577914

ANNEXURE-“E”

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Board of Directors (the ‘Board’) of “Kurlon” has adopted a CSR policy, which includes:

- a. To direct Kurlon’s CSR Programs, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education including skill development; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India and preserving and promoting sports;
- b. To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are prerequisites for social and economic development.
- c. To engage in affirmative action/interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons including from disadvantaged sections of society;
- d. To pursue CSR Programs primarily in areas that fall within the economic vicinity of the Company’s operations to enable close supervision and ensure maximum development impact;
- e. To carry out CSR Programs in relevant local areas to fulfill commitments arising from requests by government/regulatory authorities and to earmark amounts of monies and to spend such monies through such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates;
- f. To carry out activities at the time of natural calamity or engage in Disaster Management system;
- g. To contribute to the Prime Minister’ National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- h. To contribute or provide funds to technology incubators located within academic institutions which are approved by the Central Government;
- i. To contribute to any fund setup by the Central Government or State Government(s) including Chief Minister’s Relief Fund, which may be recognized as CSR activity;
- j. To promote sustainability in partnership with industry associations, like the Confederation of Indian Industry (CII), PHD, FICCI, etc. in order to have a multiplier impact.

2. The Composition of the CSR Committee.

Mrs. Jaya S Pai	:	Chairman
Mr. Nitin G Khot	:	Member
Sri S Ananthanarayanan	:	Member
Mr. Vishal Tulsyan	:	Member

3. Average Net Profit of the Company for last three Financial Years

2016-2017	:	9096.97
2017-2018	:	13153.81
2018-2019	:	12377.12

Average for the last three financial years : **11542.63 Lakhs**

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

2% of Average : **230.86 Lakhs**

5. Details of CSR spent during the financial year.

a. Total amount spent for the financial year 2019-20: **₹241.33 Lakhs** (inclusive unspent amount of ₹0.12 Lakh of previous year)

b. Amount unspent, if any : **Nil**

c. Manner in which the amount spent during the financial year is detailed below;

Sl. No.	CSR Project or Activity	Sector in which project is covered	Areas Where Project Was Implemented	Amount outlay (budget) (₹ in Lakhs)	Amount Spent on the projects or program (₹ in Lakhs)	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Providing health care & education support to villages/ society/school and Colleges	Education, Health & Development	Bengaluru, Karnataka	230.98	80.55	241.33	Direct
2.	Providing health care & support to villages.	Promotion of health care	Nagaland,		58.00		Direct
3	Education support to society/ school and Colleges	Education & Development	Ahmedabad		13.07		Direct
4	Eradication of extreme hunger and poverty	Home for destitute Children	Bengaluru		2.27		Direct
5.	Up-gradation and renovation of "Primary Health Care" Center	Promotion of health care	Bhubaneshwar, Orissa		11.75		Direct
6	Disaster Relief	Contribution to Keral Flood Victims	Kerala		21.78		Direct
7	Providing health care & support to villages.	Promotion of Health Care	Kerala		2.83		Direct
8	Contribution to Indian Army	Contribution to Indian Army	Bengaluru		0.60		Direct
9	Up-gradation and renovation of "Primary Health Care" Center	Promotion of health care	Bengaluru		3.15		Direct
10	Providing health care & education support to villages.	Education & Development	Guwahati, Assam		3.65		Direct
11	Rehabilitation	Rehabilitation	Mysure and Bengaluru		14.34		Direct
12	To support extracurricular Activities	Promotion of sports	Bengaluru		1.90		Direct
13	Donation	Donation to the corpus fund of a trust	Bhubaneshwar, Orissa		17.50		Direct
14	Providing health care & education support to villages.	Education & Development	Orissa, Uttar Pradesh and Andhra Pradesh		9.94		Direct

6. Reason/justification for not spending Prescribed CSR expenditure if any: Nil

7. Responsibility statement

The responsibility statement of the Corporate Social Responsibility (CSR) committee of the Board of Directors of the company is reproduced below;

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
(T. Sudhakar Pai)
Managing Director

Sd/-
Jaya S Pai
Chairman of CSR Committee

ANNEXURE-“F”

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U36101MH2011PLC222657
2.	Registration Date	03.10.2011
3.	Name of the Company	Kurlon Enterprise Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	#1002/1006, The Avenue, International Airport Road, Opp. Hotel Leela, Andheri(East), Mumbai-400059
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Private Limited Ms. Purva Shah 9, Shiv Shakti Ind. Estt. J.R. Boricha Marg, Lower Parel(E), Mumbai-400011 +91-022-2301-6761/2518 support@purvashare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Mattresses/Pillows/Foam/Sofa & furniture	31005	97.18%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ associate	% of shares held	Applicable section
1	Kurlon Limited	U17214KA1962PLC001443	Holding Company	85.06	2(46)
2.	Kurlon Retail Limited	U36104KA2012PLC065664	Wholly owned Subsidiary	100.00	2(87)
3	Sevalal Solar (P) Ltd	U40106KA2016PTC094328	Subsidiary Company	69.00*	2(87)
4	Sirar Solar Energies (P) Ltd.	U40106KA2016PTC097367	Subsidiary Company	69.00*	2(87)
5	Sirar Dhotre Solar (P) Ltd.	U40300KA2016PTC097314	Subsidiary Company	69.00*	2(87)

during the year Spring Air Bedding Company (India) Limited ceased to be subsidiary of the Company by virtue of its Merger with the Company.

*Acquisition by way of invocation of pledged shares.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As at 31-March-2019]				No. of Shares held at the end of the year [As at 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	694	0	694	0.00	694	0	694	0.00	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	30946755	0	30946755	85.06	30946755	0	30946755	85.06	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	30947449	0	30947449	85.06	30947449	0	30947449	85.06	0.00
(2) Foreign									
a) NRI/Foreign individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d) QII	0	0	0	0.00	0	0	0	0.00	0.00
e) any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of promoters and promoters group (A)=(A)(1)+(A)(2)	30947449	0	30947449	85.06	30947449	0	30947449	85.06	0.00
B. Public Shareholding									
I. Institutions									
a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(I):-	0	0	0	0.00	0	0	0	0.00	0.00

2. Non-Institutions									
a) Bodies Corp.	78706	0	78706	0.22	65205	0	65205	0.18	-0.04
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	665548	0	665548	1.83	716637	0	716637	1.97	+0.14
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	461908	0	461908	1.27	458408	0	458408	1.26	-0.01
c). Qualified foreign investor	0	0	0	0.00	0	0	0	0.00	0.00
d) Others:									
i. N.R.I. (Repat & Non-Repat.)	132594	0	132594	0.36	129946	0	129946	0.36	0.00
ii. Foreign Corporate Bodies	2354086	0	2354086	6.47	2354086	0	2354086	6.47	0.00
iii. Trust	1324457	0	1324457	3.64	1324457	0	1324457	3.64	0.00
iv. LLP	26228	0	26228	0.07	23313	0	23313	0.06	-0.01
v. IEPF	0	0	0	0	0	0	0	0	0
iv. Hindu Undivided Family	27234	0	27234	0.07	28390	0	28390	0.07	0.00
v. Employee	361362	0	361362	0.99	330762	0	330762	0.91	-0.08
vi. Clearing Members	2821	0	2821	0.01	3740	0	3740	0.01	0.00
Sub-total (B)(2):-	5434944	0	5434944	14.94	5434944	0	5434944	14.94	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5434944	0	5434944	14.94	5434944	0	5434944	14.94	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	36382393	0	36382393	100.00	36382393	0	36382393	100.00	0.00

B. Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrs Jaya S Pai	347	0.00	0.00	347	0.00	0.00	0.00
2.	Mr.T Sudhakar Pai	347	0.00	0.00	347	0.00	0.00	0.00
3	Kurlon Limited	30946755	85.06	0.00	30946755	85.06	0.00	0.00

C. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	MRS. JAYA S PAI				
	At the beginning of the year	347	0.00%	347	0.00%
	Add/Less: Change during the year				Nil
	At the end of the year			347	0.00%
2.	MR.T SUDHAKAR PAI				
	At the beginning of the year	347	0.00%	347	0.00%
	Add/Less: Change during the year				Nil
	At the end of the year			347	0.00%
3.	M/S KURLON LIMITED				
	At the beginning of the year	30946755	85.06%	30946755	85.06%
	Add/Less: Change during the year				Nil
	At the end of the year			30946755	85.06%

D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	INDIA BUSINESS EXCELLENCE FUND IIA				
	At the beginning of the year	2354086	6.47%	2354086	6.47%
	Add/Less: Change during the year				Nil
	At the end of the year			2354086	6.47%
2.	IL AND FS TRUST COMPANY LTD (TRUSTEE OF BUSINESS EXCELLENCE TRUST II - INDIA BUSINESS EXCELLENCE FUND II)				
	At the beginning of the year	1324174	3.64%	1324174	3.64%
	Add/Less: Change during the year				Nil
	At the end of the year			1324174	3.64%

3.	MR. NARENDRA KUDVA				
	At the beginning of the year	163440	0.45%	163440	0.45%
	Less: Sold during the year			(22300)	-0.06%
	At the end of the year			141140	0.39%
4.	MR. M DINESH KUDVA				
	At the beginning of the year	129018	0.35%	129018	0.35%
	Add/Less: Change during the year				Nil
	At the end of the year			129018	0.35%
5.	MR.VIRAF F CHINYOY				
	At the beginning of the year	50190	0.14%	50190	0.14%
	Add/Less: Change during the year				Nil
	At the end of the year			50190	0.14%
6.	MR.ARJUN KUDVA				
	At the beginning of the year	32762	0.09%	32762	0.09%
	Add/Less: Change during the year				Nil
	At the end of the year			32762	0.09%
7.	MRS.VINUJA KUDVA				
	At the beginning of the year	28888	0.08%	28888	0.08%
	Less: Sold during the year			(3500)	-0.01%
	At the end of the year			25388	0.07%
8.	MR.VEDA KUDVA				
	At the beginning of the year	28009	0.08%	28009	0.08%
	Add/Less: Change during the year				Nil
	At the end of the year			28009	0.08%
9.	MR. CHIRAG HEMANTKUMAR PATEL				
	At the beginning of the year	27130	0.07%	27130	0.07%
	Add/Less: Change during the year				Nil
	At the end of the year			27130	0.07%
10.	MR. MANGALORE SUBRAYA KAMATH				
	At the beginning of the year	24634	0.07%	24634	0.07%
	Add/Less: Change during the year				Nil
	At the end of the year			24634	0.07%

E. Shareholding of Directors and Key Managerial Personnel;

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	MRS. JAYA S PAI				
	At the beginning of the year	347	0.00%	347	0.00%
	Add/Less: Change during the year				Nil
	At the end of the year			347	0.00%
2.	DR. NITIN G KHOT				
	At the beginning of the year	192896	0.53%	192896	0.53%
	Add/Less: Change during the year				Nil
	At the end of the year			192896	0.53%
3.	MR.T SUDHAKAR PAI				
	At the beginning of the year	347	0.00%	347	0.00%
	Add/Less: Change during the year				Nil
	At the end of the year			347	0.00%
4.	SRI. S ANANTHANARAYANAN				
	At the beginning of the year	2174	0.00%	2174	0.00%
	Add/Less: Change during the year				Nil
	At the end of the year			2174	0.00%
5.	MR. MONU KUMAR				
	At the beginning of the year	135	0.00%	135	0.00%
	Add/Less: Change during the year				Nil
	At the end of the year			135	0.00%

V. INDEBTEDNESS;*

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

₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1542.05	696.00	-	2,238.05
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1542.05	696.00	-	2,238.05

Change in Indebtedness during the financial year				
* Addition	170.67		-	170.67
* Reduction	-	(19.7)	-	(19.7)
Net Change	170.67	(19.7)	-	150.97
Indebtedness at the end of the financial year				
i) Principal Amount	1712.72	676.30	-	2,389.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1712.72	676.30	-	2,389.02

* Previous year figures have been regrouped/reclassified, wherever necessary, to confirm to the current year groupings / classifications.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. T Sudhakar Pai Managing Director
1	Gross salary (in lakhs)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72.62
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission/incentive - as 3% of profit - others, specify	333.21
5	Others, please specify	-
	Total (A)	405.83
	Ceiling as per the Act	552.03

b. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount (in ₹)
1	Independent Directors	Sri. S. Ananthnarayanan	Dr. Nitin G Khot	
	Fee for attending board & committee meetings	118136	92246	210382
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	118136	92246	210382
2	Other Non-Executive Directors	Mrs. Jaya S Pai		
	Fee for attending board committee meetings		88984	88984
	Commission		-	-
	Others, please specify		-	-
	Total (2)		88984	88984
	Total (B)=(1+2)			299366
	Total Managerial Remuneration (in Lakhs)			405.83
	Overall Ceiling as per the Act			552.03

* Siting fees are not considered in the total Managerial Remuneration as per section 197 of the Act.

c. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Monu Kumar (Company Secretary)	Mr. Shambhu Kumar Bhotika (CFO) (upto 31.07.2019)	Mr. Ritesh Shroff (CFO) (w.e.f 01.08.2019)	
1	Gross salary(in lakh)				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.54	9.09	37.60	53.23
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	- as % of profit	-	-		-
	others, specify...	-	-		-
5	Others, please specify Being consultancy fees paid	-	-		-
	Total	6.54	9.09	37.60	53.23

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES-

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

Date: 22.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Managing Director
DIN: 00043298

Sd/-
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

ANNEXURE-“G”

In formation as per clause (m) of subsection 134 of the companies act, 2013 read with rule 8 of the Companies (Accounts) rules, 2014 and forming part of the director’s report for the year ended March 31, 2020.

A. Conservation of Energy

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

(i)	The steps taken or impact on conservation of energy	<ul style="list-style-type: none"> ✓ Installed Cloud based energy monitoring system at Yeshwanthpur pant LT substation (630KVA) to keep the track of daily power and energy consumption of all the feeders also to monitor and bench mark KWH, power factor, Maximum demand etc. ✓ At Yeshwanthpur plant Steam flow meter of Shellmax boiler is interfaced with PC via Ethernet cable and modbus convertor and Installed new software to track the steam consumption on-line and record it with respect to time. ✓ At Yeshwanthpur plant installed new (touch screen type) Delta HMI display unit with Delta PLC and programmed timer in the PLC, this is to control and monitor the mat press process time. ✓ At Yeshwanthpur plant Passive filters is installed in series with capacitor bank at 630KVA substation in order to reduce the total current harmonics (TCH) and total voltage harmonics (TVH) within the permissible limit prescribed by IEE(15% TCH & 5% TVH), ✓ At Yeshwanthpur plant for DOA machine tunnel radiator 2 no. new Radiators is designed and installed to produce desired temperature about 120 deg with min 3kg pressure at bottom right of the tunnel drier with necessary modification. After observation it was found around 300kg of steam consumption per tonnages reduced. ✓ At Bonded section of Yeshwanthpur, chipping machine 60 hp Motor replaced by 30 hp motor with programmed variable frequency drive. ✓ At UTL plant Embossing section load reduced from 14 KW to 11 KW by placing in house manufactured heater. ✓ At Sofa unit Fixed of LDR (Light Dependent Resister) for street lights. ✓ At Pennya-3 Unit Installed PPR airline to entire plant instead of flexible hose pipe, to reduced leakage of air. ✓ At Foam unit Installed new 120KVA UPS for the ladder berg machine for foam production ✓ Every Plant is replacing old MH, Florescent and CFL lamps by LED. <ul style="list-style-type: none"> • 97 no. of 40W LED fitting have being installed. • 40 no. of 20W LED fitting have being installed. • 40 no. of 100W LED fitting have being installed. • 20 no. of 80W LED fitting have being installed. • 120 no. of 60W LED fitting have being installed
(ii)	The steps taken by the company for utilizing alternate sources of energy	<ul style="list-style-type: none"> ✓ At Yeshwanthpur Furnace oil storage tanks of 45 KL capacity is scraped / disposed and ensure to use only piped natural gas for the production of steam in both boilers.
(iii)	The capital investment on energy conservation equipment’s	<ul style="list-style-type: none"> ✓ New Designed radiators, which produces desire temp of 120 deg(running temp 90 deg) with minimum 3 kg Steam : ₹12,00,000/- ✓ ₹150, 000 on the Cloud based Energy monitoring system. ✓ ₹250, 000 invested on the passive filter to control the harmonics. ✓ 120 KVA UPS : ₹12 Lakhs

B. Technology absorption

(i)	The efforts made towards technology absorption	<ul style="list-style-type: none"> ✓ At Yeshwanthpur plant Installed new SS external gear pump of 150LPM for both Chemical and clay slurry with the timer control system at compounding section, hence manual operation and weightment is totally eliminated. ✓ At Yeshwanthpur pant PFT Belt with 5X5 mm hole installed with MS roller to pad trolleys of Vulcanizer, this is for easy movement of pad while loading and unloading. ✓ At UTL plant fabricated (in house) and installed a side re-winder unit at Side trimming machines for rolling 30 mtr long trim sheet automatically. Earlier this was carried out manually. ✓ At ULT plant PLC with timer control Fire alarm indication boards installed in all buildings for alert. ✓ At Penny-3 Unit Provided load cell for foam peeling machine, thereby reduce the time take to weight. ✓ At BBSR Plant , Conversion of Fuel of Boiler from HSD to LPG
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> ✓ At Yeshwanthpur plant by using Cloud base energy monitoring system power factor is maintained. ✓ At Yeshwanthpur plant around 300kgs of steam per tonnage of production is reduced by using new radiator. ✓ at UTL plant bonded unit productivity increased from 1.3 ton to 1.5 ton per shift by increasing bonded blocks height. .Bonded foam yield increased from 87%(2018-19) to 87.2% (2019-20). ✓ At ULT plant Standardized single formulation for 23 GL/ECO and 28 GL/ECO by consistency of filler percentage. ✓ At BBSR Plant Cost reduction of 5,00,000/- per month due to fuel to gas conservation.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	<ul style="list-style-type: none"> ✓ For Yeshwanthpur plant Radiator was imported from Armstrong International Ltd. ✓ For UTL Plant Imported M/s. Yuantitan make AUTOMATIC tape edge machines (3nos) from China. ✓ For UTL Plant imported M/s. ESUN, PU foam sheet/block pressing machine from china. ✓ For Sofa unit Double side planner machine imported from M/s FULL POWER. Taiwan. ✓ For Sofa unit belting machine imported from Huizhou Maps Industry Co. Ltd. China.
(a)	The details of technology imported	<ul style="list-style-type: none"> ✓ At Yeshwanthpur plant 2 nos. of Radiators with working pressure 3kg. ✓ Automatic mattress flipping without manual intervention. ✓ Mattress loading and unloading over conveyor. ✓ Double side planner: Both side planning can be done simultaneously; accuracy of thickness can be maintained ✓ Belting machine: We can maintain uniformity in the sitting area of the Sofa, reduce the fatigue to the workmen, increase the productivity, avoid the customer complaints by avoiding belt loose or sagging
(b)	The year of import;	<ul style="list-style-type: none"> ✓ Radiator was imported on 2019 ✓ AUTOMATIC tape edge machines in March 2018 ✓ PU foam sheet/block pressing machine in July 2019 ✓ Double side planner: 2017 ✓ Belting machine: 2019

	(c) Whether the technology been fully absorbed	Yes
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
(iv)	The expenditure incurred on Research and Development	Nil

C. Foreign Exchange Earnings and Outgo

₹ in Lakhs

	2019-2020	2018-2019
Total foreign exchange inflow	39.33	102.84
Total foreign exchange outflow	2496.75	6996.51

For and on Behalf of the Board
For **Kurlon Enterprise Limited**Date: 22.09.2020
Place: Bangalore**Sd/-**
(T. Sudhakar Pai)
Managing Director
DIN: 00043298**Sd/-**
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF KURLON ENTERPRISE LIMITED

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Kurlon Enterprise Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

We refer to Note No. 5(i) of the Financial Statements, with regard to the Company’s assessment of its investment of ₹2,000 lakhs, classified as current, overdue and outstanding as at March 31, 2020 in the form of Commercial Paper (CP) in an entity, which, during the year has filed for insolvency. The Company has considered these amounts to be good and recoverable as at March 31, 2020 for the reasons as detailed in the said Note. Considering, the possible implications arising from the COVID-19 pandemic on the operations of the investee company, the CP being overdue for more than a year as on the date of our report, and the sensitivities surrounding the management’s assumptions involved in assessing the recoverability of the investments in the CP, we are unable to comment on the possible adjustment, if any, to be recorded against the carrying value of these assets and the consequential impact on the profit for the year and on these financial statements.

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 Responsibility 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 made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion on the standalone financial statements.

Emphasis of Matter

- i) We draw attention to Note 1B of these financial statements which describes in more detail the accounting for the business combination arising from the Scheme of Arrangement (“Scheme”) between the Company and Spring Air Bedding Company (India) Limited, that was approved by the National Company Law Tribunal, Mumbai vide its order dated March 12, 2020, with effect from April 01, 2018, (“the appointed date”). As explained in the note, the comparative financial information as at April 01, 2018, as at March 31, 2019 and for the year ended March 31, 2019 presented in these financial statements has been restated from the previously issued financial statements of the Company.
- ii) We draw attention to Note 2.20 to these financial statements, which describes that certain estimates and judgments were made related to the potential impact of the COVID-19 pandemic, wherein the eventual outcome of the impact of this global pandemic on the Company’s financial performance and financial position may be different from those estimated by the Management.

Our opinion is not modified in respect of the above matters.

Information Other than the 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 including Annexures to the Director's Report, but does not include the consolidated financial statements, 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 during the course of our 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial 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, management 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 management 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 Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

Other Matters

- i) The comparative financial information of erstwhile amalgamating Company (SABCIL) as at April 01, 2018 and as at and for the year ended March 31, 2019, included in these standalone financial statements, have been prepared after adjusting the previously issued standalone financial statements of SABCIL prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements were audited by the auditors of SABCIL (prior to amalgamation) and their reports for the year ended March 31, 2019 and March 31, 2018 dated September 05, 2019 and August 31, 2018 respectively, expressed an unmodified opinion on those standalone financial statements.

Adjustments made to the previously issued standalone financial statements to comply with Ind AS as at April 01, 2018, and as at and for the year ended March 31, 2019, have been audited by us. Our opinion is not modified in respect of this matter.

- ii) Due to the COVID-19 related lock-down we were not able to physically observe the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence — Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our opinion on these standalone financial statements. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
- a) We have sought and except for the matter described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, proper books of account as required by law have been kept by the Company.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) Except for the possible effects of the matter described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses qualified opinion on the operating effectiveness of the Company’s internal financial controls over financial reporting for the reasons stated therein.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) 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, as amended 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 30 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
Firm’s Registration No. 008072S

Place of Signature : Bengaluru
Date : 19.08.2020
UDIN : 20206920AAAAHG1215

Sathya P. Koushik
Partner
M. No. 206920

ANNEXURE 'A' **TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph I(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of Kurlon Enterprise Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the Company's internal financial controls over financial reporting as at March 31, 2020, wherein the Company did not have an appropriate internal control system for assessment of impairment in the carrying value of one of its current investments (where the fair market value is not readily available), which could potentially result in the Company not recognising an appropriate impairment provision/ adjustment to the carrying value of such investment.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company for the year ended March 31, 2020, and the material weakness has affected our opinion on the said standalone Ind AS financial statements of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Place of Signature : Bengaluru
Date : 19.08.2020
UDIN : 20206920AAAAHG1215

Sathya P. Koushik
Partner
M. No. 206920

ANNEXURE 'B'
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to COVID-19, the physical verification that was due to be carried out during the year has been deferred to the next fiscal year.
- (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

In respect of the building constructed on the leased land, the lease agreement is in the name of the Company, where the Company is the lessee in the agreement.

- (ii) As explained to us, the inventories were physically verified by the management during the year and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable, other than those disclosed below:

Name of the Statute	Nature of dues	Amounts (₹)	Period to which the amount relates to	Date of Payment
Central board of excise and customs	Excise duty*	227,279	2018-19	Not paid
Employee State insurance corporation	Employee State insurance dues	93,972	2018-19	Not paid

* Paid on July 22, 2020

- (c) Details of dues of Excise Duty, Value Added Tax and Sales Tax and which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount* involved (₹ In lakhs)	
Central Excise Act, 1944	Excise duty	Central Excise and Service Tax Appellate Tribunal	2011-14	2,212.12	
Value Added Tax, Sales Tax and Entry Tax - Various states	Value Added Tax, Sales Tax and Entry Tax - Various states	The Joint Commissioner - Commercial Taxes	Appellate Tribunal	2014-15	17.61
			2013-14	9.18	
			2014-15	281.07	
			2015-16	216.90	
			2016-17	179.69	
			2017-18	12.49	

* ₹1,035.60 lakhs has been paid as advance against the demands/appeals.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company does not have any borrowings from the government and has not issued any debentures during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of the Holding Company, subsidiary or associated company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Place of Signature : Bengaluru
Date : 19.08.2020
UDIN : 20206920AAAAHG1215

Sathya P. Koushik
Partner
M. No. 206920

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019 (Refer Note 1B)	As at April 1, 2018 (Refer Note 1B)
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3a	21,045.65	17,506.23	18,216.99
(b) Right of Use assets	4a	2,428.45	-	-
(c) Capital work-in-progress	4b	578.35	2,276.05	587.43
(d) Goodwill	3b	2,103.16	2,103.16	2,103.16
(e) Other Intangible assets	3c	538.95	632.46	560.49
(f) Financial Assets				
(i) Investments	5	1,760.00	760.00	1.00
(ii) Security Deposits	7	906.67	868.46	807.25
(g) Non-Current Tax Assets (Net)	18b	1,135.52	438.10	-
(h) Other Non-Current Assets	8	1,511.85	2,800.81	1,422.26
Total Non - Current Assets		32,008.59	27,385.28	23,698.57
Current assets				
(a) Inventories	9	11,676.07	10,913.72	10,148.95
(b) Financial Assets				
(i) Investments	5	11,477.67	3,726.71	1,889.53
(ii) Trade Receivables	6	6,779.68	11,944.55	12,810.82
(iii) Cash and Cash equivalents	10	1,246.70	2,877.82	4,114.32
(iv) Bank Balances other than (iii) above	10	141.29	132.65	210.29
(v) Other Financial Assets	7b	36.18	56.97	-
(c) Other Current Assets	8	9,538.80	9,062.96	6,283.14
Total Current Assets		40,896.38	38,715.37	35,457.05
Total Assets		72,904.98	66,100.65	59,155.62
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	1,819.12	1,819.12	1,389.37
(b) Other Equity	12	46,609.90	39,522.14	31,574.17
Total equity		48,429.02	41,341.26	32,963.54
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Lease Liabilities	15a	655.59	-	-
(ii) Other Financial Liabilities	15b	5,802.27	6,093.63	5,693.16
(b) Provisions	14	409.42	409.42	424.92
(c) Deferred tax liabilities (Net)	18.a	1,609.34	2,242.20	101.69
Total Non - Current Liabilities		8,476.62	8,745.25	6,219.77
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	2,389.02	2,238.05	2,417.25
(ii) Lease Liabilities	15	626.62	-	-
(iii) Trade payables	13			
(A) Total outstanding dues of micro enterprises and small enterprises		582.72	546.16	1,249.73
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,781.33	11,848.32	13,495.33
(iv) Other financial Liabilities	15	68.87	49.45	53.82
(b) Provisions	14	409.42	409.42	409.42
(c) Current Tax Liabilities (Net)	18.b	-	-	1,658.95
(d) Other Current Liabilities	17	141.35	922.73	687.81
Total Current Liabilities		15,999.34	16,014.14	19,972.31
Total Equity and Liabilities		72,904.98	66,100.65	59,155.62

See accompanying notes to the standalone financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of Kurlon Enterprise Limited

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

Sathya P. Koushik
Partner
Membership No. 206920
UDIN#: 20206920AAAAHG1215

Ritesh Shroff
Chief Financial Officer

Monu Kumar
Company Secretary

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from operations	19	95,904.19	1,03,189.32
II Other Income	20	899.00	1,474.12
III Total Income (I+II)		96,803.19	1,04,663.44
IV Expenses			
Cost of materials consumed	21.a	39,810.49	44,383.18
Purchases of stock in trade	21.b	11,032.12	15,244.73
Changes in inventories of finished goods, stock in trade and work-in-progress	21.c	(724.32)	(908.54)
Employee benefits expense	22	7,675.96	6,880.71
Finance costs	23	577.10	580.58
Depreciation and amortisation expense	24	2,609.61	1,855.62
Other expenses	25	25,679.63	24,250.04
Total Expenses (IV)		86,660.60	92,286.31
V Profit before tax (III-IV)		10,142.60	12,377.12
VI Tax Expense			
Current tax	26	2,650.42	2,765.13
Tax credit of earlier years		(244.39)	(23.19)
Deferred tax	26	(632.86)	2,140.50
		1,773.17	4,882.43
VII Profit for the year(V+VI)		8,369.43	7,494.69
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of the defined benefit plans [gain/ (loss)]		45.64	190.89
(ii) Income tax relating to items that will not be reclassified to profit or loss		(11.49)	(66.70)
VIII Total other comprehensive income		34.15	124.19
IX Total comprehensive income for the year(VII+VIII)		8,403.59	7,618.87
Earnings per equity share :			
Equity shares of par value ₹5 each			
(1) Basic (₹)	27	23.10	20.94
(2) Diluted (₹)	27	22.57	20.46

See accompanying notes to the standalone financial statements
As per our report of even date attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

Sathya P. Koushik
Partner
Membership No. 206920
UDIN#: 20206920AAAAHG1215

Ritesh Shroff
Chief Financial Officer

Monu Kumar
Company Secretary

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

STANDALONE CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from Operating Activities		
Profit for the year	8,369.43	7,494.69
Adjustments for:		
Income tax expense recognised in profit or loss	1,773.17	4,882.43
Net (Gain)/ Loss on disposal of Property, Plant and Equipment	34.54	(1.19)
Insurance claim received on Property, Plant and Equipment	(56.71)	(42.60)
Advance written back	-	(95.58)
Liability written back	(36.44)	(489.43)
Bad debts written off	2.32	7.94
Depreciation and amortisation expense	2,609.61	1,855.62
Interest Income recognised in profit or loss	(183.03)	(149.28)
Dividend Income recognised in profit or loss	(292.84)	(312.13)
Finance costs recognised in profit or loss	577.10	580.58
Allowance for expected Credit losses	567.22	145.23
Net foreign exchange (gain)/loss	-	1.29
	13,364.39	13,877.58
Movements in working capital:		
(Increase)/Decrease in Loans	(38.21)	(114.59)
(Increase)/Decrease in Trade Receivables	4,595.33	(112.45)
(Increase)/Decrease in Inventories	(762.34)	(1,235.00)
(Increase)/Decrease in Other Current Assets	(409.41)	(2,698.41)
(Increase)/Decrease in Other Non-Current Assets	(1,139.47)	(1,378.55)
Increase/(Decrease) in Trade Payables	(30.43)	514.94
Increase/(decrease) in Other Current Financial Liabilities	646.04	-
Increase/(Decrease) in Other Non-Current Financial Liabilities	364.23	455.28
Increase/(Decrease) in Other Current Liabilities	(744.94)	970.29
Increase/(Decrease) in Current Provisions	-	10.26
	2,480.81	(3,588.23)
Cash Flows generated from Operating Activities	15,845.19	10,289.35
Income tax paid	(3,114.95)	(4,905.69)
Net cash flow from operating activities (A)	12,730.24	5,383.66
B. Cash flows from Investing Activities		
Proceeds on sale of Property, Plant and Equipment	47.14	12.37
Insurance claim received	56.71	42.60
Interest received	183.03	429.68
Other Dividends Received	292.84	31.72
(Purchase)/Sale of Investments	(8,750.95)	(2,596.18)
Placed in Bank Deposits not considered as Cash and Cash Equivalents	(8.63)	77.64
Capital Expenditure on Property, Plant & Equipment including capital advance	(4,439.52)	(3,929.30)
Net cash flow from / (used in) Investing Activities (B)	(12,619.38)	(5,931.48)
C. Cash flows from Financing Activities		
Proceeds/ (Repayment) of Short term borrowings	150.96	735.42
Tax on Distributed Profits	(224.36)	(141.42)
Dividends paid to owners of the Company	(1,091.47)	(692.73)
Interest paid	(577.10)	(584.94)
Net cash flow from / (used in) financing activities (C)	(1,741.97)	(683.67)
Net increase / decrease in cash and cash equivalents (A+B+C)	(1,631.11)	(1,231.49)
Cash and cash equivalents at the beginning of the year	2,877.82	4,109.32
Cash and cash equivalents at the end of the year	1,246.71	2,877.83
Reconciliation of Cash & cash equivalents with the Balance Sheet		
Add-Bank Balance held as margin money or security against borrowing, guarantees and other commitments(*)	141.29	132.65
Cash and cash equivalents as per the Balance Sheet (Refer note 10)	1,387.99	3,010.48

Notes: (*) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes to the standalone financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

Sathya P. Koushik
Partner
Membership No. 206920
UDIN#: 20206920AAAAHG1215

Ritesh Shroff
Chief Financial Officer

Monu Kumar
Company Secretary

Place: Bengaluru
Date: 19.08.2020

Place: Bengaluru
Date: 19.08.2020

STATEMENT OF STANDALONE CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2020
a. Equity Share Capital
₹ in Lakhs

Particulars	Amount
Balance as at April 1, 2018	1,389.37
Changes in equity share capital during the year	-
Issue of Bonus Equity Shares	-
Issue of Bonus Equity Shares	429.75
Balance as at March 31, 2019	1,819.12
Changes in equity share capital during the year	-
Balance as at March 31, 2020	1,819.12

b. Other Equity
₹ in Lakhs

Particulars	Reserves and Surplus					Total
	Monies pending allotment (Refer Note 1B)	Securities premium	Share option outstanding account	General reserve	Retained earnings	
Balance as at April 1, 2018	1,656.40	11,619.58	435.58	1,715.86	16,146.75	31,574.17
Profit for the year	-	-	-	-	7,494.69	7,494.69
Remeasurement of Defined Benefits Plan (net of tax)	-	-	-	-	124.19	124.19
Dividends	-	-	-	-	(692.73)	(692.73)
Tax on dividends	-	-	-	-	(141.42)	(141.42)
Shares to be issued pursuant to approved Scheme (Refer Note 1B) Utilized during the year for issue of bonus share	1,593.00	-	-	(429.75)	-	1,593.00
Balance as at March 31, 2019	3,249.40	11,619.58	435.58	1,286.11	22,931.47	39,522.14
Profit for the period	-	-	-	-	8,369.43	8,369.43
Remeasurement of Defined Benefits Plan (net of tax)	-	-	-	-	34.15	34.15
Adjustment arising on amalgamation	-	-	-	-	-	-
Dividends	-	-	-	-	(1,091.47)	(1,091.47)
Tax on dividends	-	-	-	-	(224.36)	(224.36)
Transfer from Shares Option Outstanding Account*	-	-	(435.58)	-	435.58	-
Balance as at March 31, 2020	3,249.40	11,619.58	-	1,286.11	30,454.81	46,609.90

* On July 14, 2015, the company had granted 468,864 options to certain employees. These options vest with the employees over a period of three years and exercisable over a period of four years. In accordance with the scheme, the options got fully vested with the employees in 2018-2019. The company has recognized the cost (difference between the fair price of the equity share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense aggregating to ₹435.58 Lakhs, as an expense in earlier years. However during 2019-2020, since the Holding company has issued shares to the said employees, the options of the company cannot be exercised. Hence the above amount has been transferred to Retained Earnings.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

Sathya P. Koushik
Partner
Membership No. 206920
UDIN#: 20206920AAAAHG1215

Ritesh Shroff
Chief Financial Officer

Monu Kumar
Company Secretary

Place: Bengaluru
Date: 19.08.2020

Place: Bengaluru
Date: 19.08.2020

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Significant accounting policies

Note	Particulars
IA	<p>Corporate information</p> <p>Kurlon Enterprise Limited was incorporated in Mumbai, India on October 03, 2011, as a public limited company under the Companies Act. The Company is a subsidiary of Kurlon Limited and is engaged in the business of manufacturing/ trading in diverse areas such as Rubberized coir, Latex Foam, Polyurethane foam, Bonded Foam, Pillows, Spring Mattresses, Furniture, Furnishings, Sofas etc.</p>
IB	<p>Business Combination and restatement of financial information of prior years</p> <p>The Board of Directors, at their meeting held on August 5, 2019 approved a scheme of amalgamation (“the Scheme”) of Spring Air Bedding Company (India) Limited (“SABCIL” or “Transferor Company”) with Kurlon Enterprise Limited (“the Company” or “Transferee Company”) with an appointed date of April 01, 2018. During the prior year, the Company had filed an application of the Scheme with the National Company Law Tribunal (“NCLT”), Mumbai and NCLT Delhi. The Scheme has been approved by the NCLT Mumbai and NCLT Delhi, vide their orders dated March 12, 2020 and May 05, 2020, respectively, and the aforesaid orders were filed with the Registrar of Companies on June 18, 2020.</p> <p>In consideration of the Ministry of Corporate Affairs (“MCA”) General Circular Ref.09/2019 dated August 21, 2019 as regards the treatment of ‘appointed date’ as the ‘acquisition date’ under Indian Accounting Standard 103 (“Ind AS 103”) – Business Combinations, the Management has considered the approvals of the NCLT’s and filing of the same with the Registrar of Companies to represent adjusting events and has given the effect of the amalgamation in these financial statements from the appointed date of April 01, 2018, which is also the earliest date of the periods presented in these financial statements.</p> <p>In accordance with the scheme sanctioned, all assets and liabilities of SABCIL, as at the appointed date April 1, 2018, stands transferred to, and vested with the Company at their respective fair values.</p> <p>Pursuant to the Scheme, in consideration for the transfer and vesting of all the assets and liabilities:</p> <ol style="list-style-type: none"> i) The equity Shareholders of erstwhile SABCIL are to be issued 1 equity share of the Company of ₹5 each fully paid up, for every 331 equity shares of ₹10 each fully paid up, held by them in SABCIL. Accordingly 121,735 equity shares of ₹5 each fully paid up (aggregating to ₹6.09 Lakhs) will be issued to the shareholders of the erstwhile SABCIL. ii) Further, the erstwhile SABCIL during 2018-19 issued 15,930,000 equity shares of ₹10 each fully paid up to its shareholders. Accordingly, 48,127 equity shares of the Company of ₹5 each fully paid up (aggregating to ₹2.41 Lakhs) will be issued to the shareholders of erstwhile SABCIL. iii) All the above mentioned Shares are yet to be allotted. Pending allotment of these shares as at March 31, 2019, the amount of ₹3,249.40 Lakhs has been disclosed as Monies pending allotment in Note 12 to the financial statements. Pursuant to the Scheme, the authorised share capital of the Company stands increased to ₹7,530 Lakhs (being 15,06,00,000 equity shares of ₹5 each) (Also refer Note 11). iv) The amalgamation has been accounted under the “Acquisition Method” as specified in Ind AS 103 and other accounting principles generally accepted in India in line with the approved Scheme. Accordingly the assets and liabilities as at April 1, 2018, of SABCIL have been taken over at their respective fair values.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	The difference, aggregating to ₹2,103.16 Lakhs, between the fair values of net identifiable assets acquired as at the appointed date April 1, 2018, and the consideration for the acquisition has been recognized as goodwill, in accordance with the Scheme.

The goodwill on acquisition of SABCIL has been arrived as below:

Particulars	₹ In Lakhs
Property, plant & equipment	306.26
Intangibles - Gross block	6.29
Other current assets	137.84
Deferred Tax Assets	1,846.38
Inventories	470.23
Trade Receivables	825.54
Cash and cash equivalents	5.00
Current financial assets - Loans	53.37
Total Assets taken over on Amalgamation (A)	3,650.91
Short term Borrowings	914.61
Trade Payables	2,622.38
Current Provisions	15.50
Other current liabilities	545.19
Total Liabilities Taken over on Amalgamation (B)	4,097.68
Less: Consideration in respect of shares outstanding in SABCIL as at April 1, 2018 (C)	1,656.39
Goodwill on Amalgamation (D) = (C) + (B) - (A)	2,103.16

SABCIL is engaged in manufacturing/ trading in diverse area such as Rubberized coir, Latex Foam, Polyurethane foam, Pillows, Spring Mattresses, Furniture, Furnishing etc.

2 Significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.

Except for the changes below, the Company has consistently applied accounting policies to all periods:

- i) The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach and accordingly, the comparative information has not been restated.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.</p> <p>iii) Amendment to Ind AS 19 ‘Employee Benefits’: On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 ‘Employee Benefits’ in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.</p> <p>iv) Amendment to Ind AS 12 ‘Income Taxes’: On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 ‘Income Taxes’. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.</p>

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair values. Further Defined Benefit Plans and Plan Assets are measured at fair value at the end of each reporting period, as explained in the accounting policies below:-

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability and the assumptions the market participants would consider when pricing the asset or liability at the measurement date, assuming that market participants act in their best economic interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>use of relevant observable inputs and minimising the use of unobservable inputs. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.</p> <p>In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:</p> <p>Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;</p> <p>Level 2 Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and</p> <p>Level 3 Inputs are unobservable for the asset or liability.</p>

2.3 Use of estimates and judgement

In preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS, management of the Company has made estimates, judgements and assumptions that affect the application of Accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities as at the date of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis

Key source of estimation uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year in respect of useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets/liabilities, provision for warranty and other provisions and contingent liabilities.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.

Provisions and Contingent Liabilities

A provision is recognized when the Company has a present obligation arising out of past events and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements but are disclosed appropriately. A contingent asset is neither recognized nor disclosed in the financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
2.4	<p>Revenue recognition</p> <p>Effective April 1, 2018, the Company adopted IND AS 115, 'Revenue from Contracts with Customers' using the modified retrospective method. In accordance with this, the comparatives have not been retrospectively adjusted and no material impact was recognised.</p> <p>Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for estimated customer returns, rebates and other similar allowances.</p> <p>Sale of goods</p> <p>Revenue from the sale of goods is recognised when (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items.</p> <p>Other income</p> <p>Interest income- Interest Income is recognised and accounted on the basis of the effective Interest rate method.</p> <p>Dividend Income- Dividend income is accounted for when the right to receive is established.</p>
2.5	<p>Foreign currencies</p> <p>The functional currency of the Company is Indian Rupees.</p> <p>Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognised in the Statement of Profit and Loss. Non-monetary items of the Company are carried at historical cost.</p>
2.6	<p>Leases</p> <p>The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.</p> <p>The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.</p> <p>The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense over the lease term.</p> <p>In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.</p>
2.7	<p>Employee benefits</p> <p>Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences and employee state insurance scheme.</p> <p>Retirement benefit cost and termination benefits</p> <p>Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p> <p>Liabilities for gratuity funded in terms of a scheme administered by the life insurance corporation of India are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:</p> <ul style="list-style-type: none"> - service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); - net interest expense or income; and - Remeasurement

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.</p> <p>The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.</p> <p>A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.</p> <p>Defined contribution plan</p> <p>Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.</p> <p>Compensated absences</p> <p>Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized at an actuarially determined liability at the present value of the defined benefit obligation as at the balance sheet date. Liabilities for gratuity funded in terms of a scheme administered by the life insurance corporation of India are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.</p>
2.8	<p>Taxation</p> <p>Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.</p> <p>Current tax</p> <p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years (Temporary Differences) and items that are never taxable or deductible (Permanent Differences). The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>Deferred tax</p> <p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p> <p>The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.</p> <p>Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.</p> <p>The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.</p> <p>Deferred tax assets include Minimum Alternate Tax (“MAT”) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.</p>
2.9	<p>Property, plant and equipment</p> <p>Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.</p> <p>The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.</p> <p>Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.</p> <p>Lease rentals and premium for lease hold are amortized over the primary lease period.</p> <p>Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss</p> <p>Capital work in progress</p> <p>Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.</p> <p>The capital work- in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
2.10	<p>Intangible assets</p> <p>Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.</p> <p>Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.</p> <p>The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.</p> <p>An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disposed</p>
2.11	<p>Impairment</p> <p>Financial assets (other than at Fair Value)</p> <p>The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.</p> <p>Non-financial assets</p> <p>Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.</p>
2.12	<p>Inventory</p> <p>Items of inventory are valued at lower of cost and net realizable value. Cost of raw materials, stores and spares, packing material and traded goods is determined on weighted average basis. In case of work-in-process and finished goods, cost includes an appropriate proportion of cost of conversion to bring the goods to its present condition. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.</p>
2.13	<p>Provisions</p> <p>Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.</p> <p>The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).</p> <p>When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.</p> <p>Provision for warranty is estimated on the basis of past technical experience.</p>
2.14	<p>Investment in Subsidiaries</p> <p>Investments in subsidiaries are carried at cost, less accumulated impairment losses, if any. Long-term investments are usually carried at cost. However, when there is a decline, other than temporary, in the value of a long term investment, the carrying amount is reduced to recognise the decline. Indicators of the value of an investment are obtained by reference to its market value, the investee's assets and results and the expected cash flows from the investment. The type and extent of the investor's stake in the investee are also taken into account. Restrictions on distributions by the investee or on disposal by the investor may affect the value attributed to the investment. Where there is a decline, other than temporary, in the carrying amounts of long term investments, the resultant reduction in the carrying amount is charged to the profit and loss statement. The reduction in carrying amount is reversed when there is a rise in the value of the investment, or if the reasons for the reduction no longer exist.</p>
2.15	<p>Financial Instruments</p> <p>Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>A) Financial assets</p> <p>Cash and cash equivalents</p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p> <p>Financial assets at amortized cost</p> <p>Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p>Financial assets at fair value through other comprehensive income (FVTOCI)</p> <p>Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p>Financial assets at fair value through profit and loss (FVTPL)</p> <p>Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.</p> <p>Foreign exchange gains and losses</p> <p>The fair value of foreign assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For the foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in statement of profit and loss.</p> <p>B) Financial liabilities and Equity</p> <p>Financial liabilities at amortized cost</p> <p>Financial liabilities are measured at amortized cost using effective interest method.</p> <p>Equity instruments</p> <p>An equity instrument is contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue costs.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p><u>Foreign exchange gains and losses</u></p> <p>For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in “Other income”</p> <p>The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in the profit and loss.</p>
2.16	<p>Earnings per share (EPS)</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.</p> <p>Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p> <p>Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>
2.17	<p>Segment reporting</p> <p>The chief operating decision maker (CODM) identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The Company has only one reportable business segment, which is manufacture, purchase and sale of coir, foam and related products which constitutes a single business segment. Accordingly, the amounts appearing in the financial statements relate to the company’s single business segment.</p>
2.18	<p>Research and development</p> <p>All revenue expenditure related to research and development are charged to the respective heads on the Statement of Profit and Loss. Capital expenditure incurred on research and development is capitalised as property, plant and equipment and depreciated in accordance with the depreciation policy of the Company</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
2.19	<p>Insurance Claims</p> <p>Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.</p>
2.20	<p>Impact on COVID</p> <p>In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, intangibles and goodwill and expects to recover these assets in the normal course of business. However, considering the nature of the pandemic, the eventual impact may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions. The Company has resumed its business activities by reopening its factories on a gradual basis in line with the guidelines issued by the Government authorities.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

3. Property, Plant and Equipments

₹ in Lakhs

Particulars	b) Goodwill										c) Intangible Assets	
	Freehold land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Computer Owned	Total	Goodwill	Computer software	
Gross carrying value												
As at April 01, 2018	974.18	842.50	3,557.91	17,175.38	2,467.21	432.31	267.51	413.51	26,130.51	-	-	828.50
Acquisitions through business combinations (Refer Note 1B)	-	-	-	235.65	17.80	14.50	31.11	7.20	306.26	2,103.16	-	6.29
As at April 1, 2018 after business combinations	974.18	842.50	3,557.91	17,411.03	2,485.01	446.81	298.62	420.71	26,436.77	2,103.16	-	834.79
Additions	-	-	146.34	572.19	151.49	58.58	50.62	56.57	1,035.77	-	-	198.29
Disposals	-	-	-	-	6.70	0.89	6.75	-	14.34	-	-	-
As at March 31, 2019	974.18	842.50	3,704.25	17,983.21	2,629.80	504.49	342.48	477.28	27,458.20	2,103.16	-	1,027.03
Additions	17.24	302.77	4,344.20	1,209.33	411.91	45.85	138.18	58.29	6,527.77	-	-	45.06
Disposals	-	-	-	4.10	0.17	0.64	156.76	3.48	165.15	-	-	-
Reclassified to Right of Use Assets	-	1,145.27	-	-	-	-	-	-	1,145.27	-	-	-
As at March 31, 2020	991.42	-	8,048.45	19,188.45	3,041.54	549.71	323.90	532.09	32,675.56	2,103.16	-	1,072.09
Accumulated Depreciation												
As at April 01, 2018	-	-	480.11	6,284.36	887.73	223.96	71.19	272.43	8,219.78	-	-	274.30
Additions	-	-	115.87	1,191.56	231.25	76.31	42.39	77.97	1,735.35	-	-	120.27
Disposals	-	-	-	-	0.58	0.71	1.87	-	3.16	-	-	-
As at March 31, 2019	-	-	595.98	7,475.92	1,118.40	299.56	111.71	350.40	9,951.97	-	-	394.57
Additions	-	-	161.63	1,180.10	226.24	72.66	44.83	74.56	1,760.01	-	-	138.58
Disposals	-	-	-	3.09	-	0.21	77.60	1.18	82.09	-	-	-
As at March 31, 2020	-	-	757.61	8,652.93	1,344.64	372.01	78.94	423.77	11,629.89	-	-	533.15
Net carrying value												
Balance as at March 31, 2020	991.42	-	7,290.84	10,535.52	1,696.90	177.70	244.96	108.31	21,045.65	2,103.16	-	538.95
Balance as at March 31, 2019	974.18	842.50	3,108.27	10,507.29	1,511.39	204.93	230.78	126.88	17,506.23	2,103.16	-	632.46
Balance as at April 1, 2018	974.18	842.50	3,077.80	11,126.67	1,597.28	222.85	227.43	148.28	18,216.99	2,103.16	-	560.49

Refer Note - 16 for information on property, plant and equipment pledged as security by the Company.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 4a. Right of Use Assets

₹ in Lakhs

Particulars	Land	Buildings	Total
Gross carrying value			
As at April 01, 2018	-	-	-
Additions	-	-	-
Disposals/ Adjustments	-	-	-
As at March 31, 2019	-	-	-
Impact of adoption of Ind AS 116 (Refer Note 29)	1,145.27	1,468.40	2,613.67
Additions	-	525.80	525.80
Disposals/ Adjustments	-	-	-
As at March 31, 2020	1,145.27	1,994.20	3,139.47
Accumulated Depreciation			
As at April 01, 2018	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	-	-	-
Impact of adoption of Ind AS 116 (Refer Note 29)	-	-	-
Additions	19.46	691.56	711.02
Disposals	-	-	-
As at March 31, 2020	19.46	691.56	711.02
Net carrying value			
Balance as at March 31, 2020	1,125.81	1,302.64	2,428.45
Balance as at March 31, 2019	-	-	-
Balance as at April 1, 2018	-	-	-

Note No. 4b. Capital work in progress

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Land	-	-	0.86
Building	205.14	1,367.63	474.15
Plant & Machinery	283.30	707.59	88.64
Others	89.90	200.83	23.78
	578.35	2,276.05	587.43

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 5 - Investments

₹ in Lakhs

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Nos.	Amount in Lakhs	Amount in Lakhs	Nos.	Amount in Lakhs	Amount in Lakhs	Nos.	Amount in Lakhs	Amount in Lakhs
		Current	Non-Current		Current	Non-Current		Current	Non-Current
A. Cost									
I. Investments in Equity Instruments of subsidiary (all fully paid)(Unquoted)									
Investments in Equity Instruments of subsidiary									
Kurlon Retail Limited (Formerly Kurlon Retail Private Limited) (shares of ₹5/- each fully paid up) (refer note 5(ii) below)	1,52,65,466	-	1,760.00	1,51,98,800	-	760.00	10,000	-	1.00
Sirar Solar (shares of ₹100/- each fully paid up)	690	0.69	-	-	-	-	-	-	-
Sevalal Solar P Ltd((shares of ₹100/- each fully paid up))	690	0.69	-	-	-	-	-	-	-
Sirar Dhotre (shares of ₹100/- each fully paid up)	690	0.69	-	-	-	-	-	-	-
II. Investment in Commercial Papers (at amortised cost)(Unquoted)									
Cox and Kings Limited (refer note 5(i) below)	400	2,000.00	-	500	2,500.00	-	-	-	-
Total Unquoted Investments	1,52,67,936	2,002.07	1,760.00	1,51,99,300	2,500.00	760.00	10,000	-	1.00
B. Fair Value Through Profit and Loss									
I. Investments in Mutual funds (Quoted)									
Franklin India Short Term Income Plan-Retail Plan-Direct-Growth	-	-	-	29,238	1,226.71	-	-	-	-
Franklin India Banking & PSU Fund-Direct-Growth	1,94,79,860	3,295.78	-	-	-	-	-	-	-
HSBC Ultra Short Duration Fund Direct Growth	30,833	311.20	-	-	-	-	-	-	-
Tata Banking & PSU Debt Fund Direct Growth	49,59,639	515.44	-	-	-	-	-	-	-
ABSL Floating Rate Fund-Direct-Growth	2,03,278	512.86	-	-	-	-	-	-	-
AXIS Short Term Fund-Direct-Growth	39,42,706	921.62	-	-	-	-	-	-	-
Axis Banking & PSU Debt Fund-Direct Growth	26,104	506.68	-	-	-	-	-	-	-
Canara Robeco Short Duration Fund - Direct Growth	12,78,301	255.61	-	-	-	-	-	-	-
Kotak Savings Fund-Regular-Growth	6,39,002	205.08	-	-	-	-	-	-	-
Kotak Bond Fund Short Term-Direct-Growth	10,30,669	413.44	-	-	-	-	-	-	-
Kotak Corporate Bond Fund-Direct-Growth	7,456	205.80	-	-	-	-	-	-	-
Kotak BANKING AND PSU DEBT FUND-Direct-Growth	8,53,190	406.52	-	-	-	-	-	-	-
L & T Banking & PSU Fund-Growth	22,84,679	410.89	-	-	-	-	-	-	-
Sundaram Money Market Fund-Direct-Growth	54,87,966	614.77	-	-	-	-	-	-	-
ICICI Prudential Banking & PSU Debt Fund-Direct-Growth	16,88,533	399.23	-	-	-	-	-	-	-
LICMF Banking & PSU Debt Fund-Direct-Growth	11,14,132	300.56	-	-	-	-	-	-	-
LICMF Banking & PSU Debt Fund-Regular-Growth	7,78,062	200.12	-	-	-	-	-	-	-
SBI Savings fund - Direct Plan-Growth	-	-	-	-	-	-	2,72,037	75.61	-
IDBI liquid fund- Direct Plan-Growth	-	-	-	-	-	-	19,022	353.90	-
Franklin India Low Duration Fund Direct Monthly Dividend Plan	-	-	-	-	-	-	2,94,671	31.71	-
Franklin India Low Duration Fund - Direct Growth	-	-	-	-	-	-	70,36,927	1,428.31	-
Total Aggregate Quoted Investments	4,38,04,409	9,475.60	-	29,238	1,226.71	-	76,22,657	1,889.53	-
TOTAL INVESTMENTS CARRYING VALUE (A)	5,90,72,345	11,477.67	1,760.00	1,52,28,538	3,726.71	760.00	76,32,657	1,889.53	1.00
Other Disclosures									
Aggregate amount of Quoted Investments & market value thereof	-	9,475.60	-	-	1,226.71	-	-	1,889.53	-
Aggregate amount of Unquoted Investments	-	2,002.07	1,760.00	-	2,500.00	760.00	-	-	1.00

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 5(i)

"The Company had made an investment of ₹2,000 Lakhs in Commercial Paper (CP) issued by COX and Kings Limited ("C&K") in four Commercial Papers between June 14, 2019 and June 26, 2019. The amounts were due for maturity/redemption in 40-45 days from date of investment. The maturity dates for the four tranches commenced on 29 July 2019 and ended on August 6, 2019.

At the time of making the investment, the CP was rated as A1+ by Credit Rating agency 'CARE' & 'Brickworks'. This rating indicating highest level of safety. Subsequent to making the investment, C&K defaulted in repayment of borrowings to its bankers from June 28, 2019 onwards, till date.

On October 22, 2019, the National Company Law Tribunal, Mumbai (NCLT) admitted an insolvency petition against C&K, after which it imposed a moratorium on "transferring, encumbering, alienating or disposing off" of any assets belonging to Cox & Kings effective from October 22, 2019. The bench has appointed an interim resolution professional (IRP) who is overseeing the affairs of the entity.

In view of the above events, the Company has evaluated the recoverability of these amounts and is hopeful of recovering the amount in full, in view of the following consideration:

- i) The Company earlier had already invested two tranches of ₹2,500 Lakhs each, in March 2019 and May 2019, which were repaid in full, without any default, on the due dates. In respect of the outstanding as at date, the Company has been categorized as a Financial Creditor by the Resolution Professional in the resolution proceedings of C&K. The claims of the Company (for principal and interest) has been accepted by the Resolution Professional.
- ii) The Company has filed 2 petitions under Section 138 of the NI Act (One for Principal & One for Interest) against C&K, its directors & Authorized signatories in the Mayo Hall Court, Bangalore which is a criminal proceeding that has been initiated.
- iii) Court Summons have been issued to the directors of C&K which has since been paused due to COVID lockdown.
- iv) The Company has obtained Personal Guarantee from the promoter of C&K, for ₹2,000 Lakhs, which can be invoked by the Company.
- v) The Company has also received commitment from the family of the promoter of C&K that they would repay the borrowings by raising monies through sale of their assets. Accordingly, the management is of the opinion that a write down in the carrying of investment is presently not required."

Note No. 5(ii)

The company during the year invested ₹1,000 Lakhs in 66,666 Equity Shares of ₹5 each at a premium of ₹1495 per Equity Share of Kurlon Retail Limited, based on a valuation carried out by an independent valuer.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 6. Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Trade Receivables (Unsecured)			
(a) Considered good	6,779.68	11,944.55	12,810.82
(b) which have significant increase in Credit Risk	997.08	688.89	543.67
	7,776.76	12,633.43	13,354.49
Less: Allowance for Doubtful trade receivables	997.08	688.89	543.67
TOTAL	6,779.68	11,944.55	12,810.82

Note No. 6a. Movement in the Allowance for Doubtful trade receivables

₹ in Lakhs

Particulars	FY 2019-20	FY 2018-19
Balance at beginning of the year	688.89	543.67
Impairment losses recognised in the year based on 12 Month Expected Credit Loss		
On Receivables originated in the year	569.54	314.90
Amounts written off during the year as uncollectible		
Amounts Recovered/Written Off During the year	(261.35)	(169.68)
Balance at end of the year	997.08	688.89

Note No. 7. Security Deposits

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(Carried at amortised cost)			
a) Security Deposits- Unsecured, considered good	906.67	868.46	801.22
b) Other Loans - unsecured, considered good			
Loans to Employees	-	-	6.03
TOTAL	906.67	868.46	807.25

Note No. 7a. Other financial assets

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current (Carried at amortised cost)			
a) Security Deposits- Secured, considered good	36.18	56.97	-
	36.18	56.97	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 8. Other Non-current and Current Assets

₹ in Lakhs

Particulars	As at March 31, 2020	FY 2018-19	As at April 1, 2018
Non-Current			
(a) Capital Advances			
(i) For land	1,510.23	2,278.44	1,397.46
(ii) For Building	-	303.00	22.33
(iii) For Plant & Machinery	-	217.91	-
(b) Balances with government authorities	1.62	1.47	1.47
(c) Prepaid expenses	-	-	1.00
TOTAL	1,511.85	2,800.81	1,422.26
Current			
(a) Advances to suppliers	872.14	560.10	522.81
(b) Advances to Related Parties			
Kurlon Limited	4,758.22	4,632.89	3,559.68
Kurlon Retail Limited	2,221.22	1,951.29	572.68
Metropolis Builders Limited	30.00	30.00	27.95
Manipal Advertising Services Private Limited	348.32	427.82	-
Sevalal Solar Private Limited	91.27	-	-
Sirar Solar Energies Private Limited	37.42	-	-
Sirar Dhotre Solar Private Limited	83.66	-	-
(c) Advances to employees	33.92	66.86	135.09
(e) Balances with government authorities	140.40	-	964.22
(f) Others			
Balance With Revenue Authorities	30.50	61.09	-
Other Loans and Advances	386.77	668.70	-
Prepaid expenses	324.57	268.50	270.98
Prepaid rent	-	83.54	110.15
Insurance Claim	28.64	-	-
Gratuity fund	85.22	8.79	53.52
Leave Encashment Fund	66.52	303.37	66.06
TOTAL	9,538.80	9,062.96	6,283.14

Note No. 9. Inventories

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Raw materials	3,735.56	3,770.10	3,990.74
- Goods in transit	10.75	-	-
(b) Work-in-progress	1,601.56	1,321.21	1,362.73
(c) Finished goods (net of provision)*	4,717.68	4,336.52	3,343.27
- Goods in transit	61.44	40.12	-
(d) Stock-in-trade	978.95	937.46	1,020.78
(e) Stores and spares	570.13	508.32	431.44
Total Inventories at lower of Cost and Net Realisable Value (NRV)	11,676.07	10,913.72	10,148.95

*The cost of Inventories as an expense includes ₹512.69 Lakhs (₹476.50 Lakhs during FY 18-19) in respect of provision for inventory

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
Note No. 10. Cash and Bank Balances

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash and Cash Equivalents			
(a) Balances with Banks	327.60	353.73	2,137.91
(b) Cheques, Drafts on hand	140.10	1,506.77	1,951.21
(c) Cash on Hand	34.58	28.41	14.82
(d) Others In deposit Accounts	744.42	988.91	10.38
TOTAL	1,246.70	2,877.82	4,114.32
Other Bank Balance			
(a) Earmarked balances with banks (refer note below)	140.49	131.85	210.13
(b) Unpaid dividend	0.80	0.80	0.16
TOTAL	141.29	132.65	210.29

Note - Deposits receipts pledged with banks for obtaining Letter of Credit & Bank guarantee facilities.

Note No. 11. Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)
Authorised*:						
Equity shares of ₹5/- each with voting rights	3,80,00,000	1,900.00	3,80,00,000	1,900.00	3,80,00,000	1,900.00
Issued, Subscribed and fully Paid:						
Equity shares of ₹5/- each with voting rights	3,63,82,393	1,819.12	3,63,82,393	1,819.12	2,77,87,380	1,389.37

*The authorized share capital of the Company stands increased to ₹7,530 Lakhs (being 15,06,00,000 equity shares of ₹5 each), consequent to amalgamation. However, pending completion of required filings with Ministry of Corporate Affairs ("MCA"), the same has not been incorporated above. Refer Note 1B to the financial statements.

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period/year.

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)
Equity Shares						
At the beginning of the year	3,63,82,393	1,819.12	2,77,87,380	1,389.37	2,24,78,260	1,123.91
Fully paid shares allotted during the year						
Bonus issue (refer note : v)	-	-	85,95,013	429.75	53,09,120	265.46
Outstanding at the end of the year	3,63,82,393	1,819.12	3,63,82,393	1,819.12	2,77,87,380	1,389.37

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(ii) Terms/Rights attached to Equity Shares

- The company has only one class of equity shares having a par value of ₹5/- each (March 31, 2019- ₹5/- each) per share. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The dividend for the year ended 31 March 2020 proposed by the Board of Directors is ₹ 3.50 per Equity Share which is subject to the approval of the shareholders at the ensuing Annual General Meeting. This would result in cash outflow of ₹ 1279.33 Lakhs, during financial year 2020-2021.

(iii) Details of Shares held by the Holding Company, the Ultimate Holding Company, Subsidiaries and Associates

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Kurlon Limited						
Equity shares of ₹5/- each with voting rights	3,09,46,755	85.06	3,09,46,755	85.06	2,33,23,357	83.94

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of Shareholder	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Equity shares of ₹5/- each with voting rights						
Kurlon Limited	3,09,46,755	85.06	3,09,46,755	85.06	2,33,23,357	83.94
Indian Business Excellence Fund II A	23,54,086	6.47	23,54,086	6.47	23,54,086	8.47

(v) Details of Shares Issued for consideration other than cash during the preceding three years

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Equity Shares with Voting rights					
Fully paid up Bonus Shares (Nos)	-	85,95,013	53,09,120	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
Note No. 12. Other Equity

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Securities Premium Amounts received (on issue of shares) excluding the par value has been classified as securities premium.	11,619.58	11,619.58	11,619.58
Monies Pending Allotment (Refer note 1B) 121,735 equity shares and 48,127 equity shares of ₹5 each fully paid up to be issued to erstwhile SABCIL, pursuant to a scheme of a business combination (more fully described in Note 1B), without payment being received in cash.	3,249.40	3,249.40	1,656.40
Shares option outstanding Account Balance at the beginning of the year	435.58	435.58	-
Add: amount recorded on grants during year	-	-	435.58
Less: Amount transferred to Retained Earnings	435.58	-	-
Closing balance	-	435.58	435.58
Any profit or loss arising on difference between fair value and exercise price on Employee Stock options is transferred to Share option outstanding account.			
General Reserve Balance at the beginning of the year	1,286.11	1,715.86	-
Add: Transfer from the Statement of Profit & Loss	-	-	-
Less : Utilised during the year for issuing bonus shares	-	429.75	-
Closing balance	1,286.11	1,286.11	1,715.86
This represents appropriation of profit by the Company.			
Retained Earnings Balance at the beginning of the year	22,931.48	16,146.75	-
Add: Transfer from the Statement of Profit & Loss	8,369.43	7,494.69	-
Add: Transfer from Other Comprehensive Income (OCI)	34.15	124.19	-
Less: Transfer to general reserve	-	-	-
Less: Dividend Paid	1,091.47	692.73	-
Less: Tax on dividend	224.36	141.42	-
Add: Transfer from Shares Option Outstanding Account	435.58	-	-
Closing balance	30,454.82	22,931.48	16,146.75
TOTAL	46,609.91	39,522.16	31,574.18

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 13. Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total outstanding dues of micro enterprises and small enterprises (Refer Note 33)	582.72	546.16	1,249.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,781.33	11,848.32	13,495.33
TOTAL	12,364.05	12,394.48	14,745.06

Note No. 14. Provisions

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Provisions for Warranty (refer note (i) below)	409.42	409.42	409.42	409.42	409.42	409.42
Provision for Employee Benefits	-	-	-	-	-	15.50
TOTAL	409.42	409.42	409.42	409.42	409.42	424.92

(i) Movement in Provisions for warranty

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at Beginning of the year	818.84	818.84
Additional provisions recognised	353.91	175.56
Amounts utilised during the year	353.91	175.56
Balance as at end of the year	818.84	818.84

Note No. 15a. Lease Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-Current			
Lease Liabilities	655.59	-	-
TOTAL	655.59	-	-
Current			
Lease Liabilities	626.62	-	-
TOTAL	626.62	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
Note No. 15b. Other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other Financial Liabilities Measured at Amortised Cost			
Non-Current			
Deposits received from Dealers	5,733.02	5,898.36	5,573.49
Deposits received from C & F Agent	57.00	59.00	64.00
Deposits-Transporters	12.25	-	-
Payables for capital supplies/services	-	136.27	55.67
TOTAL	5,802.27	6,093.63	5,693.16
Current			
Interest accrued on micro enterprises and small enterprises (Refer Note 33)	4.23	0.99	0.53
Unpaid dividend account	0.80	0.80	0.16
Others	63.84	47.66	53.13
TOTAL	68.87	49.45	53.82

Note No. 16. Current Borrowings

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
A. Secured Borrowings			
Loans repayable on demand			
From Banks	1,216.90	1,046.05	914.61
From Other	495.82	496.00	-
From other party - Buyers credit	-	-	377.75
Total	1,712.72	1,542.05	1,292.36
B. Unsecured Borrowings			
Loans from related parties	676.30	696.00	1,124.89
Total	2,389.02	2,238.05	2,417.25

Note: Loans repayable on demand are secured by Pari passu first charge on current assets and movable assets of the Company.

Reconciliation of liabilities arising from financing activities

₹ in Lakhs

Particulars	As at April 1, 2019	Financing Cash Flow	Non-cash changes Foreign exchange movement	As at March 31, 2020
Repayments to bank	1,046.05	170.85	-	1,216.90
Borrowings from Other Financial Institutions	496.00	(0.18)	-	495.82
Loans from related parties	696.00	(19.70)	-	676.30
Total Borrowings	2,238.05	150.96	-	2,389.02

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 17. Other Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a. Advances received from customers	15.74	448.40	167.30
b. Statutory dues	-	428.24	299.90
- taxes payable (other than income taxes)	15.91	46.10	220.61
- Other payable	109.71	-	-
TOTAL OTHER LIABILITIES	141.35	922.73	687.81

Note No. 18a. Deferred Tax Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred tax assets	822.44	569.76	2,364.12
Deferred tax liabilities	(2,431.78)	(2,811.96)	(2,465.81)
Deferred tax liabilities (net)	(1,609.34)	(2,242.20)	(101.69)

₹ in Lakhs

Deferred tax liabilities (net)	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred tax liability			
Depreciation and amortisation	(2,103.91)	(2,811.96)	(2,465.81)
Right to Use Asset	(327.87)	-	-
Gross deferred tax liability	(2,431.78)	(2,811.96)	(2,465.81)
Deferred tax asset			
a) Provision for doubtful debts	250.97	240.73	188.15
b) Provision for Warranty	206.10	286.14	283.39
c) 43B Disallowance	21.65	13.38	-
d) 35DD Income Tax Disallowance on Amalgamation expenses	20.99	29.51	-
e) Lease Liability-INDAS-II 6	322.73	-	-
f) Unabsorbed losses	-	-	1,892.58
Gross deferred tax asset	822.44	569.76	2,364.12
Net deferred tax liability	(1,609.34)	(2,242.20)	(101.69)

Note: Deferred Tax Charge for the previous year have been restated in the Statement of Profit & Loss, Consequent to amalgamation of Spring Air Bedding Company India Limited, with the Company as of April 1, 2018 (Also Refer Note 1B)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
Note No. 18b. Current Tax Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for Taxation	11,324.39	10,139.83	10,216.95
Less: Advance tax	12,459.91	10,577.93	8,558.00
	(1,135.52)	(438.10)	1,658.95

Note No. 18c. Tax reconciliation
Reconciliation of statutory rate of tax and effective rate of tax

₹ in Lakhs

Particulars	2019-2020	2018-19
Profit before Tax (a)	10,142.60	12,377.12
Tax Expense (b)	1,773.17	4,882.43
Tax rate as a % of PBT (b)/(a)	17.48%	39.45%

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax as per statement of profit and loss	10,142.60	12,377.12
Income Tax calculated @ 25.17% (PY - 34.944%)	2,552.89	4,325.06
MAT Credit not recognised	-	798.27
Tax credit of earlier years	(244.39)	(23.19)
Variance on account of change in tax rate	(627.15)	(216.61)
Add: Inadmissible expenses		
Disallowance u/s 37	1.24	-
Amount of interest inadmissible under section 23 (MSME)	9.73	6.86
Disallowance u/s 40A(3)	0.50	1.29
Disallowance of donation	0.62	1.00
Disallowance of CSR expenses	60.75	66.04
Effect of Brought forward Loss	-	-
Less: Deductions from total income		
Effect of 80IC claim	-	(14.73)
Effect of 80JJAA claim	(6.47)	(8.99)
Effect of 80G Claim	(4.09)	-
Changes in recognised deductible other temporary differences	29.53	(52.57)
Income Tax recognised in Statement of Profit and Loss	1,773.17	4,882.43

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 19. Revenue from Operations

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products (refer note (i) & (iii))	1,02,737.11	1,12,088.13
Other operating revenue (refer note (ii))	1,519.83	572.24
Less: Schemes & Rebates (refer note (v))	(8,352.75)	(9,471.05)
Total Revenue from Operations	95,904.19	1,03,189.32

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Sale of products		
<u>Manufactured goods</u>		
Rubberized Coir Mattresses, Cushions	25,191.08	26,067.64
Customised Foam	1,620.82	1,852.22
Foam and Foam Products	21,182.30	28,183.73
Sofa	2,370.08	1,989.58
Polyfibre Goods	2,645.09	3,391.69
Furniture	860.87	652.57
Foam Mattresses	24,838.41	20,811.51
Spring Mattresses	11,104.34	12,430.66
Total - Sale of manufactured goods	89,812.99	95,379.60
<u>Traded goods</u>		
Polyfibre Goods	830.16	456.69
Mattresses & Cushions	9,553.88	11,546.00
EPE Sheet & Foam, others	362.67	383.90
Soft Furnishing	995.56	1,185.78
Others	1,181.85	3,136.16
Total - Sale of Traded Goods	12,924.12	16,708.53
Total - Sale of Products	1,02,737.11	1,12,088.13

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(ii) Other operating revenues:		
Sale of scrap	213.58	234.15
Others - Raw Materials	1,306.25	338.09
Total - Other Operating Revenues	1,519.83	572.24

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

iii) Disaggregate revenue information

The Company disaggregated the revenue based on geographical locations and it is disclosed under note 32 “Segment Reporting”. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

iv) Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Company transfers control over the product to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

v) As required under IND AS – 115, “Revenue from Contracts with Customers”, during the year, the Company has adjusted the rebates provided to customers post sale against Revenue from operations. (Refer Note No. 19 to the financial statements). Hitherto, the Company was disclosing such expenses under ‘Advertisement, Promotion and Selling Expenses’ (under “Other Expenses”).

Note No. 20. Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest Income, On Financial Assets at Amortised Cost		
Interest from banks on deposits	115.50	58.79
Interest on loans and advances to employees	66.29	41.71
Interest Others	1.23	48.78
(b) Dividend/Interest & FV on Mutual Fund Investments	292.84	312.13
(c) Other non operating income		
Profit on sale of assets	-	1.19
Rental income	122.27	287.67
Miscellaneous Income	207.72	96.24
Advances no longer repayable written back	-	500.33
Liabilities no longer required, written back	36.44	84.68
Insurance claims	56.71	42.60
Total Other Income	899.00	1,474.12

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 21a. Cost Materials Consumed

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	3,770.10	3,784.61
Add: Purchases	39,775.95	44,368.67
	43,546.05	48,153.28
Less: Closing stock	3,735.56	3,770.10
Cost of Materials Consumed	39,810.49	44,383.18
Material consumed comprises:		
Latex	3,703.68	4,022.45
Coir	1,321.39	1,880.99
Spring chasis, foam , cloth	956.11	1,237.34
Upholstery	5,405.01	5,443.58
Chemical & Clay	603.22	954.31
Foam Chemicals	20,215.43	23,050.44
Springs and Related Products	2,823.80	2,694.79
Furniture & Sofa	1,858.30	1,904.30
Packing Materials	2,749.80	3,044.18
Others	173.75	150.80
	39,810.49	44,383.18

Note No. 21b. Purchase of Stock-in-trade

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Poly Fibre Goods	830.16	532.60
Traded Mattresses	9,206.40	12,549.90
Furnishing Textiles & others	995.56	1,916.46
Furniture	-	245.77
	11,032.12	15,244.73

Note No. 21c. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Inventories at the beginning of the year:</u>		
Finished goods	4376.64	3,343.26
Work-in-progress	1321.21	1,362.73
Stock-in-trade	937.46	1,020.78
	6,635.31	5,726.77
<u>Inventories at the end of the year:</u>		
Finished goods	4779.12	4,376.64
Work-in-progress	1601.56	1,321.21
Stock-in-trade	978.95	937.46
	7,359.63	6,635.31
Net (increase) / decrease	(724.32)	(908.54)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 22. Employee Benefits Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries and wages	6,855.48	6153.91
(b) Contribution to provident and other funds	427.41	303.79
(c) Staff welfare expenses	393.07	423.01
Total	7,675.96	6,880.71

Note No. 23. Finance Cost

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest expense	150.39	328.26
(b) Interest under IND AS 116	121.40	-
(c) Customer Financing Cost	187.52	149.43
(d) Other borrowing cost	117.79	102.89
Total	577.10	580.58

Note No. 24. Depreciation and Amortisation Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation for the year on property, plant and equipment	1,760.01	1,735.35
Amortization for the year on intangible assets	138.58	120.27
Depreciation on ROU Asset	711.02	-
Total	2,609.61	1,855.62

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 25. Other Expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Stores and spares consumed	484.21	506.73
Power & Fuel oil consumed	1,165.98	1,222.03
Freight and handling charges	7,226.96	7,002.87
Rent including lease rentals	799.13	1,784.37
Repairs and maintenance - Buildings	51.51	75.05
Repairs and maintenance - Machinery	121.59	156.00
Repairs and maintenance - Others	219.49	189.78
Water charges	23.12	21.93
Tailoring & Fabrication	3,739.50	3,548.87
Rates and taxes	217.90	185.63
Expenditure on corporate social responsibility (CSR) (refer note 34)	241.34	194.99
Insurance charges	289.79	254.16
Forex loss (net)	58.78	131.10
Watch and ward Charges	612.75	566.92
Donation Expenses	2.48	5.37
Postage & Telephone	175.80	158.23
Payment to Auditor (Refer note below)	58.97	61.83
Advertisement, Promotion & Selling Expenses (Refer note 19(v))	5,192.06	4,667.73
Travelling Expenses	1,208.14	1,066.67
Printing and stationery	84.73	90.44
Legal and professional	2,295.37	1,733.18
Director Sitting Fees	2.99	1.17
Loss on Fixed Assets Sold	34.54	-
Bad debts written off	2.32	7.94
Provision for doubtful trade receivables (net)	567.22	145.23
Provision for Warranty	353.91	175.56
Miscellaneous Expenses	449.05	296.26
Total Other Expenses	25,679.63	24,250.04

Note:

Payment to Auditor	For the year ended March 31, 2020	For the year ended March 31, 2019
As Auditor:		
- For Statutory audit	54.00	57.49
- For Tax audit	3.00	3.00
- For Reimbursement of expenses	1.97	1.34
	58.97	61.83

* Includes fees of ₹10.00 Lakhs relating to earlier year

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 26. Tax Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Current income tax		
In respect of current year	2,650.42	2,765.13
In respect of earlier years	(244.39)	(23.19)
b) Deferred tax		
In respect of current year	(632.86)	2,140.50
Total	1,773.17	4,882.44

Note No. 27. Earnings per share has been computed as under:

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Earnings per share		
Profit after Tax (₹ in Lakhs)	8,403.59	7,618.86
Weighted average number of Equity shares outstanding - Basic (Nos. in Lakhs) (Refer note below)	363.82	363.82
Weighted average number of Equity shares outstanding - Diluted (Nos. in Lakhs) (Refer note below)	372.31	372.31
Earnings per share – Basic (₹)	23.10	20.94
Earnings per share – Diluted (₹)	22.57	20.46
Face Value of Equity Shares (₹)	5/-	5/-

Note:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of equity shares for Basic EPS (Nos. in Lakhs)	363.82	363.82
Add: Effect of Shares to be issued pursuant to approved scheme (Refer Note 1B) (Nos. in Lakhs)	8.49	8.49
Weighted average number of equity shares for Diluted EPS (Nos. in Lakhs)	372.31	372.31

Note No. 29. Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach and accordingly, the comparative information has not been restated.

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Company has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than ₹ NA in value)

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.25% for measuring the lease liability.

The company's leases have remaining lease terms of 0 to 12 years, some of which include options to extend the lease or terminate the lease.

Amounts recognized in profit and loss were as follows

₹ in Lakhs

Particulars	For the year ended March 31, 2020
Depreciation Expenditure (Amount In INR)	711.02
Finance Cost on Lease Liabilities (Amount In INR)	121.40
Impact on the statement of profit and loss for the year ended March 31, 2020	832.42

As a lessor

"The company has sublet certain office premises on a cancellable basis which are further renewable at the option of the Company. The total lease income in respect of such leases recognized in the statement of profit and loss for the period is ₹122.27 lakhs. (March-19 ₹287.67 Lakhs).

The company does not have any non-cancellable leases as at March 31, 2021, hence the disclosure of the non-cancellable leases is not provided."

Note No. 30. Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a) Claims against the Company not acknowledged as debt	716.94	171.18	127.03
i. Disputed demands under appeal not provided - Sales Tax matter*			
Total	716.94	171.18	127.03

* These cases are pending at various forums in the respective departments. Outflows, if any, arising out of these claims would depend upon the outcome of the decision of the appellate authorities and the Company's right for the future appeals before the judiciary. No reimbursements are expected.

ii. The Company has received a demand on 09 December 2014 for ₹2212.12 lakhs, against which ₹771.94 Lakhs (PY ₹771.94 Lakhs) has been paid under protest, and Personal Penalty of ₹200.00 lakhs on Mr.T Sudhakar Pai, Mr.Khushroo F Engineer and Mr.M S Kamath from the Commissioner of Central Excise Bangalore vide order No.Original 21/2014-15 dated 05.12.2014, towards differential excise duty liability on the clearance of Coir Mattresses from Yeshwanthpur unit Bangalore for the period March 2011 to March 2013. The Company has filed an appeal against the demand with Appellate Tribunal Bangalore. The Company believes that there may not be any probable outflow in this regard.

Note No. 31. Commitments

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Capital commitments (net of Advances)	71.00	23.93	19.12
Total	71.00	23.93	19.12

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 32. Segment Reporting

Operating Segment:

- a) The Company is predominantly engaged in the business of manufacture, purchase and sale of coir, foam and related products ('Coir and Foam'). Considering the manner of review by the CODM in respect of i) Resources to be allocated to the segment and ii) Segment financial performance, 'Coir and Foam' has been identified as the single operating segment
- b) The revenue from major products and services of the Company are as in Note 19(i) to the financial statements.
- c) **Geographical segment information:** Separate geographical segment information has not been disclosed as more than 99% of the Revenue is in the domestic market.

Note No. 33. Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 and March 31, 2019 has been made in the financial statements based on information received and available with the Company.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(i) The principal amount remaining unpaid to any supplier at the end of each accounting year;	547.32	546.16	1249.73
(ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	39.64	0.99	0.53
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 34. Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, need to spend at least 2% of average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environments sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per requirement of the companies act, 2013.

₹ in Lakhs

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Gross Amount required to be spent by the company as per Section 135 of the act	238.43	183.61
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) on purpose other than (i) above	241.34	194.99

Note No. 35. Related party disclosures

(a) List of Related Parties and Relationships

Relationship	Related Parties
Holding Company	Kurlon Limited
Wholly Owned Subsidiary	Kurlon Retail Limited
Subsidiary	Sevalal Solar Private Limited (w.e.f. 24.12.2019) Sirar Solar Energies Private Limited (w.e.f. 24.12.2019) Sirar Dhotre Solar Private Limited (w.e.f. 24.12.2019)
Enterprises owned or significantly influenced by key management personnel /Directors and their relatives*	Maha Rashtra Apex Corporation Limited Jayamahar Trade and Investments Private Limited Manipal Advertising Services Private Limited Metropolis Builders Pvt Ltd JaiBharat Mills Private Limited Manipal Travels (India) Private Limited
Key Management Personnel and their relatives	Mr.T. Sudhakar Pai, Managing Director Ms. Jaya S Pai, Director Mr. S Ananthanarayanan, Director Dr. Nitin G Khot, Director Mr.Monu Kumar, Company Secretary Mr. Shambhu Kumar Bhotika, Chief Financial Officer (Upto 31.07.2019) Mr. Ritesh Shroff, Chief Financial Officer (wef 01.08.2019)

* with transactions during the year

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(b) Related Party transactions

₹ in Lakhs

Particulars	Key Management personnel and their Relatives		Ultimate Holding Company		Wholly Owned Subsidiary		Subsidiary		Enterprises owned or significantly influenced by key Management Personnel/Directors and their relatives		Total	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019
Transactions during the year:												
Remuneration :												
T. Sudhakar Pai	405.83	484.43	-	-	-	-	-	-	-	-	405.83	484.43
Shambhu Kumar Bhotika	9.09	25.08	-	-	-	-	-	-	-	-	9.09	25.08
Ritesh Shroff	37.60	-	-	-	-	-	-	-	-	-	37.60	-
Monu Kumar	6.54	5.58	-	-	-	-	-	-	-	-	6.54	5.58
Sitting Fee paid:												
Dr. Nitin G Khot	0.92	0.46	-	-	-	-	-	-	-	-	0.92	0.46
Mr. S Ananthanarayanan	1.18	0.47	-	-	-	-	-	-	-	-	1.18	0.47
Mrs. Jaya S Pai	0.89	0.45	-	-	-	-	-	-	-	-	0.89	0.45
Rent Paid :												
Jayamahar Trade and Investments Pvt. Ltd.	-	-	-	-	-	-	-	-	24.65	18.96	24.65	18.96
Kurlon Ltd.	-	-	18.00	18.00	-	-	-	-	-	-	18.00	18.00
Metropolis Builders Pvt Ltd	-	-	-	-	-	-	-	-	25.42	23.85	25.42	23.85
JaiBharat Mills Pvt. Ltd.	-	-	-	-	-	-	-	-	6.00	6.00	6.00	6.00
Professional and Other Charges												
Kurlon Retail Ltd.	-	-	-	-	2.67	37.15	-	-	-	-	2.67	37.15
Kurlon Ltd.	-	-	596.44	1,802.48	-	-	-	-	-	-	596.44	1,802.48
Rental Income												
Kurlon Retail Ltd.	-	-	-	-	109.80	278.67	-	-	-	-	109.80	278.67
Other Income												
Maha Rashtra Apex Corporation Ltd.	-	-	-	-	-	-	-	-	4.75	29.26	4.75	29.26
Kurlon Retail Ltd.	-	-	-	-	0.37	259.17	-	-	-	-	0.37	259.17
Kurlon Ltd.	-	-	0.86	-	-	-	-	-	-	-	0.86	-
Dividend Paid:												
Kurlon Ltd.	-	-	928.40	567.98	-	-	-	-	-	-	928.40	567.98
Advertisement Expenses												
Manipal Advertising Services Pvt. Ltd.	-	-	-	-	-	-	-	-	1,497.33	1,577.57	1,497.33	1,577.57
Travelling Expenses												
Manipal Travels (India) Pvt. Ltd.	-	-	-	-	-	-	-	-	141.59	168.75	141.59	168.75
Interest Paid on Unsecured Loan :												
Jaya S Pai	65.37	70.33	-	-	-	-	-	-	-	-	65.37	70.33
Advances Paid												
Kurlon Retail Ltd.	-	-	-	-	202.21	1.99	-	-	-	-	202.21	1.99
Deposits given												
Jayamahar Trade and Investments Pvt. Ltd.	-	-	-	-	-	-	-	-	9.00	-	9.00	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	Key Management personnel and their Relatives		Ultimate Holding Company		Wholly Owned Subsidiary		Subsidiary		Enterprises owned or significantly influenced by key Management Personnel/Directors and their relatives		Total	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019
Transactions during the year:												
Sales												
Kurlon Ltd.	-	-	2,730.01	2,930.29	-	-	-	-	-	-	2,730.01	2,930.29
Kurlon Retail Ltd.	-	-	-	-	2,064.15	1,679.33	-	-	-	-	2,064.15	1,679.33
Purchases												
Kurlon Ltd.	-	-	11,928.56	13,404.65	-	-	-	-	-	-	11,928.56	13,404.65
Repayment of Loan												
Jaya S Pai	20.00	428.88	-	-	-	-	-	-	-	-	20.00	428.88
Investment												
Kurlon Retail Ltd.	-	-	-	-	1,760.00	759.00	-	-	-	-	1,760.00	759.00
Sevalal Solar Pvt. Ltd.	-	-	-	-	-	-	0.69	-	-	-	0.69	-
Sirar Dhotre Solar Pvt. Ltd.	-	-	-	-	-	-	0.69	-	-	-	0.69	-
Sirar Solar Energies Pvt. Ltd.	-	-	-	-	-	-	0.69	-	-	-	0.69	-
Outstanding as at Year end												
Amounts recoverable :												
Maha Rashtra Apex Corporation Ltd.	-	-	-	-	-	-	-	-	1,222.76	1,222.76	1,222.76	1,222.76
Jayamahal Trade and Investments Pvt. Ltd.	-	-	-	-	-	-	-	-	-	7.29	-	7.29
Kurlon Ltd.	-	-	4,758.22	4,632.89	-	-	-	-	-	-	4,758.22	4,632.89
Kurlon Retail Ltd.*	-	-	-	-	2,221.21	1,913.72	-	-	-	-	2,221.21	1,913.72
Manipal Advertising Services Pvt. Ltd.	-	-	-	-	-	-	-	-	348.32	427.82	348.32	427.82
Sevalal Solar Pvt. Ltd.	-	-	-	-	-	-	91.27	-	-	-	91.27	-
Sirar Dhotre Solar Pvt. Ltd.	-	-	-	-	-	-	83.66	-	-	-	83.66	-
Sirar Solar Energies Pvt. Ltd.	-	-	-	-	-	-	37.42	-	-	-	37.42	-
Amounts Payable :												
Jayamahal Trade and Investments Pvt. Ltd.	-	-	-	-	-	-	-	-	1.88	-	1.88	-
Metropolis Builders Pvt Ltd	-	-	-	-	-	-	-	-	2.32	2.38	2.32	2.38
JaiBharat Mills Pvt. Ltd.	-	-	-	-	-	-	-	-	12.90	7.50	12.90	7.50
Manipal Travels (India) Pvt. Ltd.	-	-	-	-	-	-	-	-	3.71	0.02	3.71	0.02
Kurlon Retail Ltd.	-	-	-	-	156.41	-	-	-	-	-	156.41	-
Unsecured Loans payable :												
Jaya S Pai	676.30	696.00	-	-	-	-	-	-	-	-	676.30	696.00
Rent Deposit :												
Metropolis Builders Pvt Ltd	-	-	-	-	-	-	-	-	30.00	30.00	30.00	30.00
Jayamahal Trade and Investments Pvt. Ltd.	-	-	-	-	-	-	-	-	9.00	-	9.00	-
JaiBharat Mills Pvt. Ltd.	-	-	-	-	-	-	-	-	30.00	30.00	30.00	30.00

*The Company has been professionally advised that Interest in respect of these advances are not applicable since its made to its wholly owned subsidiary and is exempted under Section 185 of the Companies Act.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 36. Financial Instruments

A) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total equity attributable to the equity shareholders of the company	48,429.02	41,341.26	32,963.54
As a percentage of total capital	95%	95%	93%
Current borrowings	2,389.02	2,238.05	2,417.25
Non-current borrowings	-	-	-
Total borrowings	2,389.02	2,238.05	2,417.25
As a percentage of total capital	5%	5%	7%
Total Capital	50,818.04	43,579.32	35,380.79

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with investments in liquid securities/liquid mutual funds being in excess of debt.

B) Categories of financial instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

₹ in Lakhs

Particulars	Carrying amount			Fair value		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial assets						
a) Measured at fair value through Profit and Loss						
Current assets						
- Investments	9,475.60	1,226.71	1,889.53	9,475.60	1,226.71	1,889.53
b) Measured at Amortised Cost						
Non-current assets						
- Investments	1,760.00	760.00	1.00	1,760.00	760.00	1.00
- Loans	906.67	868.46	807.25	906.67	868.46	807.25
Current assets						
- Investments	2,002.07	2,500.00	-	2,002.07	2,500.00	-
- Trade receivables	6,779.68	11,944.55	12,810.82	6,779.68	11,944.55	12,810.82
- Cash and cash equivalents	1,246.70	2,877.82	4,114.32	1,246.70	2,877.82	4,114.32
- Other Bank Balances	141.29	132.65	210.29	141.29	132.65	210.29
- Other Financial Assets	36.18	56.97	-	36.18	56.97	-
Total	22,348.19	20,367.17	19,833.21	22,348.19	20,367.17	19,833.21

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	Carrying amount			Fair value		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial Liabilities						
a) Measured at fair value through Profit and Loss						
Non Current liabilities						
- Lease Liabilities	655.59	-	-	655.59	-	-
Current liabilities						
- Lease Liabilities	626.62	-	-	626.62	-	-
b) Measured at Amortised Cost						
Non Current liabilities						
- Other Financials liabilities	5,802.27	6,093.63	5,693.16	5,802.27	6,093.63	5,693.16
Current liabilities						
- Borrowings	2,389.02	2,238.05	2,417.25	2,389.02	2,238.05	2,417.25
- Trade payables	12,364.05	12,394.48	14,745.06	12,364.05	12,394.48	14,745.06
- Other financial liabilities	68.87	49.45	53.82	68.87	49.45	53.82
Total	21,906.43	20,775.61	22,909.29	21,906.43	20,775.61	22,909.29

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 comprise of borrowings, deposits, trade and other payables, investments, loans, trade and other receivables, cash and cash equivalents and other bank balances at carrying value because their carrying 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.

C) Financial Risk Management

The Company's principal financial liabilities, comprise of borrowings, deposits, trade and other payables.

The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee.

This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2020. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020.

i) Foreign Currency Risk: Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity: The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

₹ in Lakhs

Foreign Currency (FC)	Currency Symbol	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
		FC	INR	FC	INR	FC	INR
Liabilities							
Trade Payables							
United States Dollar	\$	1,69,791.90	124.26	4,71,911.63	339.58	17,69,401.59	1,169.71
Euro	€	3,000.00	1.49	6,136.00	4.15	1,848.00	1.50
CHF	CHF	5,555.56	4.37	-	-	-	-
Buyer's Credit	\$	-	0.00	-	-	5,74,205.00	363.49
Assets							
Advance to Vendor							
United States Dollar	\$	81,573.79	59.70	1,47,222.61	102.98	6,47,448.76	419.43
Euro	€	26,415.60	20.62	51,702.96	41.75	18,339.00	14.71
Trade Receivables-United States Dollar	\$	34,911.54	24.39	-	-	-	-
Net Liability (in INR)			25.40		199.00		1,100.56

Sensitivity

₹ in Lakhs

Particulars	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity
	31-Mar-20	31-Mar-19	01-Apr-18	31-Mar-20	31-Mar-19	01-Apr-18
5% Increase in all the foreign currencies	(1.27)	(9.95)	(36.85)	(0.95)	(6.47)	(24.10)
5% Decrease in all the foreign currencies	1.27	9.95	36.85	0.95	6.47	24.10

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- ii) Interest Rate Risk:** Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of loans and advances from related parties and security deposits; however these are not exposed to risk of fluctuation in market interest rates as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Interest rate risk management: Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. Debt issued at fixed rate exposes the company to fair value risk. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Fixed-rate instruments			
<i>Financial assets</i>			
Balance with banks held in deposit account	884.91	1,120.76	220.51
<i>Financial liabilities</i>			
Borrowings from other parties	495.82	496.00	-
Variable-rate instruments			
<i>Financial liabilities</i>			
Borrowings from bank & other parties	1,216.90	1,046.05	1,292.36
Borrowings from related parties	676.30	696.00	1,124.89

Interest rate sensitivity analysis: Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others and Secured Short term loans from banks. The impact of a 1% change in interest rates on the profit will be ₹0.24 Lakhs (Previous year: ₹0.34 Lakhs) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

- (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.

- 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- ii) Financial instruments and cash & bank deposits:** Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds 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, 2020 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the company.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-current assets			
- Investments	1,760.00	760.00	1.00
- Loans	906.67	868.48	807.27
Current assets			
- Investments	11,477.67	3,726.71	1,889.53
- Trade receivables	6,779.68	11,944.55	12,810.82
- Cash and cash equivalents	1,246.70	2,877.82	4,114.32
- Other Bank Balances	141.29	132.65	210.29
- Other Financial Assets	36.18	56.97	-
Total	22,348.19	20,367.19	19,833.23

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Not Due			
Due from 0 to 180 days	6,540.00	10,476.95	12,014.85
Due for more than 180 days	1,236.76	2,156.48	1,339.63
Less: Loss Allowance	(997.08)	(688.89)	(543.67)
Total	6,779.68	11,944.55	12,810.81

- (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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Maturity profile of financial liabilities: The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

₹ in Lakhs

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at March 31, 2020			
Borrowings	2,389.02	2,389.02	-
Lease Liabilities	1,282.21	626.62	655.59
Trade payables	12,364.05	12,364.05	-
Other non-current financial liabilities	5,802.27	-	5,802.27
Other current financial liabilities	68.87	68.87	-
Total	21,906.43	15,448.56	6,457.86
Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at March 31, 2019			
Borrowings	2,238.05	2,238.05	-
Trade payables	12,394.48	12,394.48	-
Other non-current financial liabilities	6,093.63	-	6,093.63
Other current financial liabilities	49.45	49.45	-
Total	20,775.61	14,681.98	6,093.63
As at April 1, 2018			
Borrowings	2,417.24	2,417.24	-
Trade payables	14,745.08	14,745.08	-
Other non-current financial liabilities	5,693.16	-	5,693.16
Other current financial liabilities	53.82	53.82	-
Total	22,909.30	17,216.14	5,693.16

D) 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 FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Disclosures of fair value measurement hierarchy for financial instruments are given below:

₹ in Lakhs

Particulars	Carrying amount/Fair value								
	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
Financial assets									
Carrying amounts/fair value:									
a) Measured at fair value through Profit and loss/ Other Comprehensive income									
Current assets									
- Investments	9,475.60	-	-	1,226.71	-	-	1,889.53	-	-
b) Measured at Amortised Cost									
Non Current Assets									
- Investments	-	-	1,760.00	-	-	3,260.00	-	-	1.00
- Loans	-	-	906.67	-	-	868.48	-	-	807.25
Current assets									
- Investments	-	-	2,002.07	-	-	-	-	-	-
- Trade receivables	-	-	6,779.68	-	-	11,944.55	-	-	12,810.82
- Cash and cash equivalents	-	-	1,387.99	-	-	3,010.48	-	-	4,324.61
- Other Financial Assets	-	-	36.18	-	-	56.97	-	-	-
Total	9,475.60	-	12,872.60	1,226.71	-	19,140.48	1,889.53	-	17,943.68
Financial liabilities									
Carrying amounts/fair value:									
a) Measured at fair value through profit & loss									
Non Current liabilities									
- Lease Laibilities	-	-	655.59	-	-	-	-	-	-
Current liabilities									
- Lease Laibilities	-	-	626.62	-	-	-	-	-	-
b) Measured at Amortised Cost									
Non Current liabilities									
- Other Financials liabilities	-	-	5802.27	-	-	6093.63	-	-	5693.16
Current liabilities									
- Borrowings	-	-	2,389.02	-	-	2,238.05	-	-	2,417.24
- Trade payables	-	-	12,364.05	-	-	12,394.48	-	-	14,745.08
- Other current financial liabilities	-	-	68.87	-	-	49.45	-	-	53.82
Total	-	-	21,906.43	-	-	20,775.61	-	-	22,909.30

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

The management assessed that the carrying value of loans to employees and security deposits approximates the fair value in both of the years presented. The carrying amounts of other financial assets and financial liabilities (except borrowings) are considered to be the same as their fair values due to their short-term nature.

The below table summarises the borrowings which are measured at amortised cost and for which fair values are disclosed, with corresponding carrying values:

₹ in Lakhs

Particulars	31-Mar-20		31-Mar-19		01-Apr-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:						
Borrowings	2,389.02	2,389.02	2,238.05	2,238.05	2,417.24	2,417.24

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 37. Employee Benefits

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

Leave Encashment : Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 180 days which is payable/ encashable as per the policy on their separation.

(b) Defined Contribution plan: Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹320.62 lakhs (Previous Year: ₹283.61 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

₹ in Lakhs

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Employer's contribution towards Provident Fund (PF)	282.33	214.04
Employer's contribution towards ESIC	38.29	69.56
Employer's contribution to Superannuation Fund	1.63	39.43

(c) Other disclosures of Defined Benefit plans as required under Ind AS-19 are as under

(i) Reconciliation of the opening and closing balances of Defined Benefit Obligation:

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present Value of Defined Benefit Obligation at the beginning of year	490.79	375.61	544.76	746.00
Interest cost	31.51	28.21	33.17	54.26
Current Service Cost	62.45	56.81	139.89	86.35
Past Service Cost	-	-	-	-
Benefit Paid	(13.05)	(23.50)	(68.99)	(91.70)
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	9.38	(2.94)	18.37	-
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	14.52	(6.64)	24.40	(9.07)
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	(18.22)	63.24	192.99	(241.08)
Present value of the Defined Benefit Obligation at the end of year	577.39	490.78	884.59	544.76

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
(ii) Net Defined Benefit recognized in the Statement of Profit and Loss.

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Current Service Cost	62.45	56.81	139.89	85.39
Past Service Cost	-	-	-	-
Interest cost	31.51	28.21	33.17	54.26
Interest income on plan asset	(37.80)	(29.68)	(57.43)	(57.17)
Net Defined Benefit recognized in Statement of Profit and Loss	56.16	55.33	115.63	82.48

(iii) Net asset / (liability) recognized in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of Defined Benefit obligation at the end of the year	577.39	490.79	884.59	544.76
Fair value of plan assets	662.61	499.58	951.12	848.13
Net Defined Benefit recognized in the Balance Sheet	85.21	8.79	66.53	303.37

(iv) Recognized in Other Comprehensive Income.

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	9.38	(2.94)	18.37	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	14.52	(6.64)	24.40	(9.07)
Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments	(18.22)	63.24	192.99	(241.08)
Return on Plan Assets (Greater)/ Less than Discount rate	39.96	-	25.14	-
Net actuarial Loss	45.64	53.66	260.89	(250.15)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(v) Sensitivity Analysis*

a) Impact of the change in the discount rate

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit Obligation at the end of year	577.39	490.79	884.59	544.76
a) Impact due to increase of 0.50%	534.83	470.41	813.45	698.57
b) Impact due to decrease of 0.50%	626.36	512.36	967.93	774.08

b) Impact of the change in the salary increase

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit Obligation at the end of year	577.39	490.79	884.59	544.76
a) Impact due to increase of 0.50%	625.50	512.45	963.59	772.18
b) Impact due to decrease of 0.50%	534.93	470.16	816.16	700.03

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(vi) Maturity Profile

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
0 to 1 year	32.55	40.40	133.68	74.44
1 to 2 Year	51.38	28.39	80.80	34.14
2 to 3 Year	38.17	31.91	67.57	29.78
3 to 4 Year	39.56	35.02	64.60	35.13
4 to 5 Year	42.29	38.30	55.74	29.01
5 to 6 Year	43.89	34.99	56.71	31.32
6 Year onwards	329.55	123.61	425.49	280.50

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
(vii) Expected contribution for the next Annual reporting period

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Service Cost	62.45	56.81	139.89	86.35
Net Interest Cost	-6.29	-1.47	-24.26	-2.91
Expected Expense for the next annual reporting period	32.55	39.15	133.68	74.44

(viii) Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Method used	Projected unit credit method	Projected unit credit method	Projected unit credit method	Projected unit credit method
Discount rate	6.50%	7.75%	6.50%	7.75%
Salary Escalation	5.00%	6.00%	5.00%	6.00%
Mortality Rate	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)
Withdrawal rate up to 30/44 and above 44 years	10%	5%	10%	5%
Rate of return on plan assets	6.50%	7.75%	6.50%	7.75%

38. From April 1, 2019 onwards, the company has opted to pay income taxes under the concessional tax regime as prescribed under Section 115BAA of the Income Tax Act, 1961. Accordingly, Current tax Liability for the year ended March 31, 2020 has been determined and recognized at the concessional rate. The impact arising from restating the deferred tax balances at the reduced rate has been recognised during the year.
39. Previous year figures have been regrouped / reclassified, wherever necessary, to confirm to the current year groupings / classifications.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

 Place : Bengaluru
 Date : 19.08.2020

T. Sudhakar Pai
 Chairman & Managing Director
 DIN-00043298

Ritesh Shroff
 Chief Financial Officer

Dr. N G Khot
 Director
 DIN-00030613

Monu Kumar
 Company Secretary

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF KURLON ENTERPRISE LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Kurlon Enterprise Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and 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, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, referred to in the Other Matters section below, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

We refer to Note No. 5(i) of the consolidated financial statements, with regard to the Parent's assessment of its investment of ₹2,000 lakhs, classified as current, overdue and outstanding as at March 31, 2020 in the form of Commercial Paper (CP) in an entity, which, during the year has filed for insolvency. The Parent has considered these amounts to be good and recoverable as at March 31, 2020 for the reasons as detailed in the said Note. Considering, the possible implications arising from the COVID-19 pandemic on the operations of the investee company, the CP being overdue for more than a year as on the date of our report, and the sensitivities surrounding the management's assumptions involved in assessing the recoverability of the investments in the CP, we are unable to comment on the possible adjustment, if any, to be recorded against the carrying value of these assets and the consequential impact on the profit for the year and on these consolidated financial statements.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Emphasis of Matter

- i) We draw attention to Note 1B of these consolidated financial statements which describes in more detail the business combination accounting arising from the Scheme of Arrangement ("Scheme") between the Parent and Spring Air Bedding Company (India) Limited ("the Company"), with effect from April 01, 2018, ("the appointed date"). As explained in the said note, the financial information pertaining to the comparable period as at April 01, 2018 and as at and for the year ended March 31, 2019 has been restated from the previously issued standalone financial statements of the Company.

- ii) We draw attention to Note 2.20 to these consolidated financial statements, which describes that certain estimates and judgments were made related to the potential impact of the COVID-19 pandemic, wherein the eventual outcome of the impact of this global pandemic on the Group's financial performance and financial position may be different from those estimated by the Management.

Our opinion is not modified in respect of the above matters.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and annexures to the Director's Report, but does not include the consolidated financial statements, standalone 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, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- 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.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Parent, 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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities 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 also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we 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 financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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.

Other Matters

- (a) We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of ₹7,074.56 Lakhs as at March 31, 2020, total revenues of ₹4,059.54 Lakhs and net cash outflows amounting to ₹14.20 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have

been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (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.

- (b) The comparative financial information of erstwhile amalgamating Company (SABCIL) as at April 01, 2018 and as at and for the year ended March 31, 2019, included in these Consolidated financial statements, have been prepared after adjusting previously issued standalone financial statements of SABCIL prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements of SABCIL were audited by the auditors of SABCIL (prior to amalgamation) and their reports for the year ended March 31, 2019 and March 31, 2018 dated September 05, 2019 and August 31, 2018 respectively, expressed an unmodified opinion on those standalone financial statements.

Adjustments made to the previously issued consolidated financial statements to comply with Ind AS as at April 01, 2018, and as at and for the year ended March 31, 2019, have been audited by us. Our opinion is not modified in respect of this matter.

- (c) In respect of the Parent, due to the COVID-19 related lock-down, we were not able to physically observe physical verification of inventory that was carried out by the management of the parent, subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence — Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Consolidated Financial Statements. Our opinion is not modified in respect of this matter.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
- We have sought and except for the matter described in paragraph of the Basis for Qualified Opinion section above 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.
 - In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section above, 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, returns and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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.
 - In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section above, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - The matter described in the Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the Group.
 - On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary

companies, none of the directors of the Group companies, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
- h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent, subsidiary companies. Our report expresses qualified opinion on the operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies.

For Deloitte Haskins & Sells

Chartered Accountants

Firm’s Registration No. 008072S

Place of Signature : Bengaluru

Date : 19.08.2020

UDIN : 20206920AAAAHH1019

Sathya P. Koushik

Partner

M. No. 206920

ANNEXURE 'A' **TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph I(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Kurlon Enterprise Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, 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 Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, a material weakness has been identified in the Parent's internal financial controls over financial reporting as at March 31, 2020 wherein the Parent did not have an appropriate internal control system for assessment of impairment in the carrying value of one of its current investments (where the fair market value is not readily available), which could potentially result in the Parent not recognising an appropriate impairment provision/ adjustment to the carrying value of such investment.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the criteria for internal financial control over financial reporting 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, and except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Parent's and its subsidiary companies internal financial controls over financial reporting were operating effectively as of March 31, 2020.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Company for the year ended March 31, 2020, and the material weakness. This has affected our opinion on the said consolidated financial statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Place of Signature : Bengaluru
Date : 19.08.2020
UDIN : 20206920AAAAHH1019

Sathya P. Koushik
Partner
M. No. 206920

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019 (Refer Note 1B)	As at April 1, 2018 (Refer Note 1B)
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	3a	21,989.91	18,388.69	18,371.94
(b) Right to Use assets	4a	5,954.89	-	-
(c) Capital work-in-progress	4b	578.35	2,276.05	587.43
(d) Goodwill	3b	2,103.16	2,103.16	2,103.16
(f) Other Intangible assets	3c	543.50	639.51	563.39
(g) Financial Assets				
(i) Trade Receivables	6	-	1.50	-
(ii) Security Deposits	7a	1,204.98	1,152.63	850.82
(iii) Other financial assets	7b	278.68	-	6.03
(h) Current Tax Assets (Net)	18b	1,113.58	438.87	-
(i) Other Non-Current Assets	8	1,511.85	2,800.81	1,422.73
Total Non - Current Assets		35,278.90	27,801.22	23,905.50
Current assets				
(a) Inventories	9	12,289.92	11,729.24	10,519.38
(b) Financial Assets				
(i) Investments	5	11,475.60	3,726.71	1,889.53
(ii) Trade Receivables	6	6,705.36	11,961.18	12,819.81
(iii) Cash and Cash equivalents	10	1,289.53	2,933.23	4,173.26
(iv) Bank balances other than (iii) above	10	141.29	132.65	210.29
(v) Security Deposits	7a	36.18	56.97	-
(c) Other Current Assets	8	7,465.01	7,480.70	5,763.41
Total Current Assets		39,402.89	38,020.69	35,375.68
Total Assets		74,681.79	65,821.91	59,281.18
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	1,819.12	1,819.12	1,389.37
(b) Other Equity	12	44,775.40	38,634.85	31,576.63
(c) Non-controlling Interest	18	13.86	-	-
Total Equity		46,608.38	40,453.97	32,966.00
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Lease Liabilities	15	4,533.28	-	-
(ii) Other Financial Liabilities	15	5,802.27	6,093.63	5,693.16
(b) Provisions	14	409.42	409.42	424.92
(c) Deferred tax liabilities (Net)	18.a	1,619.79	2,252.10	103.72
Total Non - Current Liabilities		12,364.76	8,755.15	6,221.80
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	2,389.01	2,238.05	2,417.25
(ii) Lease Liabilities	15	662.62	-	-
(iii) Trade payables	13	-	-	-
(A) Total outstanding dues of micro enterprises and small enterprises		582.72	546.16	1,249.75
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		11,365.62	12,365.11	13,601.23
(iv) Other financial Liabilities	15	68.87	49.45	53.82
(b) Provisions	14	413.80	409.42	409.42
(c) Current Tax Liabilities (Net)	18.b	-	-	1,658.87
(d) Other Current Liabilities	17	226.01	1,004.59	703.04
Total Current Liabilities		15,708.65	16,612.79	20,093.38
Total Equity and Liabilities		74,681.79	65,821.91	59,281.18

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors of Kurlon Enterprise Limited

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

Sathya P. Koushik
Partner
Membership No. 206920
UDIN#: 20206920AAAAHH1019

Ritesh Shroff
Chief Financial Officer

Monu Kumar
Company Secretary

Place: Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from operations	19	98,763.14	1,05,191.40
II Other Income	20	793.38	1,196.23
III Total Income (I+II)		99,556.52	1,06,387.63
IV Expenses			
Cost of materials consumed	21.a	41,891.09	46,062.50
Purchases of stock in trade	21.b	11,054.65	15,697.61
Changes in inventories of finished goods, stock in trade and work-in-progress	21.c	(532.55)	(1,460.63)
Employee benefits expense	22	8,309.88	6,892.34
Finance costs	23	941.37	598.33
Depreciation and amortisation expense	24	3,330.45	1,896.45
Other expenses	25	25,249.78	25,205.80
Total Expenses (IV)		90,244.66	94,892.38
V Profit before tax (III-IV)		9,311.87	11,495.24
VI Tax Expense			
Current tax	26	2,664.04	2,765.13
Tax credit of earlier years		(244.39)	(23.19)
Deferred tax	26	(632.31)	2,148.37
		1,787.34	4,890.30
VII Profit for the year (V-VI)		7,524.53	6,604.94
Profit/(Loss) from continuing operations for the period attributable to:			
Owners of the Company	36	7,537.27	6,604.94
Non controlling interests	36	(12.74)	-
		7,524.53	6,604.94
Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of the defined benefit plans [gain/ (loss)]		45.64	190.89
(ii) Income tax relating to items that will not be reclassified to profit or loss		(11.49)	(66.70)
		(11.49)	(66.70)
VIII Total other comprehensive income		34.15	124.19
IX Total comprehensive income for the year (VII+VIII)		7,558.68	6,729.12
Total comprehensive income for the period attributable to:			
Owners of the Company		7,571.42	-
Non controlling interests		(12.74)	-
		7,558.68	
Earnings per equity share :			
Equity shares of par value ₹5 each			
(1) Basic (₹)	27	20.78	18.50
(2) Diluted (₹)	27	20.30	18.07

See accompanying notes to the consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

Sathya P. Koushik
Partner
Membership No. 206920
UDIN#: 20206920AAAAHH1019

Ritesh Shroff
Chief Financial Officer

Monu Kumar
Company Secretary

Place: Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from Operating Activities		
Profit for the year	7,537.27	6,604.94
Adjustments for:		
Income tax expense recognised in profit or loss	1,787.34	4,890.30
Net (Gain)/ Loss on disposal of Property, Plant and Equipment	-	(1.19)
Insurance claim received on Property, Plant and Equipment	(56.71)	(42.60)
Advance written back	-	(500.33)
Liability written back	(36.44)	(84.68)
Bad debts written off	5.08	7.94
Depreciation and amortisation expense	3,330.45	1,896.45
Interest Income recognised in profit or loss	(186.39)	(149.29)
Dividend Income recognised in profit or loss	(292.84)	(312.13)
Finance costs recognised in profit or loss	941.37	598.33
Allowance for expected Credit losses	568.86	145.27
	13,597.99	13,053.02
Movements in working capital:		
(Increase)/Decrease in Loans	(52.35)	(301.81)
(Increase)/Decrease in Trade Receivables	4,683.38	703.92
(Increase)/Decrease in Inventories	(560.68)	(1,209.87)
(Increase)/Decrease in Other Current Assets	82.12	(1,083.04)
(Increase)/Decrease in Other Non-Current Assets	(4,838.11)	(1,378.08)
Increase/(Decrease) in Trade Payables	(962.93)	(1,939.71)
Increase/(decrease) in Other Current Financial Liabilities	682.04	(4.37)
Increase/(Decrease) in Non-Current Provisions	-	(15.50)
Increase/(Decrease) in Other Non-Current Financial Liabilities	3,963.25	406.50
Increase/(Decrease) in Other Current Liabilities	(742.14)	386.23
Increase/(Decrease) in Current Provisions	4.38	-
	2,258.96	(4,435.73)
Cash Flows generated from Operating Activities	15,856.95	8,617.29
Income tax paid	(3,105.86)	(4,906.37)
Net cash flow from operating activities (A)	12,751.09	3,710.92
B. Cash flows from Investing Activities		
Proceeds on sale of Property, Plant and Equipment	47.14	12.37
Insurance claim received	56.71	42.60
Interest received	186.39	149.29
Other Dividends Received	292.84	312.13
(Purchase)/Sale of Investments	(7,748.91)	(1,837.17)
Placed in Bank Deposits not considered as Cash and Cash Equivalents	(8.63)	77.64
Capital Expenditure on Property, Plant & Equipment including capital advance	(5,185.09)	(2,096.12)
Net cash flow from / (used in) Investing Activities (B)	(12,359.56)	(3,339.27)
C. Cash flows from Financing Activities		
Proceeds/ (Repayment) of Short term borrowings	150.96	(179.20)
Adjustment on account of Consolidation/Non Controlling Interest	71.01	-
Tax on Distributed Profits	(224.36)	(141.42)
Dividends paid to owners of the Company	(1,091.47)	(692.73)
Interest paid	(941.37)	(598.33)
Net cash flow from / (used in) financing activities (C)	(2,035.23)	(1,611.67)
Net increase / decrease in cash and cash equivalents (A+B+C)	(1,643.70)	(1,240.02)
Cash and cash equivalents at the beginning of the year	2,933.23	4,173.26
Cash and cash equivalents at the end of the year	1,289.53	2,933.24
Reconciliation of Cash & cash equivalents with the Balance Sheet		
Add-Bank Balance held as margin money or security against borrowing, guarantees and other commitments(*)	141.29	132.65
Cash and cash equivalents as per the Balance Sheet (Refer note 10)	1,430.81	3,065.89

Notes: (*) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

Sathya P. Koushik
Partner
Membership No. 206920
UDIN#: 20206920AAAAHHI019

Ritesh Shroff
Chief Financial Officer

Monu Kumar
Company Secretary

Place: Bengaluru
Date: 19.08.2020

Place: Bengaluru
Date: 19.08.2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020
a. Equity Share Capital
₹ in Lakhs

Particulars	Amount
Balance as at April 1, 2018	1,389.37
Changes in equity share capital during the year	-
Issue of Bonus Equity Shares	429.75
Balance as at March 31, 2019	1,819.12
Changes in equity share capital during the year	-
Balance as at March 31, 2020	1,819.12

b. Other Equity
₹ in Lakhs

Particulars	Reserves and Surplus						Total
	Monies pending allotment (Refer Note 1B)	Capital Reserve arising on consolidation	Securities premium	Share option outstanding account	General reserve	Retained earnings	
Balance as at April 1, 2018	1,656.40	-	11,619.58	435.58	1,715.86	16,149.21	31,576.63
Profit for the year	-	-	-	-	-	6,604.94	6,604.94
Remeasurement of Defined Benefits Plan (net of tax)	-	-	-	-	-	124.19	124.19
Dividends	-	-	-	-	-	(692.73)	(692.73)
Tax on dividends	-	-	-	-	-	(141.42)	(141.42)
Shares to be issued pursuant to approved Scheme (Refer Note 1B) Utilized during the year for issue of bonus share	1,593.00	-	-	-	-	-	1,593.00
	-	-	-	-	(429.75)	-	(429.75)
Balance as at March 31, 2019	3,249.40	-	11,619.58	435.58	1,286.11	22,044.18	38,634.85
Profit for the period	-	-	-	-	-	7,537.27	7,537.27
Remeasurement of Defined Benefits Plan (net of tax)	-	-	-	-	-	34.15	34.15
Retained earnings on RTU of previous year	-	-	-	-	-	(172.19)	(172.19)
Capital reserve arising on consolidation	-	57.14	-	-	-	-	57.14
Dividends	-	-	-	-	-	(1,091.47)	(1,091.47)
Tax on dividends	-	-	-	-	-	(224.36)	(224.36)
Transfer from Shares Option Outstanding Account*	-	-	-	(435.58)	-	435.58	-
Balance as at March 31, 2020	3,249.40	57.14	11,619.58	-	1,286.11	28,563.17	44,775.40

* On July 14, 2015, the company had granted 468,864 options to certain employees. These options vest with the employees over a period of three years and exercisable over a period of four years. In accordance with the scheme, the options got fully vested with the employees in 2018-2019. The company has recognized the cost (difference between the fair price of the equity share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense aggregating to ₹435.58 Lakhs, as an expense in earlier years. However during 2019-2020, since the Holding company has issued shares to the said employees, the options of the company cannot be exercised. Hence the above amount has been transferred to Retained Earnings.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

Sathya P. Koushik
Partner
Membership No. 206920

Ritesh Shroff
Chief Financial Officer

Monu Kumar
Company Secretary

Place: Bengaluru
Date: 19.08.2020

Place: Bengaluru
Date: 19.08.2020

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Significant Accounting Policies

Note	Particulars
IA	<p>Corporate Information</p> <p>Kurlon Enterprise Limited was incorporated in Mumbai, India on October 03, 2011, as a public limited company under the Companies Act. The Company is a subsidiary of Kurlon Limited and is engaged in the business of manufacturing/ trading in diverse areas such as Rubberized coir, Latex Foam, Polyurethane foam, Bonded Foam, Pillows, Spring Mattresses, Furniture, Furnishings, Sofas etc.</p>
IB	<p>Business Combination and restatement of financial information of prior years</p> <p>The Board of Directors, at their meeting held on August 5, 2019 approved a scheme of amalgamation (“the Scheme”) of Spring Air Bedding Company (India) Limited (“SABCIL” of “Transferor Company”) with Kurlon Enterprise Limited (“the Company” or “Transferee Company”) with an appointed date of April 01, 2018. During the prior year, the Company had filed an application of the Scheme with the National Company Law Tribunal (“NCLT”), Mumbai and NCLT Delhi. The Scheme has been approved by the NCLT Mumbai and NCLT Delhi, vide their orders dated March 12, 2020 and May 05, 2020, respectively, and the aforesaid orders were filed with the Registrar of Companies on June 18, 2020.</p> <p>In consideration of the Ministry of Corporate Affairs (“MCA”) General Circular Ref.09/2019 dated August 21, 2019 as regards the treatment of ‘appointed date’ as the ‘acquisition date’ under Indian Accounting Standard 103 (“Ind AS 103”) – Business Combinations, the Management has considered the approvals of the NCLT’s and filing of the same with the Registrar of Companies to represent adjusting events and has given the effect of the amalgamation in these financial statements from the appointed date of April 01, 2018, which is also the earliest date of the periods presented in these financial statements.</p> <p>In accordance with the scheme sanctioned, all assets and liabilities of SABCIL, as at the appointed date April 1, 2018, stands transferred to, and vested with the Company at their respective fair values.</p> <p>Pursuant to the Scheme, in consideration for the transfer and vesting of all the assets and liabilities:</p> <ol style="list-style-type: none"> i) The equity Shareholders of erstwhile SABCIL are to be issued 1 equity share of the Company of ₹5 each fully paid up, for every 331 equity shares of ₹10 each fully paid up, held by them in SABCIL. Accordingly 121,735 equity shares of ₹5 each fully paid up (aggregating to ₹6.09 Lakhs) will be issued to the shareholders of the erstwhile SABCIL. ii) Further, the erstwhile SABCIL during 2018-19 issued 15,930,000 equity shares of ₹10 each fully paid up to its shareholders. Accordingly, 48,127 equity shares of the Company of ₹5 each fully paid up (aggregating to ₹2.41 Lakhs) will be issued to the shareholders of erstwhile SABCIL. iii) All the above mentioned Shares are yet to be allotted. Pending allotment of these shares as at March 31, 2019, the amount of ₹3,249.40 Lakhs has been disclosed as Monies pending allotment in Note 12 to the financial statements. Pursuant to the Scheme, the authorised share capital of the Company stands increased to ₹7,530 Lakhs (being 15,06,00,000 equity shares of ₹5 each) (Also refer Note 11). iv) The amalgamation has been accounted under the “Acquisition Method” as specified in Ind AS 103 and other accounting principles generally accepted in India in line with the approved Scheme. Accordingly the assets and liabilities as at April 1, 2018, of SABCIL have been taken over at their respective fair values. <p>The difference, aggregating to ₹2,103.16 Lakhs, between the fair values of net identifiable assets acquired as at the appointed date April 1, 2018, and the consideration for the acquisition has been recognized as goodwill, in accordance with the Scheme. The goodwill on acquisition of SABCIL has been arrived as below:</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Note 2 Significant Accounting Policies (Contd.)

Note	Particulars	
	Particulars	₹ In Lakhs
	Property, plant & equipment	306.26
	Intangibles - Gross block	6.29
	Deferred Tax Assets	1,846.38
	Inventories	470.23
	Trade Receivables	825.54
	Cash and cash equivalents	5.00
	Current financial assets - Loans	53.37
	Other current assets	137.84
	Total Assets taken over on Amalgamation (A)	3,650.91
	Short term Borrowings	914.61
	Trade Payables	2,622.38
	Current Provisions	15.50
	Other current liabilities	545.19
	Total Liabilities Taken over on Amalgamation (B)	4,097.68
	Less: Consideration in respect of shares outstanding in SABCIL as at April 1, 2018 (C)	1,656.39
	Goodwill on Amalgamation (D) = (C) + (B) - (A)	2,103.16

SABCIL is engaged in manufacturing/ trading in diverse area such as Rubberized coir, Latex Foam, Polyurethane foam, Pillows, Spring Mattresses, Furniture, Furnishing etc.

2 Significant Accounting Policies
Basis Of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:-

Basis of Accounting:

- i) The financial statements of the Subsidiary Companies are drawn up to the same reporting date as of the Holding Company.
- ii) The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements".

Principles of Consolidation:

- i) The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements".
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements except as otherwise stated in the Significant Accounting Policies.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p>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.</p> <p>iv) Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.</p>

The Consolidated Financial Statements of the Holding Company includes the results of following entities

Name of Company	Country of Incorporation	Proportion (%) of Shareholding as on 31.03.2020	Proportion (%) of Shareholding as on 31.03.2019
Subsidiary Companies			
Kurlon Retail Limited	India	100%	100%
Sevalal Solar Private Limited*	India	69%	0%
Sirar Solar Energies Private Limited*	India	69%	0%
Sirar Dhotre Solar Private Limited*	India	69%	0%

* Acquired on December 24, 2019

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.

Except for the changes below, the Group has consistently applied accounting policies to all periods:

- i) The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach and accordingly, the comparative information has not been restated.
- ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.
- iii) Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p>settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.</p> <p>iv) Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.</p>

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair values. Further Defined Benefit Plans and Plan Assets are measured at fair value at the end of each reporting period, as explained in the accounting policies below:-

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability and the assumptions the market participants would consider when pricing the asset or liability at the measurement date, assuming that market participants act in their best economic interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 Inputs are unobservable for the asset or liability.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
2.3	<p>Use of estimates and judgement</p> <p>In preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS, management of the Group has made estimates, judgements and assumptions that affect the application of Accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities as at the date of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis</p> <p>Key source of estimation uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year in respect of useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets/liabilities, provision for warranty and other provisions and contingent liabilities.</p> <p>Useful lives of property, plant and equipment</p> <p>The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.</p> <p>Provisions and Contingent Liabilities</p> <p>A provision is recognized when the Group has a present obligation arising out of past events and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements but are disclosed appropriately. A contingent asset is neither recognized nor disclosed in the financial statements.</p>
2.4	<p>Revenue recognition</p> <p>Effective April 1, 2018, the Group adopted IND AS 115, 'Revenue from Contracts with Customers' using the modified retrospective method. In accordance with this, the comparatives have not been retrospectively adjusted and no material impact was recognised.</p> <p>Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for estimated customer returns, rebates and other similar allowances.</p> <p>Sale of goods</p> <p>Revenue from the sale of goods is recognised when (i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p>Other income</p> <p>Interest income- Interest Income is recognised and accounted on the basis of the effective Interest rate method.</p> <p>Dividend Income- Dividend income is accounted for when the right to receive is established.</p>
2.5	<p>Foreign currencies</p> <p>The functional currency of the Group is Indian Rupees.</p> <p>Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognised in the Statement of Profit and Loss. Non-monetary items of the Group are carried at historical cost.</p>
2.6	<p>Leases</p> <p>The Group's lease asset classes primarily consist of leases for land and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.</p> <p>The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.</p> <p>The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.</p> <p>The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.</p> <p>In the comparative period, leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
2.7	<p data-bbox="225 410 459 442">Employee benefits</p> <p data-bbox="225 463 1466 527">Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences and employee state insurance scheme.</p> <p data-bbox="225 566 842 597">Retirement benefit cost and termination benefits</p> <p data-bbox="225 619 1466 683">Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p> <p data-bbox="225 704 1466 995">Liabilities for gratuity funded in terms of a scheme administered by the life insurance corporation of India are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:</p> <ul data-bbox="248 1017 1466 1187" style="list-style-type: none"> - service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); - net interest expense or income; and - Remeasurement <p data-bbox="225 1219 1466 1283">The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.</p> <p data-bbox="225 1315 1466 1442">The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.</p> <p data-bbox="225 1474 1466 1538">A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.</p> <p data-bbox="225 1570 555 1602">Defined contribution plan</p> <p data-bbox="225 1623 1466 1687">Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.</p> <p data-bbox="225 1719 523 1751">Compensated absences</p> <p data-bbox="225 1772 1466 1927">Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized at an actuarially determined liability at the present value of the defined benefit obligation as at the balance sheet date. Liabilities for gratuity funded in terms of a scheme administered by the life insurance corporation of India are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p>and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.</p>
<p>2.8</p>	<p>Taxation</p> <p>Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.</p> <p>Current tax</p> <p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years (Temporary Differences) and items that are never taxable or deductible (Permanent Differences). The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.</p> <p>Deferred tax</p> <p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p> <p>The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.</p> <p>Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.</p> <p>The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.</p> <p>Deferred tax assets include Minimum Alternate Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
2.9	<p>Property, plant and equipment</p> <p>Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.</p> <p>The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance</p> <p>Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.</p> <p>Lease rentals and premium for lease hold are amortized over the primary lease period.</p> <p>Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.</p> <p>An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss</p> <p>Capital work in progress</p> <p>Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.</p> <p>The capital work- in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
2.10	<p>Intangible assets</p> <p>Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.</p> <p>Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.</p> <p>The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.</p> <p>An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disposed</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
<p>2.11</p>	<p>Impairment</p> <p>Financial assets (other than at Fair Value)</p> <p>The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. IndAS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.</p> <p>Non-financial assets</p> <p>Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.</p>
<p>2.12</p>	<p>Inventory</p> <p>Items of inventory are valued at lower of cost and net realizable value. Cost of raw materials, stores and spares, packing material and traded goods is determined on weighted average basis. In case of work-in-process and finished goods, cost includes an appropriate proportion of cost of conversion to bring the goods to its present condition. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.</p>
<p>2.13</p>	<p>Provisions</p> <p>Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.</p> <p>The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).</p> <p>When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.</p> <p>Provision for warranty is estimated on the basis of past technical experience.</p>
<p>2.14</p>	<p>Financial Instruments</p> <p>Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p>attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.</p> <p>A) Financial assets</p> <p>Cash and cash equivalents</p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value</p> <p>Financial assets at amortized cost</p> <p>Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p>Financial assets at fair value through other comprehensive income (FVTOCI)</p> <p>Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p>Financial assets at fair value through profit and loss (FVTPL)</p> <p>Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.</p> <p>Foreign exchange gains and losses</p> <p>The fair value of foreign assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For the foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in statement of profit and loss.</p> <p>B) Financial liabilities and Equity</p> <p>Financial liabilities at amortized cost</p> <p>Financial liabilities are measured at amortized cost using effective interest method.</p> <p>Equity instruments</p> <p>An equity instrument is contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue costs.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p><u>Foreign exchange gains and losses</u></p> <p>For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in “Other income”</p> <p>The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in the profit and loss.</p>
2.15	<p>Earnings per share (EPS)</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.</p> <p>Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p> <p>Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>
2.16	<p>Segment reporting</p> <p>The chief operating decision maker (CODM) identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The Group has only one reportable business segment as per INDAS, which is manufacture, purchase and sale of coir, foam and related products which constitutes a single business segment. Accordingly, the amounts appearing in the financial statements relate to the Group’s single business segment. The Group has acquired 3 Solar Companies by way of invocation of pledge during the year and the Solar Companies are into the business of generation and Sale of Solar Power.</p>
2.17	<p>Research and development</p> <p>All revenue expenditure related to research and development are charged to the respective heads on the Statement of Profit and Loss. Capital expenditure incurred on research and development is capitalised as property, plant and equipment and depreciated in accordance with the depreciation policy of the Group</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
2.18	<p>Insurance Claims</p> <p>Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.</p>
2.20	<p>Impact on COVID</p> <p>In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Group. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, intangibles and goodwill and expects to recover these assets in the normal course of business. However, considering the nature of the pandemic, the eventual impact may differ from that considered as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions. The Group has resumed its business activities by reopening its factories on a gradual basis in line with the guidelines issued by the Government authorities.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 3. Property, Plant and Equipments

₹ in Lakhs

Particulars	b) Goodwill											c) Intangible Assets											
	Freehold land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Computer Owned	Total	Goodwill	Computer software												
Gross carrying value																							
As at April 01, 2018	974.18	842.50	3,557.91	17,175.38	2,613.85	437.94	272.64	415.08	26,289.48	-	-	-	-	-	-	-	-	-	-	-	-	-	831.60
Acquisitions through business combinations (Refer Note No.1B)	-	-	-	235.65	17.80	14.50	31.11	7.20	306.26	2,103.16	2,103.16	6.29	-	-	-	-	-	-	-	-	-	-	6.29
As at April 1, 2018 after business combinations	974.18	842.50	3,557.91	17,411.03	2,631.65	452.44	303.75	422.28	26,595.74	2,103.16	2,103.16	837.89	-	-	-	-	-	-	-	-	-	-	837.89
Additions	-	-	146.34	572.19	878.87	72.55	50.62	81.66	1,802.21	-	-	198.29	-	-	-	-	-	-	-	-	-	-	198.29
Disposals	-	-	-	-	6.70	0.89	6.75	-	14.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	974.18	842.50	3,704.25	17,983.21	3,503.82	543.69	347.61	503.94	28,383.61	2,103.16	2,103.16	1,036.18	-	-	-	-	-	-	-	-	-	-	
Additions	172.4	302.77	4,344.20	1,209.33	575.49	52.02	138.18	62.09	6,701.32	-	-	45.06	-	-	-	-	-	-	-	-	-	-	45.06
Disposals	-	-	-	4.10	0.17	0.64	161.89	3.48	170.28	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to Right of Use Assets	-	1,145.27	-	-	-	-	-	-	1,145.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	991.42	-	8,048.45	19,188.45	4,079.14	595.08	323.90	562.55	33,769.39	2,103.16	2,103.16	1,081.24	-	-	-	-	-	-	-	-	-	-	
Accumulated Depreciation																							
As at April 01, 2018	-	-	480.11	6,284.36	890.71	224.20	71.89	272.53	8,223.80	-	-	274.50	-	-	-	-	-	-	-	-	-	-	274.50
Additions	-	-	115.87	1,191.56	265.27	78.10	43.00	80.48	1,774.28	-	-	122.17	-	-	-	-	-	-	-	-	-	-	122.17
Disposals	-	-	-	-	0.58	0.71	1.87	-	3.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	595.98	7,475.92	1,155.40	301.59	113.02	353.01	9,994.92	-	-	396.67	-	-	-	-	-	-	-	-	-	-	
Additions	-	-	161.63	1,180.10	320.42	77.05	45.29	83.92	1,868.41	-	-	141.08	-	-	-	-	-	-	-	-	-	-	141.08
Disposals	-	-	-	3.09	-	0.21	79.37	1.18	83.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	-	757.61	8,652.93	1,475.82	378.43	78.94	435.75	11,779.48	-	-	537.75	-	-	-	-	-	-	-	-	-	-	
Net carrying value																							
Balance as at March 31, 2020	991.42	-	7,290.84	10,535.52	2,603.32	216.65	244.96	126.79	21,989.91	2,103.16	2,103.16	543.50	-	-	-	-	-	-	-	-	-	-	543.50
Balance as at March 31, 2019	974.18	842.50	3,108.27	10,507.29	2,348.41	242.10	234.60	150.93	18,388.69	2,103.16	2,103.16	639.51	-	-	-	-	-	-	-	-	-	-	639.51
Balance as at April 1, 2018	974.18	842.50	3,077.80	11,126.67	1,740.94	228.24	231.86	149.75	18,371.94	2,103.16	2,103.16	563.39	-	-	-	-	-	-	-	-	-	-	563.39

Refer Note - 16 for information on property, plant and equipment pledged as security by the Group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 4a. Right of Use Assets

₹ in Lakhs

Particulars	Land	Buildings	Total
Gross carrying value			
As at April 01, 2018	-	-	-
Additions	-	-	-
Disposals/ Adjustments	-	-	-
As at March 31, 2019	-	-	-
Impact of adoption of Ind AS 116 (Refer Note 29)	1,145.27	5,666.08	6,811.35
Additions	-	464.50	464.50
Disposals/ Adjustments	-	-	-
As at March 31, 2020	1,145.27	6,130.58	7,275.85
Accumulated Depreciation			
As at April 01, 2018	-	-	-
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	-	-	-
Impact of adoption of Ind AS 116 (Refer Note 29)	-	-	-
Additions	19.46	1,301.50	1,320.96
Disposals	-	-	-
As at March 31, 2020	19.46	1,301.50	1,320.96
Net carrying value			
Balance as at March 31, 2020	1,125.81	4,829.08	5,954.89
Balance as at March 31, 2019	-	-	-
Balance as at April 1, 2018	-	-	-

Note No. 4b. Capital work in progress

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Land	-	-	0.86
Building	205.14	1,367.63	474.15
Plant & Machinery	283.30	707.59	88.64
Others	89.90	200.83	23.78
	578.35	2,276.05	587.43

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Note No. 5 - Investments

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Nos.	Amount in Lakhs	Nos.	Amount in Lakhs	Nos.	Amount in Lakhs
		Current		Current		Current
A. Cost						
I. Investment in Commercial Papers (at amortised cost)(Unquoted)						
Cox and Kings Limited (refer note 5(i) below)	400	2,000.00	500	2,500.00	-	-
Total Unquoted Investments	400	2,000.00	500	2,500.00	-	-
B. Fair Value Through Profit and Loss						
I. Investments in Mutual funds (Quoted)						
Franklin India Short Term Income Plan-Retail Plan-Direct-Growth	-	-	29,238	1,226.71	-	-
Franklin India Banking & PSU Fund-Direct-Growth	1,94,79,860	3,295.78	-	-	-	-
HSBC Ultra Short Duration Fund Direct Growth	30,833	311.20	-	-	-	-
Tata Banking & PSU Debt Fund Direct Growth	49,59,639	515.44	-	-	-	-
ABSL Floating Rate Fund-Direct-Growth	2,03,278	512.86	-	-	-	-
AXIS Short Term Fund-Direct-Growth	39,42,706	921.62	-	-	-	-
Axis Banking & PSU Debt Fund-Direct Growth	26,104	506.68	-	-	-	-
Canara Robeco Short Duration Fund - Direct Growth	12,78,301	255.61	-	-	-	-
Kotak Savings Fund-Regular-Growth	6,39,002	205.08	-	-	-	-
Kotak Bond Fund Short Term-Direct-Growth	10,30,669	413.44	-	-	-	-
Kotak Corporate Bond Fund-Direct-Growth	7,456	205.80	-	-	-	-
Kotak BANKING AND PSU DEBT FUND-Direct-Growth	8,53,190	406.52	-	-	-	-
L & T Banking & PSU Fund-Growth	22,84,679	410.89	-	-	-	-
Sundaram Money Market Fund-Direct-Growth	54,87,966	614.77	-	-	-	-
ICICI Prudential Banking & PSU Debt Fund-Direct-Growth	16,88,533	399.23	-	-	-	-
LICMF Banking & PSU Debt Fund-Direct-Growth	11,14,132	300.56	-	-	-	-
LICMF Banking & PSU Debt Fund-Regular-Growth	7,78,062	200.12	-	-	-	-
SBI Savings fund - Direct Plan-Growth	-	-	-	-	2,72,037	75.61
IDBI liquid fund- Direct Plan-Growth	-	-	-	-	19,022	353.90
Franklin India Low Duration Fund Direct Monthly Dividend Plan	-	-	-	-	2,94,671	31.71
Franklin India Low Duration Fund - Direct Growth	-	-	-	-	70,36,927	1,428.31
Total Aggregate Quoted Investments	4,38,04,409.13	9,475.60	29,237.50	1,226.71	76,22,657.00	1,889.53
TOTAL INVESTMENTS CARRYING VALUE (A)	4,38,04,809.13	11,475.60	29,737.50	3,726.71	76,22,657.00	1,889.53
Other Disclosures						
Aggregate amount of Quoted Investments & market value thereof	-	9,475.60	-	1,226.71	-	1,889.53
Aggregate amount of Unquoted Investments	-	2,000.00	-	2,500.00	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 5(I) should read as follows

"The Company had made an investment of ₹2,000 Lakhs in Commercial Paper (CP) issued by COX and Kings Limited ("C&K") in four commercial papers between June 14, 2019 and June 26, 2019. The amounts were due for maturity/redemption in 40-45 days from date of investment. The maturity dates for the four tranches commenced on 29 July 2019 and ended on August 6, 2019.

At the time of making the investment, the CP was rated as A1+ by Credit Rating agency 'CARE' & 'Brickworks'. This rating indicating highest level of safety. Subsequent to making the investment, C&K defaulted in repayment of borrowings to its bankers from June 28, 2019 onwards, till date.

On October 22, 2019, the National Company Law Tribunal, Mumbai (NCLT) admitted an insolvency petition against C&K, after which it imposed a moratorium on "transferring, encumbering, alienating or disposing off" of any assets belonging to Cox & Kings effective from October 22, 2019. The bench has appointed an interim resolution professional (IRP) who is overseeing the affairs of the entity.

In view of the above events, the Company has evaluated the recoverability of these amounts and is hopeful of recovering the amount in full, in view of the following consideration:

- i) The Company earlier had already invested two tranches of ₹2,500 Lakhs each, in March 2019 and May 2019, which were repaid in full, without any default, on the due dates in respect of the outstanding as at date, the Company has been categorized as a Financial Creditor by the Resolution Professional in the resolution proceedings of C&K. The claims of the Company (for principal and interest) has been accepted by the Resolution Professional.
- ii) The Company has filed 2 petitions under Section 138 of the NI Act (One for Principal & One for Interest) against C&K, its directors & Authorized signatories in the Mayo Hall Court, Bangalore which is a criminal proceeding that has been initiated.
- iii) Court Summons have been issued to the directors of C&K which has since been paused due to COVID lockdown.
- iv) The Company has obtained Personal Guarantee from the promoter of C&K, for ₹2,000 Lakhs, which can be invoked by the Company.
- v) The Company has also received commitment from the family of the promoter of C&K that they would repay the borrowings by raising monies through sale of their assets. Accordingly, the management is of the opinion that a write down in the carrying of investment is presently not required."

Note No. 6. Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current			
Trade Receivables (Unsecured)			
(a) Considered good	6,705.36	11,961.18	12,819.81
(b) which have significant increase in Credit Risk	997.08	688.89	543.67
	7,702.43	12,650.06	13,363.48
Less: Allowance for Doubtful trade receivables	997.08	688.89	543.67
TOTAL	6,705.36	11,961.18	12,819.81
Non - Current			
a) Considered good - Unsecured	-	1.50	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Note No. 6a. Movement in the Allowance for Doubtful trade receivables

₹ in Lakhs

Particulars	FY 2019-20	FY 2018-19
Balance at beginning of the year	688.89	543.67
Impairment losses recognised in the year based on 12 Month Expected Credit Loss		
On Receivables originated in the year	569.54	314.90
Amounts written off during the year as uncollectable		
Amounts Recovered/Written Off During the year	(261.35)	(169.68)
Balance at end of the year	997.08	688.89

Note No. 7a. Security Deposits

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-Current (Carried at amortised cost)			
a) Security Deposits- Unsecured, considered good	906.67	868.46	801.22
b) Security Deposits- Secured, considered good			
(i) Related Parties	15.00	15.00	-
- Maha Rashtra Apex Corporation Limited			
(ii) Others	283.31	269.17	49.60
	1,204.98	1,152.63	850.82
Current (Carried at amortised cost)			
a) Security Deposits- Secured, considered good	36.18	56.97	-
TOTAL	36.18	56.97	-

Note No. 7b. Other financial assets

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a) Other Loans - unsecured, considered good			
Loans to Employees	-	-	6.03
b) Loans to Others	278.68	-	-
	278.68	-	6.03

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 8. Other Non-current and Current Assets

₹ in Lakhs

Particulars	As at March 31, 2020	FY 2018-19	As at April 1, 2018
Non-Current			
(a) Capital Advances			
(i) For land	1,510.23	2,278.44	1,397.46
(ii) For Building	-	303.00	22.33
(iii) For Plant & Machinery	-	217.91	-
(b) Balances with government authorities	1.62	1.47	1.94
(c) Prepaid expenses	-	-	1.00
TOTAL	1,511.85	2,800.81	1,422.73
Current			
(a) Advances to suppliers	678.85	560.10	522.81
(b) Capital advance			
(i) For Interior	-	41.94	52.76
(ii) For Software	-	15.00	
(c) Advances to Related Parties			
Kurlon Limited	4,758.22	4,632.89	3,559.68
Metropolis Builders Limited	30.00	30.00	27.95
Manipal Advertising Services Private Limited	348.32	427.82	-
(d) Advances to employees	36.51	69.89	135.09
(e) Balances with government authorities	477.57	308.79	964.22
(f) Others			
Balance With Revenue Authorities	30.50	61.09	-
Other Loans and Advances	599.12	668.70	-
Prepaid expenses	325.53	268.77	271.17
Prepaid rent	-	83.54	110.15
Insurance Claim	28.64	-	-
Gratuity fund	85.22	8.79	53.52
Leave Encashment Fund	66.52	303.37	66.06
TOTAL	7,465.01	7,480.70	5,763.41

Note No. 9. Inventories

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Raw materials	3,735.57	3,770.10	3,990.74
- Goods in transit	10.75	-	
(b) Work-in-progress	1,601.56	1,321.21	1,362.73
(c) Finished goods (net of provision)*	4,438.22	4,206.00	3,343.27
- Goods in transit	61.44	40.12	
(d) Stock-in-trade	1,872.26	1,873.59	1,274.29
- Goods in transit		9.91	116.91
(e) Stores and spares	570.13	508.32	431.44
Total Inventories at lower of Cost and Net Realisable Value (NRV)	12,289.92	11,729.24	10,519.38

* The cost of Inventories as an expense includes ₹512.69 Lakhs (₹476.50 Lakhs during FY 18-19) in respect of provision for inventory

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Note No. 10. Cash and Bank Balances

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash and Cash Equivalents			
(a) Balances with Banks	359.96	400.27	2,192.97
(b) Cheques, Drafts on hand	140.09	1,506.77	1,951.21
(c) Cash on Hand	45.05	37.28	18.70
(d) Others In deposit Accounts	744.43	988.91	10.37
TOTAL	1,289.53	2,933.23	4,173.26
Other Bank Balance			
(a) Earmarked balances with banks (refer note below)	140.49	131.85	210.13
(b) Unpaid dividend	0.80	0.80	0.16
TOTAL	141.29	132.65	210.29

Note - Deposits receipts pledged with banks for obtaining Letter of Credit & Bank guarantee facilities.

Note No. 11. Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)
Authorised*:						
Equity shares of ₹5/- each with voting rights	3,80,00,000	1,900.00	3,80,00,000	1,900.00	3,80,00,000	1,900.00
Issued, Subscribed and fully Paid:						
Equity shares of ₹5/- each with voting rights	3,63,82,393	1,819.12	3,63,82,393	1,819.12	2,77,87,380	1,389.37

*The authorized share capital of the Company stands increased to ₹7,530 Lakhs (being 15,06,00,000 equity shares of ₹5 each), consequent to amalgamation. However, pending completion of required filings with Ministry of Corporate Affairs ("MCA"), the same has not been incorporated above. Refer Note 1B to the financial statements

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period/year.

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)
Equity Shares						
At the beginning of the year	3,63,82,393	1,819.12	2,77,87,380	1,389.37	2,24,78,260	1,123.91
Fully paid shares allotted during the year						
Bonus issue (refer note : v)	-	-	85,95,013	429.75	53,09,120	265.46
Outstanding at the end of the year	3,63,82,393	1,819.12	3,63,82,393	1,819.12	2,77,87,380	1,389.37

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Terms/Rights attached to Equity Shares

- The company has only one class of equity shares having a par value of ₹5/- each (March 31, 2019- ₹5/- each) per share. Each holder of equity shares is entitled to one vote per share. The par value of Equity shares in respect of the 3 Solar Company Subsidiaries is ₹100/- each.
- In the event of liquidation of the Group, the holders of equity shares would be entitled to receive remaining assets of the Group after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The dividend for the year ended 31 March 2020 proposed by the Board of Directors is ₹ 3.50 per Equity Share which is subject to the approval of the shareholders at the ensuing Annual General Meeting. This would result in cash outflow of ₹ 1279.33 Lakhs, during financial year 2020-2021.

(iii) Details of Shares held by the Holding Company, the Ultimate Holding Company, Subsidiaries and Associates

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Kurlon Limited						
Equity shares of ₹5/- each with voting rights	3,09,46,755	85.06	3,09,46,755	85.06	2,33,23,357	83.94

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of Shareholder	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Equity shares of ₹5/- each with voting rights						
Kurlon Limited	3,09,46,755	85.06	3,09,46,755	85.06	2,33,23,357	83.94
Indian Business Excellence Fund II A	23,54,086	6.47	23,54,086	6.47	23,54,086	8.47

(v) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Equity Shares with Voting rights					
Fully paid up Bonus Shares (Nos)	-	85,95,013	53,09,120	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 12. Other Equity

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Securities Premium Amounts received (on issue of shares) excluding the par value has been classified as securities premium.	11,619.58	11,619.58	11,619.58
Monies Pending Allotment (Refer note 1B) 121,735 equity shares and 48,127 equity shares of ₹5 each fully paid up to be issued to erstwhile SABCIL, pursuant to a scheme of a business combination (more fully described in Note 1B), without payment being received in cash.	3,249.40	3,249.40	1,656.40
Shares option outstanding Account Balance at the beginning of the year	435.58	435.58	-
Add: amount recorded on grants during year	-	-	435.58
Less: Transfer to retained earnings	435.58	-	-
Closing balance	-	435.58	435.58
Any profit or loss arising on difference between fair value and exercise price on Employee Stock options is transferred to Share option outstanding account.			
General Reserve Balance at the beginning of the year	1,286.11	1,715.86	1,141.14
Add: Transfer from the Statement of Profit & Loss	-	-	840.18
Less : Utilised during the year for issuing bonus shares	-	429.75	265.46
Closing balance	1,286.11	1,286.11	1,715.86
This represents appropriation of profit by the Company.			
Retained Earnings Balance at the beginning of the year	22,044.18	16,149.21	9,264.84
Add: Transfer from the Statement of Profit & Loss	7,537.27	6,604.94	8,415.35
Add: Transfer from Other Comprehensive Income (OCI)	34.15	124.19	(14.44)
Less: Transfer to general reserve			840.18
Less: Dividend Paid	1,091.47	692.73	561.96
Less: Tax on dividend	224.36	141.42	114.40
Add: Transfer from Shares option outstanding account	435.58	-	-
Less: Retained earnings on RTU of previous year	172.19	-	-
Closing balance	28,563.17	22,044.18	16,149.21
Capital Reserve arising on Consolidation	57.14	-	-
TOTAL	44,775.40	38,634.85	31,576.63

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 13. Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total outstanding dues of micro enterprises and small enterprises (Refer Note 33)	582.72	546.16	1,249.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,365.62	12,365.11	13,601.23
TOTAL	11,948.34	12,911.27	14,850.98

Note No. 14. Provisions

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Provisions for Warranty (refer note (i) below)	409.42	409.42	409.42	409.42	409.42	409.42
Provision for Employee Benefits	-	-	-	-	-	15.50
Provision others	4.38	-	-	-	-	-
TOTAL	413.80	409.42	409.42	409.42	409.42	424.92

(i) Movement in Provisions for warranty

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at Beginning of the year	818.84	818.84
Additional provisions recognised	353.91	175.56
Amounts utilised during the year	353.91	175.56
Balance as at end of the year	818.84	818.84

Note No. 15. Lease Liabilities & Other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-Current			
Lease Liabilities	4,533.28	-	-
TOTAL	4,533.28	-	-
Current			
Lease Liabilities	662.62	-	-
TOTAL	662.62	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other Financial Liabilities Measured at Amortised Cost			
Non-Current			
Deposits received from Dealers	5,733.02	5,898.36	5,573.49
Deposits received from C & F Agent	57.00	59.00	64.00
Deposits-Transporters	12.25	-	-
Payables for capital supplies/services	-	136.27	55.67
TOTAL	5,802.27	6,093.63	5,693.16
Current			
Interest accrued on micro enterprises and small enterprises (Refer Note 33)	4.23	0.99	0.53
Unpaid dividend account	0.80	0.80	0.16
Others	63.84	47.66	53.13
TOTAL	68.87	49.45	53.82

Note No. 16. Current Borrowings

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
A. Secured Borrowings			
Loans repayable on demand			
From Banks	1,216.90	1,046.05	914.61
From Other	495.82	496.00	-
From other party - Buyers credit	-	-	377.75
Total Secured Borrowings	1,712.72	1,542.05	1,292.36
B. Unsecured Borrowings			
Loans from related parties	676.30	696.00	1,124.89
Total Current Borrowings	2,389.01	2,238.05	2,417.25

Note: Loans repayable on demand are secured by Pari passu first charge on current assets and movable assets of the Company.

Reconciliation of liabilities arising from financing activities

₹ in Lakhs

Particulars	As at April 1, 2019	Financing Cash Flow	Non-cash changes Foreign exchange movement	As at March 31, 2020
Repayments to bank	1,046.05	170.85	-	1,216.90
Borrowings from Other Financial Institutions	496.00	(0.18)	-	495.82
Loans from related parties	696.00	(19.70)	-	676.30
Total Borrowings	2,238.05	150.96	-	2,389.01

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 17. Other Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Current	Current	Current
a. Advances received from customers	64.07	482.18	176.62
b. Statutory dues	-	428.24	299.90
- taxes payable (other than income taxes)	51.89	93.83	226.52
- Other payable	110.06	0.35	-
TOTAL OTHER LIABILITIES	226.01	1,004.59	703.04

Note No. 18a. Other Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Deferred tax assets	822.44	569.76
Deferred tax liabilities	(2,442.23)	(2,821.86)	(2,467.84)
Deferred tax liabilities (net)	(1,619.79)	(2,252.10)	(103.72)

Deferred tax liabilities (net)	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Deferred tax liability		
Depreciation and amortisation	(2,114.36)	(2,821.86)	(2,467.84)
Right to Use Asset	(327.87)	-	-
Gross deferred tax liability	(2,442.23)	(2,821.86)	(2,467.84)
Deferred tax asset			
a) Provision for doubtful debts	250.97	240.73	188.15
b) Provision for Warranty	206.10	286.14	283.39
c) 43B Disallowance	21.65	13.38	-
d) 35DD Income Tax Disallowance on Amalgamation expenses	20.99	29.51	-
e) Lease Liability-INDAS-116	322.73	-	-
f) Unabsorbed losses	-	-	1,892.58
Gross deferred tax asset	822.44	569.76	2,364.12
Net deferred tax liability	(1,619.79)	(2,252.10)	(103.72)

Note: Deferred Tax Charge for the previous year have been restated in the Statement of Profit & Loss, Consequent to amalgamation of Spring Air Bedding Company India Limited, with the Company as of April 1, 2018 (Also Refer Note 1B)

Note No. 18b. Current Tax Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Provision for Taxation	11,348.38	10,139.83
Less: Advance tax	12,461.96	10,578.70	8,558.59
	(1,113.58)	(438.87)	1,658.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 19. Revenue from operations

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Current	Current
Sale of products (refer note (i) & (iii))	1,05,507.82	1,13,932.60
Other operating revenue (refer note (ii))	1,608.06	729.85
Less: Schemes & Rebates	(8,352.75)	(9,471.05)
Total Revenue from Operations	98,763.14	1,05,191.40

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Sale of products		
<u>Manufactured goods</u>		
Rubberized Coir Mattresses, Cushions	27,409.54	27,746.97
Customised Foam	1,620.82	1,852.22
Foam and Foam Products	21,182.30	28,183.73
Sofa	2,370.08	1,989.58
Polyfibre Goods	2,645.09	3,391.69
Furniture	860.87	652.57
Foam Mattresses	24,838.41	20,811.51
Spring Mattresses	11,104.34	12,430.65
Total - Sale of manufactured goods	92,031.45	97,058.93
<u>Traded goods</u>		
Polyfibre Goods	744.55	539.71
Mattresses & Cushions	10,326.15	11,239.75
EPE Sheet & Foam, others	353.79	383.90
Soft Furnishing	1,090.86	1,339.08
Others	961.02	3,371.23
Total - Sale of Traded Goods	13,476.37	16,873.67
Total - Sale of Products	1,05,507.82	1,13,932.60

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(ii) Other operating revenues:		
Sale of scrap	213.58	234.15
Others - Raw Materials	1,306.26	338.10
Other Operating Income	49.79	157.61
Revenue From Supply of Electricity	38.43	-
Total - Other Operating Revenues	1,608.07	729.85

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

iii) Disaggregate revenue information

The Group disaggregated the revenue based on geographical locations and it is disclosed under note 32 “Segment Reporting”. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

iv) Trade receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Group transfers control over the product to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

v) As required under IND AS – 115, “Revenue from Contracts with Customers”, during the year, the Company has adjusted the rebates provided to customers post sale against Revenue from operations. (Refer Note No. 19 to the financial statements). Hitherto, the Company was disclosing such expenses under ‘Advertisement, Promotion and Selling Expenses’ (under “Other Expenses”).

Note No. 20. Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest Income, On Financial Assets at Amortised Cost		
Interest from banks on deposits	115.50	58.79
Interest on loans and advances to employees	66.29	41.71
Interest Others	4.59	48.79
(b) Dividend/Interest & FV on Mutual Fund Investments	292.84	312.13
(c) Other non operating income		
Profit on sale of assets	-	1.19
Rental income	12.47	9.00
Miscellaneous Income	208.54	97.02
Advances no longer repayable written back	-	500.33
Liabilities no longer required, written back	36.44	84.68
Insurance claims	56.71	42.60
Total Other Income	793.38	1,196.23

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 21a. Cost Materials Consumed

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	3,770.10	3,784.61
Add: Purchases	41,856.56	46,047.99
	45,626.66	49,832.60
Less: Closing stock	3,735.57	3,770.10
Cost of Materials Consumed	41,891.09	46,062.50
Material consumed comprises:		
Latex	3,703.68	4,022.45
Coir	1,321.39	1,880.99
Spring chasis, foam , cloth	956.11	1,237.34
Upholstery	5,405.01	5,443.58
Chemical & Clay	603.22	954.31
Foam Chemicals	20,215.43	23,050.44
Springs and Related Products	2,823.80	2,694.79
Furniture & Sofa	1,858.30	1,904.30
Packing Materials	2,749.80	3,044.18
Others	2,254.35	1,830.12
	41,891.09	46,062.50

Note No. 21b. Purchase of Stock-in-trade

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Poly Fibre Goods	733.96	659.16
Traded Mattresses	9,631.83	11,955.20
Furnishing Textiles & others	552.62	2,365.34
Furniture	136.24	717.92
	11,054.65	15,697.61

Note No. 21c. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade ₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>Inventories at the beginning of the year:</u>		
Finished goods	4246.12	3,343.26
Work-in-progress	1321.21	1,362.73
Stock-in-trade	1873.59	1,274.29
	7,440.92	5,980.28
<u>Inventories at the end of the year:</u>		
Finished goods	4499.66	4,246.12
Work-in-progress	1601.56	1,321.21
Stock-in-trade	1872.26	1,873.59
	7,973.48	7,440.92
Net (increase) / decrease	(532.55)	(1,460.63)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 22. Employee Benefits Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries and wages	7,387.79	6161.07
(b) Contribution to provident and other funds	508.44	304.44
(c) Staff welfare expenses	413.65	426.83
Total	8,309.88	6,892.34

Note No. 23. Finance Cost

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest expense	150.39	328.26
(b) Interest under IND AS 116	460.98	-
(c) Customer Financing Cost	187.52	149.43
(d) Other borrowing cost	142.48	120.64
Total	941.37	598.33

Note No. 24. Depreciation and Amortisation Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation for the year on property, plant and equipment	1,868.41	1,774.28
Amortization for the year on intangible assets	141.08	122.17
Depreciation on ROU Asset	1,320.96	-
Total	3,330.45	1,896.45

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 25. Other Expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Stores and spares consumed	484.21	506.73
Power & Fuel oil consumed	1,285.36	1,291.92
Freight and handling charges	7,269.73	7,021.72
Rent including lease rentals	1,194.57	2,309.76
Repairs and maintenance - Buildings	52.86	80.53
Repairs and maintenance - Machinery	124.52	161.21
Repairs and maintenance - Others	239.58	203.76
Water charges	23.12	21.93
Tailoring & Fabrication	3,739.50	3,808.04
Rates and taxes	237.53	190.20
Expenditure on corporate social responsibility (CSR) (refer note 35)	241.34	194.99
Insurance charges	290.38	254.88
Forex loss (net)	58.78	131.10
Watch and ward Charges	615.63	566.92
Donation Expenses	2.48	5.37
Postage & Telephone	181.66	161.75
Payment to Auditor (Refer note below)	69.97	64.99
Advertisement, Promotion & Selling Expenses	4,007.86	4,682.47
Travelling Expenses	1,224.84	1,071.36
Printing and stationery	88.97	93.94
Legal and professional	2,343.28	1,745.94
Director Sitting Fees	2.99	1.17
Loss on Fixed Assets Sold	36.88	
Deputation of Staff & Reimbursement of Expenses	-	1.09
Bad debts written off	5.08	7.94
Provision for doubtful trade receivables (net)	568.86	145.27
Provision for Warranty	353.91	175.56
Miscellaneous Expenses	505.87	305.26
Total Other Expenses	25,249.78	25,205.80

Note:

₹ in Lakhs

Payment to Auditor	For the year ended March 31, 2020	For the year ended March 31, 2019
As Auditor:		
- For Statutory audit	62.34	60.49
- For Tax audit	4.70	3.00
- For Reimbursement of expenses	2.02	1.45
- Other Expenses	0.91	0.05
	69.97	64.99

* Includes fees of ₹10.00 Lakhs relating to earlier year

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 26. Tax Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Current income tax In respect of current year	2,664.04	2,765.13
b) Deferred tax In respect of current year	(632.31)	2,148.37
	2,031.73	4,913.50

Note No. 27. Earnings per share has been computed as under:

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Earnings per share		
Profit after Tax (₹ in Lakhs)	7,558.68	6,729.11
Weighted average number of Equity shares outstanding - Basic (Nos. in Lakhs) (Refer note below)	363.82	363.82
Weighted average number of Equity shares outstanding - Diluted (Nos. in Lakhs) (Refer note below)	372.31	372.31
Earnings per share – Basic (₹)	20.78	18.50
Earnings per share – Diluted (₹)	20.30	18.07
Face Value of Equity Shares (₹)	5/-	5/-

Note:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of equity shares for Basic EPS (Nos. in Lakhs)	363.82	363.82
Add: Effect of Share Suspense account (Refer Note 1B) which are dilutive (Nos. in Lakhs)	8.49	8.49
Weighted average number of equity shares for Diluted EPS (Nos. in Lakhs)	372.31	372.31

Note No. 29. Leases

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach and accordingly, the comparative information has not been restated.

The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Group has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than ₹ NA in value)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.

The Group has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

The Group has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.25% for measuring the lease liability

The Group's leases have remaining lease terms of 0 to 12 years, some of which include options to extend the lease or terminate the lease.

Amounts recognized in profit and loss were as follows

₹ in Lakhs

Particulars	For the year ended March 31, 2020
Depreciation Expenditure (Amount In INR)	1,320.96
Finance Cost on Lease Liabilities (Amount In INR)	460.97
Impact on the statement of profit and loss for the year ended March 31, 2020	1,781.93

As a lessor

"The company has sublet certain office premises on a cancellable basis which are further renewable at the option of the Company. The total lease income in respect of such leases recognized in the statement of profit and loss for the period is ₹12.47 lakhs. (March-19 ₹9.00) Lakhs.

The company does not have any non-cancellable leases as at March 31, 2021, hence the disclosure of the non-cancellable leases is not provided."

Note No. 30. Contingent Liabilities

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Claims against the Company not acknowledged as debt		
i. Disputed demands under appeal not provided - Sales Tax matter*	716.94	171.18
Total	716.94	171.18

* These cases are pending at various forums in the respective departments. Outflows, if any, arising out of these claims would depend upon the outcome of the decision of the appellate authorities and the Company's right for the future appeals before the judiciary. No reimbursements are expected.

ii. The Company has received a demand on 09 December 2014 for ₹2212.12 lakhs, against which ₹771.94 Lakhs (PY ₹771.94 Lakhs) has been paid under protest, and Personal Penalty of ₹200.00 lakhs on Mr.T Sudhakar Pai, Mr. Khushroo F Engineer and Mr. M S Kamath from the Commissioner of Central Excise Bangalore vide order No. Original 21/2014-15 dated 05.12.2014, towards differential excise duty liability on the clearance of Coir Mattresses from Yeshwanthpur unit Bangalore for the period March 2011 to March 2013. The Company has filed an appeal against the demand with Appellate Tribunal Bangalore. The Company believes that there may not be any probable outflow in this regard.

Note No. 31. Commitments

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Capital commitments (net of Advances)	71.00	78.41
Total	71.00	78.41

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 32. Segment Reporting

Operating Segment:

- a) The Group is predominantly engaged in the business of manufacture, purchase and sale of coir, foam and related products ('Coir and Foam'). Considering the manner of review by the CODM in respect of i) Resources to be allocated to the segment and ii) Segment financial performance, 'Coir and Foam' has been identified as the single operating segment. Although the Company during the year has acquired stake of 69% each in 3 entities which are engaged in the generation and distribution of Solar Power, separate segment information has not been disclosed, as more than 97% of the revenues is from 'Coir and Foam'.
- b) The revenue from major products and services of the Group are as in Note 19(i) to the financial statements.
- c) **Geographical segment information:** Separate geographical segment information has not been disclosed as more than 99% of the Revenue is in the domestic market.

Note No. 33. Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 and March 31, 2019 has been made in the financial statements based on information received and available with the Group.

₹ in Lakhs

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
(i) The principal amount remaining unpaid to any supplier at the end of each accounting year;	547.32	546.16
(ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	39.64	0.99
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 34. Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, need to spend at least 2% of average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environments sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per requirement of the companies act, 2013.

₹ in Lakhs

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Gross Amount required to be spent by the company as per Section 135 of the act	238.43	183.61
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) on purpose other than (i) above	241.34	194.99

Note No. 36. Related party disclosures

(a) List of Related Parties and Relationships

Relationship	Related Parties
Holding Company	Kurlon Limited
Enterprises owned or significantly influenced by key management personnel /Directors and their relatives*	Maha Rashtra Apex Corporation Limited
	Jayamahal Trade and Investments Private Limited
	Manipal Advertising Services Private Limited
	Metropolis Builders Pvt Ltd
	JaiBharat Mills Private Limited
Key Management Personnel and their relatives	Manipal Travels Pvt Ltd
	Mr.T. Sudhakar Pai, Managing Director
	Ms. Jaya S Pai, Director
	Mr. S Ananthanarayanan, Director
	Dr. Nitin G Khot, Director
	Mr.Monu Kumar, Company Secretary
Mr. Shambhu Kumar Bhotika, Chief Financial Officer (Upto 31.07.2019)	
	Mr. Ritesh Shroff, Chief Financial Officer (wef 01.08.2019)

* with transactions during the year

(b) Related Party transactions

₹ in Lakhs

Particulars	Key Management personnel and their Relatives		Ultimate Holding Company		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Transactions during the year:								
Remuneration :								
T. Sudhakar Pai	405.83	484.43	-	-	-	-	405.83	484.43
Shambhu Kumar Bhotika	9.09	25.08	-	-	-	-	9.09	25.08
Ritesh Shroff	37.60	-	-	-	-	-	37.60	-
Monu Kumar	6.54	5.58	-	-	-	-	6.54	5.58

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Key Management personnel and their Relatives		Ultimate Holding Company		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Transactions during the year:								
Sitting Fee paid:								
Dr. Nitin G Khot	0.92	0.46	-	-	-	-	0.92	0.46
Mr. S Ananthanarayanan	1.18	0.47	-	-	-	-	1.18	0.47
Mrs. Jaya S Pai	0.89	0.45	-	-	-	-	0.89	0.45
Rent Paid :								
Jayamahal Trade & Investments Pvt. Ltd	-	-	-	-	24.65	18.96	24.65	18.96
Kurlon Limited	-	-	18.00	18.00	-	-	18.00	18.00
Maharashtra Apex Corporation Ltd	-	-	-	-	5.40	7.80	5.40	7.80
Metropolis Builders Pvt Ltd	-	-	-	-	25.42	23.85	25.42	23.85
Jai Bharath Mills Private Limited	-	-	-	-	6.00	6.00	6.00	6.00
Deposits given								
Jayamahal Trade & Investments Pvt Ltd	-	-	-	-	9.00	-	-	-
Professional and Other Charges:								
Kurlon Limited	-	-	596.44	1,802.48	-	-	596.44	1,802.48
Other Income								
Maharashtra Apex Corporation Ltd	-	-	-	-	4.75	29.26	4.75	29.26
Kurlon Limited	-	-	0.86	-	-	-	0.86	-
Others-Repairs & Maintenance								
Manipal Advertising Pvt Ltd	-	-	-	-	-	6.30	-	6.30
Dividend Paid:								
Kurlon Limited	-	-	928.40	567.98	-	-	928.40	567.98
Advertisement Expenses								
Manipal Advertising Services (P) Ltd	-	-	-	-	1,497.33	1,577.57	1,497.33	1,577.57
Travelling Expenses								
Manipal Travels Private Ltd	-	-	-	-	141.59	168.75	141.59	168.75
Interest Paid on Unsecured Loan :								
Jaya S Pai	65.37	70.33	-	-	-	-	65.37	70.33
Sales								
Kurlon Limited	-	-	2,730.01	2,930.29	-	-	2,730.01	2,930.29
Purchases								
Kurlon Limited	-	-	11,928.56	13,404.65	-	-	11,928.56	13,404.65
Repayment of Loan								
Jaya S Pai	20.00	428.88	-	-	-	-	20.00	428.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Key Management personnel and their Relatives		Ultimate Holding Company		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Transactions during the year:								
Outstanding as at Year end								
Amounts recoverable :								
Maharashtra Apex Corporation Ltd	-	-	-	-	1,222.76	1,222.76	1,222.76	1,222.76
Jayamahar Trade & Investments Pvt Ltd	-	-	-	-	-	7.29	-	7.29
Kurlon Limited	-	-	4,758.22	4,632.89	-	-	4,758.22	4,632.89
Manipal Advertising Services (P) Ltd	-	-	-	-	348.32	427.82	348.32	427.82
Amounts Payable :								
Jayamahar Trade & Investments Pvt Ltd	-	-	-	-	1.88	-	1.88	-
Metropolis Builders Pvt Ltd	-	-	-	-	2.32	2.38	2.32	2.38
Jai Bharath Mills Private Limited	-	-	-	-	12.90	7.50	12.90	7.50
Manipal Travels Private Ltd	-	-	-	-	3.71	0.02	3.71	0.02
Maharashtra Apex Corporation Ltd	-	-	-	-	0.81	0.91	0.81	0.91
Unsecured Loans payable :								
Jaya S Pai	676.30	696.00	-	-	-	-	676.30	696.00
Rent Deposit :								
Maharashtra Apex Corporation Ltd	-	-	-	-	15.00	15.00	15.00	15.00
Metropolis Builders Pvt Ltd	-	-	-	-	30.00	30.00	30.00	30.00
Jayamahar Trade & Investments Pvt Ltd	-	-	-	-	9.00	-	9.00	-
Jai Bharath Mills Private Limited	-	-	-	-	30.00	30.00	30.00	30.00

Note No. 37. Financial Instruments

A) Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total equity attributable to the equity shareholders of the company	46,608.38	40,453.97	32,966.00
As a percentage of total capital	95%	95%	93%
Current borrowings	2,389.01	2,238.05	2,417.25
Non-current borrowings	-	-	-
Total borrowings	2,389.01	2,238.05	2,417.25
As a percentage of total capital	5%	5%	7%
Total Capital	48,997.39	42,692.02	35,383.25

The Group is predominantly equity financed which is evident from the capital structure table. Further, the Group has always been a net cash Group with cash and bank balances along with investments in liquid securities/liquid mutual funds being in excess of debt.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

B) Categories of financial instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

₹ in Lakhs

Particulars	Carrying amount			Fair value		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial assets						
a) Measured at fair value through Profit and Loss						
Current assets						
- Investments	9,475.60	1,226.71	1,889.53	9,475.60	1,226.71	1,889.53
b) Measured at Amortised Cost						
Non-current assets						
- Investments	0.00	-	-	0.00	-	-
- Loans	1,204.98	1,152.63	850.82	1,204.98	1,152.63	850.82
- Other Financial Assets	278.68	-	6.03	278.68	-	6.03
- Trade Receivables		1.50			1.50	
Current assets						
- Investments	2,000.00	2,500.00	-	2,000.00	2,500.00	-
- Trade receivables	6,705.36	11,961.18	12,819.81	6,705.36	11,961.18	12,819.81
- Cash and cash equivalents	1,289.53	2,933.23	4,173.26	1,289.53	2,933.23	4,173.26
- Other Bank Balances	141.29	132.65	210.29	141.29	132.65	210.29
- Other Financial Assets	36.18	56.97		36.18	56.97	
Total	21,131.62	19,964.87	19,949.74	21,131.62	19,964.87	19,949.74
Financial Liabilities						
a) Measured at fair value through Profit and Loss						
Non Current liabilities						
- Lease Liabilities	4,533.28	-	-	4,533.28	-	-
Current liabilities						
- Lease Liabilities	662.62	-	-	662.62	-	-
b) Measured at Amortised Cost						
- Other Financials liabilities	5,802.27	6,093.63	5,693.16	5,802.27	6,093.63	5,693.16
Current liabilities						
- Borrowings	2,389.01	2,238.05	2,417.25	2,389.01	2,238.05	2,417.25
- Lease Liabilities		-			-	
- Trade payables	11,948.34	12,911.27	14,850.98	11,948.34	12,911.27	14,850.98
- Other financial liabilities	68.87	49.45	53.82	68.87	49.45	53.82
Total	25,404.39	21,292.40	23,015.21	25,404.39	21,292.40	23,015.21

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 comprise of borrowings, deposits, trade and other payables, investments, loans, trade and other receivables, cash and cash equivalents and other bank balances at carrying value because their carrying 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 FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

C) Financial Risk Management

The Group's principal financial liabilities, comprise of borrowings, deposits, trade and other payables.

The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The 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's policies and 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. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2020. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020.
- 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). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity: The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Group that have not been hedged by a derivative instrument or otherwise are as under:

₹ in Lakhs

Foreign Currency (FC)	Currency Symbol	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
		FC	INR	FC	INR	FC	INR
Liabilities							
Trade Payables							
United States Dollar	\$	4,05,756.90	304.07	7,26,996.76	339.58	17,69,401.59	1,169.71
Euro	€	3,000.00	1.49	6,136.00	4.15	1,848.00	1.50
CHF	CHF	5,555.56	4.37				
Buyer's Credit	\$					5,74,205.00	363.49
Assets							
Advance to Vendor							
United States Dollar	\$	81,573.79	59.70	1,47,222.61	102.98	6,47,448.76	419.43
Euro	€	26,415.60	20.62	51,702.96	41.75	18,339.00	14.71
Trade Receivables-United States Dollar	\$	34,911.54	24.39				
Net Liability (in INR)			205.21		199.00		1,100.56

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Sensitivity

₹ in Lakhs

Particulars	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity
	31-Mar-20	31-Mar-19	01-Apr-18	31-Mar-20	31-Mar-19	01-Apr-18
5% Increase in all the foreign currencies	(10.26)	(18.67)	(36.85)	(7.68)	(12.15)	(24.10)
5% Decrease in all the foreign currencies	10.26	18.67	36.85	7.68	12.15	24.10

- ii) Interest Rate Risk:** Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's financial liabilities comprises of loans and advances from related parties and security deposits; however these are not exposed to risk of fluctuation in market interest rates as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Interest rate risk management: Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. Debt issued at fixed rate exposes the Group to fair value risk. At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Fixed-rate instruments			
<i>Financial assets</i>			
Balance with banks held in deposit account	884.92	1,120.76	220.50
<i>Financial liabilities</i>			
Borrowings from other parties	495.82	496.00	
Variable-rate instruments			
<i>Financial liabilities</i>			
Borrowings from bank & other parties	1,216.90	1,046.05	1,292.36
Borrowings from related parties	676.30	696.00	1,124.89

Interest rate sensitivity analysis: Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others and Secured Short term loans from banks. The impact of a 1% change in interest rates on the profit will be ₹0.24 Lakhs (Previous year: ₹0.34 Lakhs) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

- (b) Credit Risk:** Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

- i) Trade Receivables:** Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Group regularly monitors its outstanding customer receivables.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

- ii) Financial instruments and cash & bank deposits:** Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits, bonds 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, 2020 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-current assets			
- Investments	0.00	-	-
- Loans	1,204.98	1,152.63	850.82
- Other Financial Assets	278.68	-	6.03
- Trade Receivables	-	1.50	-
Current assets			
- Investments	11,475.60	3,726.71	1,889.53
- Trade receivables	6,705.36	11,961.18	12,819.81
- Cash and cash equivalents	1,289.53	2,933.23	4,173.26
- Other Bank Balances	141.29	132.65	210.29
- Other Financial Assets	36.18	56.97	-
Total	21,131.62	19,964.87	19,949.74

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Not Due			
Due from 0 to 180 days	6,453.49	10,493.47	12,014.85
Due for more than 180 days	1,248.94	2,156.59	1,348.63
Less: Loss Allowance	(997.08)	(688.89)	(543.67)
Total	6,705.35	11,961.17	12,819.81

- (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 FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Maturity profile of financial liabilities: The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

₹ in Lakhs

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at March 31, 2020			
Borrowings	2,389.01	2,389.01	-
Lease Liabilities	5,195.90	662.62	4,533.28
Trade payables	11,948.34	11,948.34	-
Other non-current financial liabilities	5,802.27	-	5,802.27
Other current financial liabilities	68.87	68.87	-
Total	25,404.39	15,068.84	10,335.55
Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at March 31, 2019			
Borrowings	2,238.05	2,238.05	-
Trade payables	12,911.27	12,911.27	-
Other non-current financial liabilities	6,093.63	-	6,093.63
Other current financial liabilities	49.45	49.45	-
Total	21,292.40	15,198.77	6,093.63
As at April 1, 2018			
Borrowings	2,417.24	2,417.24	-
Trade payables	14,850.98	14,850.98	-
Other non-current financial liabilities	5,693.16	-	5,693.16
Other current financial liabilities	53.82	53.82	-
Total	23,015.20	17,322.04	5,693.16

D) 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Disclosures of fair value measurement hierarchy for financial instruments are given below:

₹ in Lakhs

Particulars	Carrying amount/Fair value								
	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
Financial assets									
Carrying amounts/fair value:									
a) Measured at fair value through Profit and loss/ Other Comprehensive income									
Current assets									
- Investments	9,475.60	-	-	1,226.71	-	-	1,889.53	-	-
b) Measured at Amortised Cost									
Non Current Assets									
- Investments	-	-	-	-	-	-	-	-	-
- Loans	-	-	1,204.98	-	-	1,152.63	-	-	850.82
- Other Financial Assets	-	-	278.68	-	-	-	-	-	6.03
- Trade Receivables	-	-	-	-	-	1.50	-	-	-
Current assets									
- Investments	-	-	2,000.00	-	-	2,500.00	-	-	-
- Trade receivables	-	-	6,705.36	-	-	11,961.18	-	-	12,819.81
- Cash and cash equivalents	-	-	1,430.82	-	-	3,065.89	-	-	4,383.55
- Other Financial Assets	-	-	36.18	-	-	56.97	-	-	-
Total	9,475.60	-	11,656.02	1,226.71	-	18,738.17	1,889.53	-	18,060.21
Financial liabilities									
Carrying amounts/fair value:									
a) Measured at amortised cost									
Non Current liabilities									
- Lease Liabilities	-	-	4,533.28	-	-	-	-	-	-
- Other Financials liabilities	-	-	5,802.27	-	-	6,093.63	-	-	5,693.16
Current liabilities									
- Borrowings	-	-	2,389.01	-	-	2,238.05	-	-	2,417.24
- Lease Liabilities	-	-	662.62	-	-	-	-	-	-
- Trade payables	-	-	11,948.34	-	-	12,911.27	-	-	14,850.98
- Other current financial liabilities	-	-	68.87	-	-	49.45	-	-	53.82
Total	-	-	25,404.40	-	-	21,292.40	-	-	23,015.20

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):

The management assessed that the carrying value of loans to employees and security deposits approximates the fair value in both of the years presented. The carrying amounts of other financial assets and financial liabilities (except borrowings) are considered to be the same as their fair values due to their short-term nature.

The below table summarises the borrowings which are measured at amortised cost and for which fair values are disclosed, with corresponding carrying values:”

₹ in Lakhs

Particulars	31-Mar-20		31-Mar-19		01-Apr-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:						
Borrowings	2,389.01	2,389.01	2,238.05	2,238.05	2,417.24	2,417.24

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 38. Employee Benefits

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

Leave Encashment : Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 180 days which is payable/ encashable as per the policy on their separation.

(b) **Defined Contribution plan**: Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹320.62 lakhs (Previous Year: ₹283.61 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

₹ in Lakhs

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Employer's contribution towards Provident Fund (PF)	282.33	214.04
Employer's contribution towards ESIC	38.29	69.56
Employer's contribution to Superannuation Fund	1.63	39.43

(c) **Other disclosures of Defined Benefit plans as required under Ind AS-19 are as under**

(i) **Reconciliation of the opening and closing balances of Defined Benefit Obligation:**

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present Value of Defined Benefit Obligation at the beginning of year	490.79	375.61	544.76	746.00
Interest cost	31.51	28.21	33.17	54.26
Current Service Cost	62.45	56.81	139.89	86.35
Past Service Cost	-	-	-	-
Benefit Paid	(13.05)	(23.50)	(68.99)	(91.70)
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	9.38	(2.94)	18.37	-
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	14.52	(6.64)	24.40	(9.07)
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	(18.22)	63.24	192.99	(241.08)
Present value of the Defined Benefit Obligation at the end of year	577.39	490.78	884.59	544.76

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
(ii) Net Defined Benefit recognized in the Statement of Profit and Loss.

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Current Service Cost	62.45	56.81	139.89	85.39
Past Service Cost	-	-	-	-
Interest cost	31.51	28.21	33.17	54.26
Interest income on plan asset	(37.80)	(29.68)	(57.43)	(57.17)
Net Defined Benefit recognized in Statement of Profit and Loss	56.16	55.33	115.63	82.48

(iii) Net asset / (liability) recognized in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of Defined Benefit obligation at the end of the year	577.39	490.79	884.59	544.76
Fair value of plan assets	662.61	499.58	951.12	848.13
Net Defined Benefit recognized in the Balance Sheet	85.21	8.79	66.53	303.37

(iv) Recognized in Other Comprehensive Income.

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	9.38	(2.94)	18.37	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	14.52	(6.64)	24.40	(9.07)
Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments	(18.22)	63.24	192.99	(241.08)
Return on Plan Assets (Greater)/ Less than Discount rate	39.96	-	25.14	-
Net actuarial Loss	45.64	53.66	260.90	(250.15)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(v) Sensitivity Analysis*

a) Impact of the change in the discount rate

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit Obligation at the end of year	577.39	490.79	884.59	544.76
a) Impact due to increase of 0.50%	534.83	470.41	813.45	698.57
b) Impact due to decrease of 0.50%	626.36	512.36	967.93	774.08

b) Impact of the change in the salary increase

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit Obligation at the end of year	577.39	490.79	884.59	544.76
a) Impact due to increase of 0.50%	625.50	512.45	963.59	772.18
b) Impact due to decrease of 0.50%	534.93	470.16	816.16	700.03

*Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(vi) Maturity Profile

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
0 to 1 year	32.55	40.40	133.68	74.44
1 to 2 Year	51.38	28.39	80.80	34.14
2 to 3 Year	38.17	31.91	67.57	29.78
3 to 4 Year	39.56	35.02	64.60	35.13
4 to 5 Year	42.29	38.30	55.74	29.01
5 to 6 Year	43.89	34.99	56.71	31.32
6 Year onwards	329.55	123.61	425.49	280.50

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
(vii) Expected contribution for the next Annual reporting period

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Service Cost	62.45	56.81	139.89	86.35
Net Interest Cost	(6.29)	(1.47)	(24.26)	(2.91)
Expected Expense for the next annual reporting period	32.55	39.15	133.68	74.44

(viii) Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Method used	Projected unit credit method	Projected unit credit method	Projected unit credit method	Projected unit credit method
Discount rate	6.50%	7.75%	6.50%	7.75%
Salary Escalation	5.00%	6.00%	5.00%	6.00%
Mortality Rate	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)
Withdrawal rate up to 30/44 and above 44 years	10%	5%	10%	5%
Rate of return on plan assets	6.50%	7.75%	6.50%	7.75%

39. From April 1, 2019 onwards, the Group has opted to pay income taxes under the concessional tax regime as prescribed under Section 115BAA of the Income Tax Act, 1961. Accordingly, Current tax Liability for the year ended March 31, 2020 has been determined and recognized at the concessional rate. The impact arising from restating the deferred tax balances at the reduced rate has been recognised during the year..
40. Previous year figures have been regrouped / reclassified, wherever necessary, to confirm to the current year groupings / classifications.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

 Place : Bengaluru
 Date : 19.08.2020

T. Sudhakar Pai
 Chairman & Managing Director
 DIN-00043298

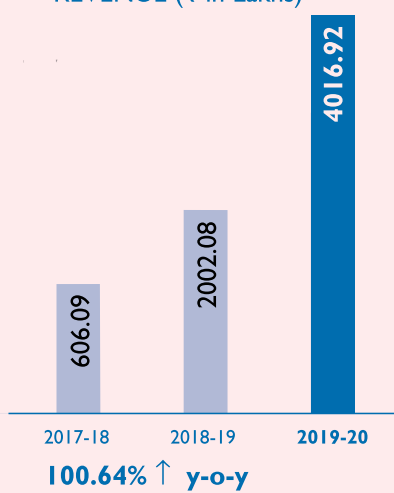
Dr. N G Khot
 Director
 DIN-00030613

Ritesh Shroff
 Chief Financial Officer

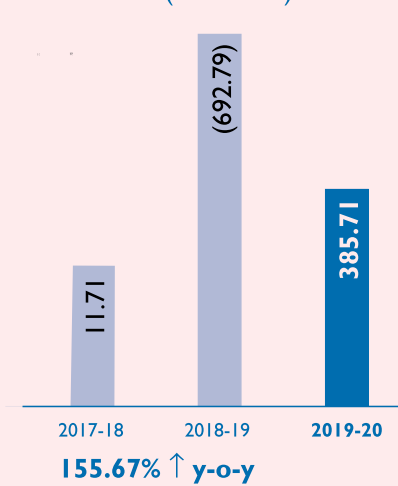
Monu Kumar
 Company Secretary

PERFORMANCE HIGHLIGHTS-KURLON RETAIL LIMITED (STANDALONE)

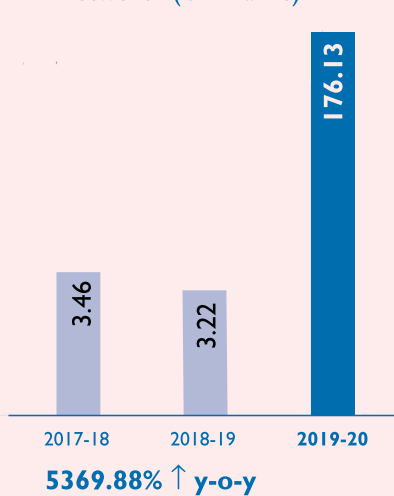
REVENUE (₹ in Lakhs)



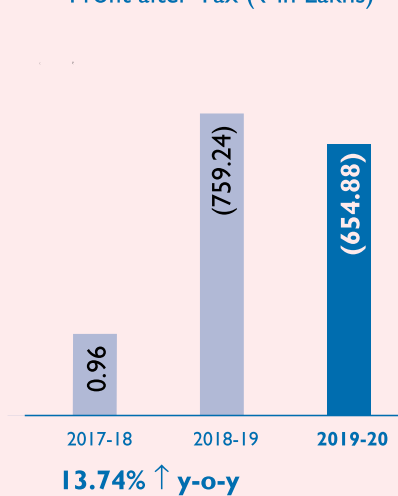
EBIDTA (₹ in Lakhs)



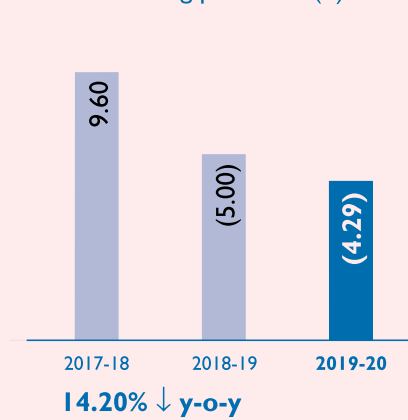
Networth (₹ in Lakhs)



Profit after Tax (₹ in Lakhs)



Earning per Share (₹)



Note:
figures of the previous year have been regrouped/reclassified whenever necessary to confirm to the current year groupings/classifications

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their 8th Annual Report on the business and operations of the Company and the accounts for the FY ended March 31, 2020.

1. Financial highlights

The Financial Performance of your Company for the year ended March 31, 2020 along with previous year's figures is given hereunder;

₹ in Lakhs

Particulars	2019-2020	2018-2019
Revenue from operations	4016.92	2002.08
Profit Before Financial charges, tax and Depreciation	385.71	(692.79)
Less: Finance Charges	334.33	17.75
Profit before Depreciation/Amortization	51.38	(710.54)
Less: Depreciation	705.71	40.83
Net Profit Before Taxation (PBT)	(654.33)	(751.37)
Add/Less: Income Tax/Earlier year's tax	-	-
Add/Less: Deferred tax	0.55	7.87
Profit after Taxation (PAT)	(654.88)	(759.24)
Provision for Proposed Dividend	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	(654.88)	(759.24)
Earnings per share (EPS).	(4.29)	(5.00)

* Previous year figures have been regrouped / reclassified, wherever necessary, to confirm to the current year groupings classifications.

2. State of Company's Affairs

Your Company is engaged in the retail business of home comforts products. During the Current year, Net revenue from operations of the Company, on standalone basis, increased from ₹**2002.08 Lakhs** to ₹**4016.92 Lakhs** registering a **growth of 100.64%** over the last year despite of impact of COVID-19 during February/March'20 and the subsequent lockdown during the last week of March'20. Its net loss after tax for the year is ₹**654.88 Lakhs** as compared to ₹**759.24 lakhs** previous year.

3. Covid-19

It is quite unfortunate and sad that Corona Virus has caused significant health concerns across the Globe and resulted in multiple deaths. Social distancing being the only and the first compulsory remedy, entire World was forced to observe Lockdown. Thanks to early initiatives taken, India declared Lockdown from 24th March 2020 and is on. Your Company complied with the directions of the Government of India, the Government of Karnataka and the relevant authorities and strictly adhered to the Lockdown in its facilities and at all Offices. The employees, vendors, customers and outsourcing agencies had to suspend their operations almost fully. Considering the reduced volume business, Work from Home concept was adopted during the Lockdown as per the Guidance of the Governments. However, this does not affect the going concern status of the Company.

4. Dividend

The Board of directors of the Company has decided not to recommend dividend during the year.

5. Transfer to Reserves

During the year under review, the Company has not transferred any amount to its general reserve.

6. Change in the nature of business ;

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

7. Material changes and Commitments effecting the financial position of the Company.

There have been No material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report except.

As a result of COVID - 19 pandemic and the nationwide lockdown, all operations remained suspended till mid May 2020. Subsequently, the operations recommenced in accordance with the guidelines laid down by the government.

8. Disclosure relating to remuneration of Directors, Key Managerial Personnel and Particulars of Employees:

There are no Directors/Employees who were in receipt of the remuneration as prescribed under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration) of Managerial Personnel Rules, 2014 during the year under review and hence annexure required under the said Section is not attached.

9. Indian Accounting Standards

Financial statements of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS")

10. Changes in Share capital

The total share capital of the Company has been increased from ₹7,60,00,000/- to 7,63,33,330/- during the year under review pursuant to an allotment of 66666 equity shares at ₹1500/- (Rupees One Thousand Five Hundred Only) inclusive Premium of ₹1495/- (Rupees One Thousand Four Hundred Ninety Five Only) through Right Basis to its Holding Company Viz. M/s Kurlon Enterprise Limited.

Buy-back of Securities

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

Issue of sweat equity shares;

During the year under review, the Company has neither issued any sweat equity shares nor equity shares with differential voting rights.

Bonus Shares

No Bonus Shares were issued during the year under review.

Employee stock option scheme.

The Company has not provided any Stock option to its employees.

11. Directors and Key Managerial Personnel

During the year under review, there is no change in the composition of the Board of the Company.

Mr.T Sudhakar Pai (DIN:00043298) was reappointed as Non-Executive Director of the Company at 7th Annual General Meeting of the Company held on September 27, 2019.

In accordance with the provisions of the Act, Mr. Narendra Kudva (DIN: 00043298), Director of the Company, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. The Board of Directors of the Company considering the vast experience, knowledge and the possession of relevant expertise is of opinion that continued association of Mr. Narendra Kudva would be of immense benefit to the Company as a whole and hence recommended his reappointment as Non-Executive Director of the Company.

During the year, Ms. Hetal Rajeshwar Thaker resigned from the post of Company Secretary of the Company w.e.f. March 7, 2020.

12. Board Meetings

During the year, 7 (Seven) Board Meetings were convened and held as on 17.05.2019, 10.07.2019, 19.07.2019, 19.10.2019, 12.11.2019, 21.01.2020 and 12.03.2020 respectively. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

13. Details of Subsidiary/Joint Ventures/Associate Companies

The Company does not have any Subsidiary/Joint Ventures/Associate Companies.

14. Directors' Responsibility Statement

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

- a. that in the preparation of the annual accounts for the Financial Year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the State of Affairs as at March 31, 2020 and of the Profit of your Company for the Financial Year ended March 31, 2020;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts for the Financial Year ended March 31, 2020 have been prepared on a going concern basis;
- e. They have laid down internal Financial Controls, which are adequate and are operating effectively.
- f. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

15. Environment & Safety

Since inception the Company has striven to embed environmental considerations in business decisions & continuous focus on its approach by its Environmental Management System which is a structured and systematic process for achieving continuous improvement in environmental performance & provide an effective Environment to organizations deriving the benefits of the environmental positioning and public goodwill.

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

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

- ✓ Set up well equipped hygiene stores
- ✓ Proper management of packaging, waste & solid waste.
- ✓ Regular compliance of environmental Rules & Regulation as applicable.
- ✓ Maintain open channels of communication with customers, employees, government agencies, public officials, the media and the public to meet their information needs in regard to energy, environment and sustainability issues.

The Company is also committed to ensure the safety of all its employees. The Company is committed to strong emphasis on improving health and safety parameters, reducing risks through people engagement, capability building, and its strengthening health and safety management systems and processes.

16. Auditors and Auditors' report

Statutory Auditors

Messrs Vasudev Pai & Co., Chartered Accountants (FRN: 004560S) were appointed as Statutory Auditors of the Company for a term of 5 years, to hold office from the conclusion of 7th Annual General Meeting held on September 27, 2019 until the conclusion of 12th Annual General Meeting.

After enactment of the Companies (Amendment) Act, 2017, the provisions with respect to the annual ratification of the auditors have been omitted from the Companies (Audit and Auditors) Rules 2014.

The Auditor's Report does not contain any qualifications, reservations or adverse remarks. Notes to Accounts are self – explanatory in nature and do not call for any further comments.

Disclosure about Cost Records;

The provision of maintenance of cost records is not applicable to the Company.

Secretarial Auditor;

Your Company does not fall within the preview of provisions of Section 204 of the Companies Act, 2013, hence it is not required to appoint Secretarial Auditor during the year under review.

17. Transfer to Investor Education and Protection Fund (IEPF)

The Company has neither declared any dividend nor have any funds which lie in unpaid or unclaimed dividend accounts for a period of seven years. Therefore, the requirement of transfer of shares and dividend pursuant to IEPF Rules is not applicable to the Company.

18. Audit Committee

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (meetings of Board and its Powers) Rules, 2013 is not applicable to the Company. Hence your Company is not required to formulate/ constitute any Audit Committee of the Board.

19. Nomination and Remuneration Committee (“NRC”)

The Company does not fall within the preview of section 178 hence it's not required to constitute any NRC of the Board.

20. Stakeholders Relationship Committee;

The provisions w r t to formulation and constitution of Stakeholders Relationship Committee is not applicable to the Company.

21. Loans, Guarantees and investments

There were no loan, guarantees or Investments made by the Company under the provisions of Section 186 of the Companies Act, 2013 during the year under review and hence said provisions not applicable to the Company.

22. Internal Audit And Control

Your Company does not fall within the preview of section 138 of the Companies Act, 2013.

23. Annual Evaluation of the Performance of the Board and of Individual Directors

The Board of Directors has carried out an annual evaluation of its own performance and individual Directors, pursuant to the provisions of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors based on criteria such as Board structure and composition, Board processes and their effectiveness, degree of effective communication with the stakeholders.

24. Particulars of Contracts or Arrangements with related parties

All related party transactions pursuant to Section 188(1) of the Act that were entered into during the Financial Year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by your Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which might have a potential conflict with the interest of the Company at large.

The information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given elsewhere in this report and the same forms part of this report.

25. Risk Management Policy

The Board of Directors of your Company is of opinion that there are no factors which may threaten the existence of the Company hence your Company does not have any Risk Management Policy.

26. Public Deposits

The Company has neither accepted nor renewed deposits from public during the year under review.

27. Corporate Social Responsibility (CSR)

Provisions of section 135 of the Companies Act are not applicable to the Company.

28. Extract of Annual Return:

The details forming part of the extract of the Annual Return pursuant to Sections 92(2) and 134(3)(a) of the Act and rules made thereof in form MGT 9 is annexed herewith and marked as **Annexure A** forming part of this report.

29. Secretarial Standards

The Company complies with all applicable Secretarial Standards.

30. 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.

31. Fraud Reporting (required by Companies Amendment Bill, 2014):

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

32. Conservation of energy, technology absorption and foreign exchange earnings and outgo

(A) CONSERVATION OF ENERGY	
The steps taken or impact on conservation of energy	NA
The steps taken by the company for utilizing alternate sources of Energy	NA
The capital investment on energy conservation equipment's	NA
(B) TECHNOLOGY ABSORPTION	
The efforts made towards technology absorption	NA
The benefits derived like product improvement, cost reduction, product development or import substitution	NA
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NA
The expenditure incurred on research and development	NA

Foreign Exchange earnings and Outgo;

Details of Foreign currency transactions are as follows:

- The company has not earned any income in Foreign Currency during the year.
- The company has not incurred any expenditure in Foreign Currency.

33. Disclosure under the Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company's premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. Three member Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

No complaints pertaining to sexual harassment was reported during the year.

34. Human Resources

During the year the Company had cordial relations with workers, staff and officers. The Company has taken initiative for safety of employees and implemented regular safety audit. The Company believes in empowering its employees through greater knowledge, team spirit and developing greater sense of responsibility.

35. Acknowledgements

Your Directors acknowledge the dedicated service of the employees of the Company during the year. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, business partners, customers and other stakeholders.

For and on Behalf of the Board
For **KURLON RETAIL LIMITED**

Date: 22.09.2020
Place: Bangalore

Sd/-
(T Sudhakar Pai)
Director
DIN: 00043298

Sd/-
(Narendra Kudva)
Director
DIN: 07459916

Form AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's Length Basis

Details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2020 as follows;

Name of related party	Nature of relationship	Nature of transactions	Duration of contract	Salient terms	Date of Board approval	₹ in Lakhs
Kurlon Enterprise Ltd.	Holding Company	Rental Expense	Ongoing	As per MOU	17.05.2019	113.70
Maha Rashtra Apex Corp. Ltd	Entity significantly influenced by Directors and their relative	Rental Expense	Ongoing	As per MOU	17.05.2019	10.80
Kurlon Ltd.	Ultimate Holding Company	Rental Expense	Ongoing	As per MOU	17.05.2019	54.87
Kurlon Enterprise Ltd.	Holding Company	Advance Received	Ongoing	As per MOU	17.05.2019	979.23
Maha Rashtra Apex Corp. Ltd	Entity significantly influenced by Directors and their relative	Security Deposit	Ongoing	As per MOU	17.05.2019	15.00
Kurlon Enterprise Ltd.	Holding Company	Purchase of Goods	Ongoing	As per MOU	17.05.2019	2033.33

ANNEXURE-“A”**FORM MGT-9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U36104KA2012PLC065664
2.	Registration Date	31/08/2012
3.	Name of the Company	Kurlon Retail Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	N-301, 3rd Floor, North Block, Manipal Centre, 47, Dickenson Road Bangalore – 560042.
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Private Limited Ms. Purva Shah 9, Shiv Shakti Ind. Estt. J.R. Boricha Marg, Lower Parel(E), Mumbai-400011 +91-022-2301-6761/2518 support@purvashare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Retail business	477	99.87

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ associate	% of shares held	Applicable section
1	Kurlon Enterprise Limited	U36101MH2011PLC222657	Holding Company	100.00%	2(46)
2.	Kurlon Limited	U17214KA1962PLC001443	Ultimate Holding Company	100.00%*	2(46)

* held by Kurlon Enterprise Limited in which Kurlon Limited holds 85.06% shares.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As at 31-March-2019]				No. of Shares held at the end of the year [As at 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	1200	1200	0.00%	1200	0	1200*	0.00%	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	15198800	0	15198800	100.00	15265466	0	15265466	100.00%	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(1)	15198800	1200	15200000	100%	15266666	0	15266666	100%	0.00
(2) Foreign									
a). NRI/Foreign individual	0	0	0	0.00	0	0	0	0.00	0.00
b). Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c). Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d). QII	0	0	0	0.00	0	0	0	0.00	0.00
e). any other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of promoters and promoters group (A)=(A)(1)+(A)(2)	15198800	1200	15200000	100%	15266666	0	15266666	100%	0.00
B. Public Shareholding									
I. Institutions									
a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(I):-	0	0	0	0.00	0	0	0	0.00	0.00

2. Non-Institutions

a) Bodies Corp.	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c). Qualified foreign investor	0	0	0	0	0	0	0	0	0
d) Others									
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	15198800	1200	15200000	100%	15266666	0	15266666	100%	0.00

* Holding on behalf of Kurlon Enterprise Limited as Nominee hence shown in promoter's category.

B. Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mrs. Jaya S Pai *	200	0.00%	0	200	0.00%	0	0.00%
2	Mr. S.Ananthanarayanan *	200	0.00%	0	200	0.00%	0	0.00%
3.	Mr.T. Sudhakar Pai *	200	0.00%	0	200	0.00%	0	0.00%
4	Mr. K Krishna Shettigar*	200	0.00%	0	200	0.00%	0	0.00%
5	Mr. N Srinivasa Ulloor*	200	0.00%	0	200	0.00%	0	0.00%
6	Mr. B Gurunatha Rao*	200	0.00%	0	200	0.00%	0	0.00%
7	Kurlon Enterprise Limited	15265466	100.00%	0	15265466	100.00%	0	100.00%

* Holding on behalf of Kurlon Enterprise Limited as nominee.

C. Change in Promoters' Shareholding (please specify, if there is no change)

SL. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	MRS. JAYA S PAI*				
	At the beginning of the year	200	0.00%	200	0.00%
	Add/Less: increased or decreased during the year				Nil
	At the end of the year			200	0.00%
2.	MR.T. SUDHAKAR PAI*				
	At the beginning of the year	200	0.00%	200	0.00%
	Add/Less: increased or decreased during the year				Nil
	At the end of the year			200	0.00%
3.	SRI. S ANANTHANARAYANAN*				
	At the beginning of the year	200	0.00%	200	0.00%
	Add/Less: increased or decreased during the year				Nil
	At the end of the year			200	0.00%
4.	MR. N SRINIVASA ULLOOR*				
	At the beginning of the year	200	0.00%	200	0.00%
	Add/Less: increased or decreased during the year				Nil
	At the end of the year			200	0.00%
5.	MR. K KRISHNA SHETTIGAR*				
	At the beginning of the year	200	0.00%	200	0.00%
	Add/Less: increased or decreased during the year				Nil
	At the end of the year			200	0.00%
6.	MR. B GURUNATHA RAO*				
	At the beginning of the year	200	0.00%	200	0.00%
	Add/Less: increased or decreased during the year				Nil
	At the end of the year			200	0.00%
7.	KURLON ENTERPRISE LIMITED				
	At the beginning of the year	15198800	100.00%	15198800	100.00%
	Add: Allotment as at 31.03.2020				66666
	At the end of the year			15265466	100.00%

* Holding on behalf of Kurlon Enterprise Limited as Nominee.

C. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs): Nil

D. Shareholding of Directors and Key Managerial Personnel;

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
I.	MR.T SUDHAKAR PAI*				
	At the beginning of the year	200	0.00%	200	0.00%
	Add/Less: Change during the year		0.53%		Nil
	At the end of the year			200	0.00%

* Holding on behalf of Kurlon Enterprise Limited as Nominee.

V. INDEBTEDNESS;

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

₹ in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	1242.00	-	1242.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1242.00	-	1242.00
Change in Indebtedness during the financial year				
* Addition	-	979.23	-	979.23
* Reduction	-	-	-	-
Net Change	-	979.23	-	979.23
Indebtedness at the end of the financial year				
i) Principal Amount	-	2221.23	-	2221.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	2221.23	-	2221.23

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: NIL

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES-

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

Date: 22.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Director
DIN: 00043298

Sd/-
(Narendra Kudva)
Director
DIN: 07459916

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF M/S. KURLON RETAIL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. KURLON RETAIL LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that day, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 India Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2016, as amended, (“Ind AS”) and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its **Loss**, total comprehensive income, 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 (SA) specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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.

Information other than the Financial Statements and Auditors’ Report thereon

The Company’s Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board’s Report including Annexures to Board’s Report, but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and Cash Flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in

- planning the scope of our audit work and in evaluating the results of our work; and
- to evaluate the effect of any identified misstatements in the Financial Statements.

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.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143(3) of the Act, we report that:
 - 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;
 - 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;
 - The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with relevant books of account.
 - In our opinion, the aforesaid financial statements comply with the IND AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, the said provision is not applicable to the Company.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Vasudev Pai & Co.,

Chartered Accountant
Firm Registration No. 004560S

T Vasudev Pai

Proprietor
M. No. 020906

Place: Bangalore
Date: 19.08.2020

UDIN: 20020906AAAACH5625

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph I under ‘Report on other legal and regulatory requirements’ section of our report to the members of M/s. KURLON RETAIL LIMITED of even date)

In our Opinion and according to the information and explanations given to us and on the basis of our verification of the records of the Company, we report that

- i. In respect of the Company’s fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

Pursuant to the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - c. The Company does not hold any freehold immovable properties in its name as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under Section 189 of the Act. Accordingly, clause 3(iii) of the order is not applicable.
- iv. During the year, the Company has not granted any loans or provided any guarantees or given any security or made any investments to which the provisions of Section 185 and 186 of the Act. Accordingly, clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits during the year and therefore, the provisions of the clause 3(v) of the Order is not applicable.
- vi. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the activities of the company and accordingly clause 3(vi) of the order is not applicable.
- vii. In respect of statutory dues:
 - a. The amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-Tax, Goods and Service Tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

No undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-Tax, Goods and Service Tax and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
 - b. There are no dues of Income-Tax, Goods and Service Tax and other applicable statutory dues which have not been deposited on account of any dispute.
- viii. The Company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, clause 3(viii) of the Order is not applicable.

- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, clause 3(ix) of the Order is not applicable.
- x. No material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has not paid/ provided the managerial remuneration during the year. Hence, the clause 3(xi) of the Order is not applicable to the Company.
- xii. The Company is not a Nidhi Company and accordingly, clause 3(xii) of the Order is not applicable.
- xiii. The Related Party transactions entered in to by the Company during the year are in ordinary course of business and on an arms length basis and in compliance with provisions of Section 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, the provisions of Section 177 of the Act, are not applicable as the Company is not a listed/ such other class of the company as prescribed by the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.
- xv. The Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For Vasudev Pai & Co.,

Chartered Accountant

Firm Registration No. 004560S

T Vasudev Pai

Proprietor

M. No. 020906

Place: Bangalore

Date: 19.08.2020

UDIN: 20020906AAAACH5625

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(referred to in paragraph 2(f) under ‘Report on other Legal and Regulatory Requirements section of our report to the Members of M/s. KURLON RETAIL LIMITED of even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **M/s. KURLON RETAIL LIMITED** (“the Company”), as of March 31, 2020, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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 over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that –

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and;
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and according to the informations and explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vasudev Pai & Co.,
Chartered Accountant
Firm Registration No. 004560S

T Vasudev Pai
Proprietor
M. No. 020906

Place: Bangalore
Date: 19.08.2020

UDIN: 20020906AAAACH5625

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	2a	944.26	882.46
(b) Right to Use		3,178.76	-
(c) Other Intangible Assets	2b	4.55	7.05
(d) Financial Assets			
(i) Trade Receivables	3	-	1.50
(ii) Others Financial Assets	4	298.31	284.17
(e) Non-Current Tax Assets (Net)	5	2.05	0.77
Total Non - Current Assets		4,427.93	1,175.95
Current Assets			
(a) Inventories	7	893.31	946.04
(b) Financial Assets			
(i) Trade Receivables	3	74.25	16.63
(ii) Others Financial Assets	4	638.95	-
(iii) Cash and Cash Equivalents	8	33.49	55.41
(c) Other Current Assets	6	359.79	369.03
Total Current Assets		1,999.79	1,387.11
Total Assets		6,427.72	2,563.06
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	9	763.33	760.00
(b) Other Equity	10	(587.20)	(756.78)
Total Equity		176.13	3.22
LIABILITIES			
Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	11	10.45	9.90
(b) Other Non-Current Liabilities	12	5,774.32	1,242.00
Total Non - Current Liabilities		5,784.77	1,251.90
Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	13	382.16	1,226.08
(b) Other Current Liabilities	12	84.66	81.86
Total Current Liabilities		466.82	1,307.94
Total Equity and Liabilities		6,427.72	2,563.06

The accompanying notes are an integral part of these Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For VASUDEV PAI & CO.

Chartered Accountant
(Firm Registration No. 004560S)

T. Sudhakar Pai

Director
DIN-00043298

Narendra Kudva

Director
DIN: 07459916

T VASUDEV PAI

Proprietor
Membership No. 020906
UDIN: 20020906AAAACH5625

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

STATEMENT OF STANDALONE PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
INCOME			
Revenue from Operations	14	4,016.92	2,002.08
Other Income	15	4.18	0.79
Total Revenue		4,021.10	2,002.87
EXPENSES			
Purchases of Traded Goods	16.a	2,090.99	2,132.21
Changes in Inventories of Traded Goods	16.b	54.97	(682.62)
Employee Benefit Expense	17	633.91	11.63
Finance Costs	18	334.33	17.75
Depreciation and Amortisation Expense	19	705.71	40.83
Other Expenses	20	855.52	1,234.44
Total Expenses		4,675.43	2,754.24
Profit/(Loss) Before Tax		(654.33)	(751.37)
Tax Expense			
Current Tax		-	-
MAT Credit		-	-
Tax Expense relating to prior years (Net)		-	-
Deferred Tax		0.55	7.87
Total Tax Expense		0.55	7.87
Profit/(Loss) after tax from continuing operations		(654.88)	(759.24)
Discontinued Operations		-	-
(1) Profit/(loss) from discontinued operations		-	-
(2) Tax Expense of discontinued operations		-	-
Profit/(Loss) after tax from discontinued operations		-	-
Profit/(Loss) for the year		(654.88)	(759.24)
Earnings per Equity Share:			
Basic	21	(4.29)	(5.00)
Diluted	21	(4.29)	(5.00)

The accompanying notes are an integral part of these Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

For VASUDEV PAI & CO.

Chartered Accountant
(Firm Registration No. 004560S)

T. Sudhakar Pai

Director
DIN-00043298

Narendra Kudva

Director
DIN: 07459916

T VASUDEV PAI

Proprietor
Membership No. 020906
UDIN: 20020906AAAACH5625

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Cash Flows from Operating Activities			
Profit before tax for the year	PL	(654.33)	(751.37)
Add: Non Cash Expenditure			
IND AS 116 Lease Rent Adj			
-Interest on Lease Liability		309.64	-
-Depreciation on RTU Asset		594.82	-
-Reversal of Rent Payment		(702.33)	-
		(452.20)	(751.37)
Adjustments for:			
Interest Income from Deposit		(3.36)	(0.01)
Depreciation and Amortisation of Non-Current Assets	2	705.71	40.83
-Depreciation on RTU Asset		(594.82)	-
		(344.67)	(710.55)
Movements in Working Capital:			
(Increase)/decrease in Non-Current Tax Assets		(1.29)	(0.18)
(Increase)/decrease in Trade Receivables - Current		(57.62)	(9.14)
(Increase)/decrease in Trade Receivables - Non Current		1.50	-
(Increase)/decrease in Other Non-Current Financial Assets		(14.14)	(234.10)
(Increase)/decrease in Other Current Financial Assets		(638.95)	-
(Increase)/decrease in Inventories		52.73	(575.62)
(Increase)/decrease in Other Current Assets		9.24	(316.08)
Increase/(decrease) in Trade Payables		(843.91)	1,049.41
Increase/(decrease) in Other Non-Current Liabilities		979.24	740.09
Increase/(decrease) in Other Current Liabilities		2.80	66.12
		(510.40)	720.50
Net Cash generated by Operating Activities (A)		(855.07)	9.95
Net cash (used in)/generated by Operating Activities (A)		(855.07)	9.95
Cash flows from Investing Activities			
Interest Received	19.a	3.36	0.01
Purchase of Property, Plant and Equipment		(170.19)	(766.44)
Purchase of Intangible Assets		-	(6.05)
Net cash (used in)/generated by Investing Activities (B)		(166.83)	(772.48)
Cash flows from Financing Activities			
Proceeds from issue of Equity Instruments of the Company		999.99	759.00
Net cash (used in)/generated by Financing Activities (C)		999.99	759.00
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		(21.91)	(3.53)
Cash and Cash Equivalents at the beginning of the year		55.41	58.94
Cash and Cash Equivalents at the end of the year		33.49	55.41

The accompanying notes are an integral part of these Financial Statements
As per our report of even date

For and on behalf of the Board of Directors

For VASUDEV PAI & CO.
Chartered Accountant
(Firm Registration No. 004560S)

T. Sudhakar Pai
Director
DIN-00043298

Narendra Kudva
Director
DIN: 07459916

T VASUDEV PAI
Proprietor
Membership No. 020906
UDIN: 20020906AAAACH5625

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

STATEMENT OF STANDALONE CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020
a. Equity Share Capital
₹ in Lakhs

Particulars	Amount
Balance as at April 1, 2018	1.00
Changes in equity share capital during the year	-
Issue of Bonus Equity Shares	-
Issue during the year	759.00
Conversion (FV from ₹10/- to ₹5/- per Equity Share)	760.00
Balance as at March 31, 2019	760.00
Changes in equity share capital during the year	-
Issue of Bonus Equity Shares	-
Issue during the year	3.33
Balance as at March 31, 2020	763.33

b. Other Equity
₹ in Lakhs

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained earnings	
Balance as at April 1, 2018			
Profit / (Loss) for the year	-	2.46	2.46
Other Comprehensive Income net of tax	-	(759.24)	(759.24)
Balance as at March 31, 2019	-	(756.78)	(756.78)
Securities Premium received during the year	996.66	-	996.66
Retained earnings RTU of previous year	-	(172.20)	(172.20)
Profit / (Loss) for the year	-	(654.88)	(654.88)
Other Comprehensive Income net of tax	-	-	-
Balance as at March 31, 2020	996.66	(1,583.85)	(587.20)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

As per our report of even date

For and on behalf of the Board of Directors

For VASUDEV PAI & CO.

Chartered Accountant
(Firm Registration No. 004560S)

T. Sudhakar Pai

Director
DIN-00043298

Narendra Kudva

Director
DIN: 07459916

T VASUDEV PAI

Proprietor
Membership No. 020906
UDIN: 20020906AAAACH5625

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Significant Accounting Policies

Note	Particulars
1	<p>Corporate Information</p> <p>Kurlon Retail Limited was incorporated in Karnataka on 31.08.2012. The Company is a subsidiary company of Kurlon Enterprise Limited and is engaged in the business of buying, selling, importing, exporting, transporting storing, promoting, marketing supplying, trading and dealing in all type of goods including mattresses, pillow, sofa and furniture on retail as well as wholesale basis in India or elsewhere.</p>
2	<p>Significant Accounting Policies</p>
2.1	<p>Statement of Compliance</p> <p>These standalone financial statements ('the financial statement') have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.</p> <p>During the year the Company has also adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p>
2.2	<p>Basis of Preparation and Presentation</p> <p>These standalone financial statements are prepared in accordance with Indian Accounting Standard 34 (Ind AS 34), under the historical cost convention on the accrual basus except for certain financial instruments which are measured at fair values. Further deferred benefit plans and plan assets are measured at fair value at the end of the each reporting period as explained in the accounting policies below:</p> <p>Historical cost is generally based on the fair value of the consideration given in exchange for goods.</p> <p>Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transactions to sell the asset or transfer the liability takes place either in the principle market for the asset or liability, or in the absence of principle market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability and the assumptions the market participants would consider when pricing the asset or liability at the measurement date, assuming that market participants act in their best economic interest. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minising the use of unobservable inputs. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p>In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:</p> <p>Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;</p> <p>Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and</p> <p>Level 3 inputs are unobservable inputs for the asset or liability.</p>
2.3	<p>Use of Estimates and Judgement</p> <p>In preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS, management of the Company has made estimates, judgements and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities as at the date of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively, judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.</p> <p>Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year in respect of percentage of completion of contracts and recognition of probable loss, useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets/ liabilities, provision for warranty and other provisions and contingent liabilities.</p> <p>Useful lives of Property, Plant and Equipment</p> <p>The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.</p> <p>Provisions and Contingent Liabilities</p> <p>A provision is recognized when the Company has a present obligation arising out of past events and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements but are disclosed appropriately. A contingent asset is neither recognised nor disclosed in the financial statements.</p>
2.4	<p>Revenue Recognition</p> <p>Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when in the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of Govt. Revenue is reduced for estimated customer returns, rebates and other similar allowances.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p>Sale of Goods</p> <p>Revenue from the sale of goods is recognised when (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items.</p> <p>Other Income</p> <p>Interest Income- Interest Income is recognised and accounted on the basis of the effective Interest rate method.</p> <p>Dividend Income- Dividend income is accounted for when the right to receive is established.</p>
2.5	<p>Leases</p> <p>The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.</p> <p>The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.</p> <p>The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.</p>
2.6	<p>Employee Benefits</p> <p>Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences and employee state insurance scheme.</p> <p>Retirement benefit cost and termination benefits</p> <p>Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p> <p>Liabilities for gratuity funded in terms of a scheme administered by the life insurance corporation of India are determined using the projected unit credit method, with actuarial valuations being carried out at each balance</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p>sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:</p> <ul style="list-style-type: none"> - service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); - net interest expense or income; and - Remeasurement <p>The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.</p> <p>The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.</p> <p>A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.</p> <p>Defined Contribution Plan</p> <p>Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.</p> <p>Compensated absences</p> <p>Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized at an actuarially determined liability at the present value of the defined benefit obligation as at the balance sheet date.</p> <p>2.7 Taxation</p> <p>Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.</p> <p>Current tax</p> <p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years (Temporary Differences) and items that are never taxable or deductible (Permanent Differences). The company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p>Deffered Tax</p> <p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p> <p>The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.</p> <p>Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.</p> <p>The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.</p> <p>Deferred tax assets include Minimum Alternate Tax (“MAT”) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.</p>
2.8	<p>Property, Plant and Equipment</p> <p>Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.</p> <p>The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.</p> <p>Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.</p> <p>Lease rentals and premium for lease hold are amortized over the primary lease period.</p> <p>Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.</p> <p>An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
2.9	<p>item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.</p> <p>Intangible Assets</p> <p>Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.</p> <p>Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.</p> <p>The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.</p> <p>An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disposed.</p>
2.10	<p>Impairment</p> <p>Financial assets (other than a fair value)</p> <p>The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.</p> <p>Non-Financial Assets</p> <p>Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.</p>
2.11	<p>Inventory</p> <p>Items of Inventories are valued at the lower of cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost of inventories are determined on a weighted average basis.</p> <p>Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
2.12	<p>Provisions</p> <p>Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.</p> <p>The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).</p> <p>When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.</p>
2.13	<p>Financial Instruments</p> <p>Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.</p> <p>A) Financial Assets</p> <p>Cash and Cash Equivalents</p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p> <p>Financial Assets at Amortized Cost</p> <p>Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p>Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)</p> <p>Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p>Financial Assets at Fair Value Through Profit and Loss (FVTPL)</p> <p>Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant Accounting Policies (Contd.)

Note	Particulars
	<p>B) Financial Liabilities and Equity</p> <p>Financial Liabilities at Amortized Cost</p> <p>Financial liabilities are measured at amortized cost using effective interest method.</p> <p>Equity Instruments</p> <p>An equity instrument is contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.</p>
2.14	<p>Earnings Per Share (EPS)</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.</p> <p>Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p> <p>Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 2 - Property, Plant and Equipments

a. TANGIBLE ASSETS

₹ in Lakhs

	Furnitures & Fixtures	Office Equipments	Vehicles Owned	Computer Owned	Total
Gross Carrying Amount					
Balance as at 31st March 2019	874.02	19.60	5.13	26.66	925.41
Additions	163.58	6.17	-	3.80	173.55
Disposals	-	-	5.13	-	5.13
Balance as at 31st March 2020	1,037.60	25.77	-	30.46	1,093.83
Accumulated Depreciation					
Balance as at 31st March 2019	37.00	2.03	1.31	2.61	42.95
Additions	94.18	4.39	0.46	9.36	108.39
Disposals	-	-	1.77	-	1.77
Balance as at 31st March 2020	131.18	6.42	-	11.97	149.57
Net Carrying Amount					
Balance as at 31st March, 2019	837.02	17.57	3.82	24.05	882.46
Balance as at 31st March, 2020	906.42	19.35	-	18.49	944.26

b. INTANGIBLE ASSETS

₹ in Lakhs

Particulars	Computer Software	Total
Gross Carrying Amount		
Balance as at 31st March 2019	9.15	9.15
Additions	-	-
Disposals	-	-
Balance as at 31st March 2020	9.15	9.15
Accumulated Depreciation		
Balance as at 31st March 2019	2.10	2.10
Additions	2.50	2.50
Disposals	-	-
Balance as at 31st March 2020	4.60	4.60
Net Carrying Amount		
Balance as at 31st March, 2019	7.05	7.05
Balance as at 31st March, 2020	4.55	4.55

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 3 - Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	Non-Current	Current	Non-Current
Trade Receivables outstanding for a period of more than 6 months				
(a) Considered good - Unsecured	1.06	-	0.10	1.50
(b) Which have significant increase in Credit Risk	-	-	-	-
	1.06	-	0.10	1.50
Less: Allowance for Bad and Doubtful Trade Receivables	-	-	-	-
Total-A	1.06	-	0.10	1.50
Other Trade Receivables				
(a) Considered good - Unsecured	73.19	-	16.53	-
Total-B	73.19	-	16.53	-
Total (A + B)	74.25	-	16.63	1.50

Trade receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Company transfers control over the product to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

Note No. 4 - Other Non-Current & Current Financial Assets

₹ in Lakhs

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
(a) Security Deposits						
(i) Related Parties	-	-	-	-	-	-
- Maha Rashtra Apex Corporation Ltd.	-	15.00	15.00	15.00	-	15.00
(ii) Others	-	283.31	283.31	269.17	-	269.17
(b) Other Receivables						
- Kurlon Enterprise Limited	638.95	-	638.95	-	-	-
TOTAL	638.95	298.31	937.26	-	284.17	284.17

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 5 - Non-Current Tax Assets

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Advance Tax & TDS	1.54	0.26
Mat Credit Entitlement	0.51	0.51
Total	2.05	0.77

Note No. 6 - Other Current Assets

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
(a) Capital Advances			
(i) For Interior		-	41.94
(ii) For Software		-	15.00
(b) Advances to Others			
(i) Advances to Employees	5.35		
- Less: Provision for Advance written off	(2.76)	2.59	3.03
(ii) Advances to Others		19.07	-
(iii) Balances with Government Authorities (other than Income Tax)		337.17	308.79
(c) Prepayments			
(i) Prepaid Expenses		0.96	0.27
Total		359.79	369.03

Note No. 7 - Inventories

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Traded Goods	881.16	936.13
Goods in Transit	12.15	9.91
Total Inventories at the lower of cost and net realisable value	893.31	946.04

Note No. 8 - Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Current Cash and Bank Balances		
Unrestricted Balances with Banks	24.02	46.54
Cash in hand	9.47	8.87
Total Cash and Cash Equivalent	33.49	55.41

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
Note No. 9 - Equity Share Capital
₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Value	No. of shares	Value
Authorised:				
Equity shares of ₹5/- each with voting rights	4,00,00,000	2,000.00	4,00,00,000	2,000.00
Issued				
Equity shares of ₹5/- each with voting rights	1,52,66,666	763.33	1,52,00,000	760.00
Subscribed and Fully Paid:				
Equity shares of ₹5/- each with voting rights	1,52,66,666	763.33	1,52,00,000	760.00
Total	1,52,66,666	763.33	1,52,00,000	760.00

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Issues during the year	Closing Balance
(a) Equity Shares with Voting rights Year Ended March 31, 2020			
No. of Shares	1,52,00,000	66,666	1,52,66,666
Amount	7,60,00,000	3,33,330	7,63,33,330

(ii) Terms/ Rights attached to Equity Shares

- i. The company has only one class of equity shares having a par value of ₹5/- (PY: ₹5/-) each per share. Each holder of equity share is entitled to one vote per share.
- ii. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by the Holding Company, the Ultimate Holding Company, their Subsidiaries and Associates:

Particulars	No. of Shares		
	Equity Shares with Voting rights	Equity Shares with Differential Voting rights	% holding in that class of shares
As at March 31, 2020			
Kurlon Enterprise Limited - Holding Company Equity shares of ₹5/- each voting rights	1,52,66,666	-	100%
As at March 31, 2019			
Kurlon Enterprise Limited - Holding Company Equity shares of ₹5/- each voting rights	1,52,00,000	-	100%
	-	-	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of ₹5/- each with voting rights Kurlon Enterprise Limited*	1,52,66,666	100%	1,52,00,000	100%

* 1200 shares are held by individuals as nominee of Holding Company

Note No. 10 - Other Equity

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Securities Premium		
Opening Balances	-	-
Add: Premium received on shares issued during the year	996.66	-
Closing Balance	996.66	-
General Reserve		
Balance at the beginning of the year	-	-
Add: Transfer from the Statement of Profit & Loss	-	-
Less : Utilised during the year for issuing Bonus Shares	-	-
Closing Balance	-	-
Retained Earnings		
Opening Balance	(756.78)	2.46
Retained Earnings on RTU	(172.20)	
Add: Profit / (Loss) for the year	(654.88)	(759.24)
Closing Balance	(1,583.86)	(756.78)
TOTAL	(587.20)	(756.78)

Note No. 11 - Deferred Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liabilities		
Depreciation & Amortisation	10.45	9.90

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 12 - Other Non-Current & Current Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020			As at March 31, 2019		
	Current	Non-Current	Total	Current	Non-Current	Total
Advances received from Related Parties						
- Kurlon Enterprise Limited	-	2,221.23	2,221.23	-	1,242.00	1,242.00
Advances received from Customers for Supplies & Services	48.33	-	48.33	33.78	-	33.78
Rent Deposit Received	0.35	-	0.35	0.35	-	0.35
Statutory dues						
- Statutory Remittance	35.98	-	35.98	47.73	-	47.73
Lease Liabilities		3,553.09	3,553.09			
TOTAL	84.66	5,774.32	5,858.98	81.86	1,242.00	1,323.86

Note No. 13 - Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
a) Dues to Related Parties		
Kurlon Enterprise Limited	157.33	671.72
Kurlon Limited	66.09	56.16
Maha Rashtra Apex Corporation Limited	0.81	0.91
Spring Air Bedding Company India Limited	2.37	-
b) Others - Trade Payable for Goods & Services	155.56	497.29
Total Trade Payables	382.16	1,226.08

Note No. 14 - Revenue from Operations

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
i) Sale of Traded Goods		
a) Mattresses	1,801.46	1,381.64
b) Cushions & Pillows	176.46	83.02
c) Furnitures	280.58	235.07
d) Soft Furnishings & Others	490.58	153.30
	2,749.08	1,853.03
ii) Sales of Services		
Kurlon Enterprise Limited	15.40	-
Others	26.24	-
	2,790.72	1,853.03
Less: Trade Discount	(4.61)	(8.56)
	2,786.11	1,844.47
iii) Other Operating Income		
Kurlon Enterprise Limited	1,180.61	152.71
Others	50.20	4.90
Total Revenue from Operations	4,016.92	2,002.08

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 15 - Other Income

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income		
Interest Others	3.36	0.01
Miscellaneous Income	0.82	0.78
Total Other Income	4.18	0.79

Note No. 16. a. Purchase of Traded Goods

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of Traded Goods		
a) Mattresses	1,312.58	1,084.63
b) Cushions & Pillows	206.35	126.56
c) Furnitures	263.20	448.88
d) Soft Furnishings & Others	308.86	472.14
Total Purchase	2,090.99	2,132.21

Note No. 16.a. (i). Purchase of Traded Goods - Party-wise

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Related Parties		
- Kurlon Enterprise Limited	2,029.16	1679.33
- Spring Air Bedding Company India Limited	3.87	-
Others	57.96	452.88
Total	2,090.99	2,132.21

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 16 .b. Changes in Inventories of Traded Goods

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the year:		
a) Mattresses	188.64	189.80
b) Cushions & Pillows	69.46	51.66
c) Furnitures	294.58	311.34
d) Soft Furnishings & Others	328.48	383.33
	881.16	936.13
Inventories at the beginning of the year:		
a) Mattresses	189.80	68.49
b) Cushions & Pillows	51.66	19.37
c) Furnitures	311.34	60.18
d) Soft Furnishings & Others	383.33	105.47
	936.13	253.51
Net (Increase) / Decrease	54.97	(682.62)

Note No. 17 - Employee Benefits Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries including Bonus	532.30	7.16
(b) Contribution to Provident and Other Funds	54.18	0.65
(c) Staff Welfare Expenses	20.58	3.82
(d) Gratuity & Leave Encashment	26.85	-
Total Employee Benefit Expense	633.91	11.63

Note No. 18 - Finance Cost

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Bank Charges	24.69	17.75
Interest on Lease Liability	309.64	-
Total Finance Costs	334.33	17.75

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 19 - Depreciation and Amortisation Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation for the year on property, plant and equipment	110.89	40.83
Depreciation on RTU Asset	594.82	-
Total Finance Costs	705.71	40.83

Note No. 20. Other Expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Electricity & Maintenance Charges	119.38	69.89
Sales Commission & Discount	2.03	4.97
Advertisement Expenses	5.02	6.70
Business Promotion Expenses	5.17	3.07
Freight and Forwarding Charges	42.77	18.85
Rent including Lease Rentals	505.24	804.06
Repairs and Maintenance - Buildings	1.35	5.48
- Machinery	2.93	5.21
- Others	9.78	13.98
Rates and Taxes	13.52	4.57
Insurance Charges	0.59	0.72
Postage & Telephone	5.86	3.52
Auditors remuneration		
(i) As Auditors	6.00	3.00
(ii) For Taxation matters	1.70	-
(iii) For Company Law matters	0.16	-
(iv) For Other services	0.75	0.05
(v) Auditors out-of-pocket expenses	0.05	0.10
Travelling Expenses	16.70	4.69
Printing and Stationery	4.24	3.50
Legal and Professional Charges	48.70	12.75
Deputation of Staff & Reimbursement of Expenses	-	260.26
Loss on fixed assets sold/ scrapped / written off	2.33	-
Bad trade receivables/Advance written off	2.76	-
Sundry Debtors Written off	1.64	0.04
Miscellaneous Expenses	56.86	9.03
Total Other Expenses	855.52	1,234.44

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 21 - Earnings per share

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit after Tax (₹ in Lakhs)	(654.88)	(759.24)
Weighted average number of Equity shares outstanding -Basic	1,52,66,666	1,52,00,000
Weighted average number of Equity shares outstanding- Diluted	1,52,66,666	1,52,00,000
Earnings per share – Basic (₹)	(4.29)	(5.00)
Earnings per share – Diluted (₹)	(4.29)	(5.00)
Face Value of Equity Shares (₹)	5	5

Note No. 22 - Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated.

As a Lessee

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on lease liabilities (refer note 18)	309.64	-
Depreciation of Right-of-use assets (refer note 19)	594.82	-
Impact on the statement of profit and loss for the year	904.46	-

As a Lessor

"The company has sublet certain office premises on a cancellable basis which are further renewable at the option of the Company. The total lease income in respect of such leases recognized in the Statement of Profit and Loss for the year is ₹7.03 lakhs.

The company does not have any non-cancellable leases as at March 31, 2020, hence the disclosure of the non-cancellable leases is not provided."

Note No. 23 - Contingent Liabilities - Nil.

Note No. 24 - Commitments

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Capital Commitments (Net of Advances)	-	54.48
TOTAL	-	54.48

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 25 - Disclosure required under Section 22 of MS & ME Development Act, 2006

Based on the information available with the company and the nature of transaction with Micro, Small and Medium Enterprises, there are no dues which are outstanding for more than 45 days as at March 31, 2020 to these enterprises. Further, no interest has been paid or payable during the year under the terms of the MSMED Act 2006.

Note No. 26 - Related Party disclosures

(a) List of Related Parties and Relationships

Relationship	Related Parties
Holding Company	Kurlon Enterprise Limited
Ultimate Holding Company	Kurlon Limited
Persons having substantial interest in the Company	Mr.T. Sudhakar Pai Mrs. Jaya S Pai
Enterprises owned or significantly influenced by key management personnel /Directors and their relatives	Maha Rashtra Apex Corporation Ltd General Investment & Commercial Corporation Ltd (GICC) Manipal Holdings Pvt. Ltd Manipal Home Finance Ltd Jayamahar Trade and Investments Pvt. Ltd Manipal Advertising Services Pvt Ltd. Metropolis Builders Private Limited Manipal Stock & Shares Brokers Limited
Key Management Personnel and their relatives	Mr.T. Sudhakar Pai Mr. Jamsheed M Panday Mr. Naredra Kudva

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
(b) Related Party transactions
₹ in Lakhs

Particulars	Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives/ wholly owned subsidiary		Total	
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
Transactions during the period:				
Rent including Lease Rentals :				
Maharashtra Apex Corporation Ltd	10.80	7.80	10.80	7.80
Maharashtra Apex Corporation Ltd (GST)	1.94	1.40	1.94	1.40
Kurlon Enterprise Limited	113.70	278.67	113.70	278.67
Kurlon Enterprise Limited (GST)	20.47	50.16	20.47	50.16
Kurlon Limited	54.87	52.00	54.87	52.00
Kurlon Limited (GST)	9.88	9.36	9.88	9.36
Deputation of Staff & Reimbursement of Expenses :				
Kurlon Enterprise Limited	-	260.26	-	260.26
Kurlon Enterprise Limited (GST)	-	46.85	-	46.85
Repairs & Maintenance - Others :				
Manipal Advertising Services (P)Ltd	-	6.30	-	6.30
Manipal Advertising Services (P)Ltd (GST)	-	1.13	-	1.13
Advances Received :				
Kurlon Enterprise Limited	979.23	1,242.00	979.23	1,242.00
Security Deposit Paid :				
Maharashtra Apex Corporation Ltd	15.00	15.00	15.00	15.00
Purchase of Traded Goods (Net) :				
Kurlon Enterprise Limited	2,029.16	1,679.33	2,029.16	1,679.33
Spring Air Bedding Company India Limited	3.87	-	3.87	-
Reimbursement of Expenses Received :				
Kurlon Enterprise Limited	1,196.01	152.71	1,196.01	152.71
Investment in Share Capital				
Kurlon Enterprise Limited	999.99	760.00	999.99	760.00
Outstanding as at end of the Period				
Trade Payable :				
Kurlon Enterprise Limited	157.33	671.72	157.33	671.72
Kurlon Limited	66.09	56.16	66.09	56.16
Maharashtra Apex Corporation Limited	0.81	0.91	0.81	0.91
Spring Air Bedding Company India Limited	2.37	-	2.37	-
Advance Payable :				
Kurlon Enterprise Limited	2,221.23	1,242.00	2,221.23	1,242.00
Other Receivables :				
Kurlon Enterprise Limited	638.95	-	638.95	-
TOTAL	8,521.69	6,533.75	8,521.69	6,533.75

1. Related Party relationships are as identified by the Company on the basis of the information available.

2. No amount is has been written off or written back during the year in respect of debts due from or to related party.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 27. Financial Instruments

A) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Total Equity Attributable to the Equity Shareholders of the Company	176.13	3.22
As a percentage of Total Capital	100%	100%
Current Borrowings	-	-
Non-Current Borrowings	-	-
Total Borrowings	-	-
As a percentage of Total Capital	0%	0%
Total Capital Structure	176.13	3.22

The Company is predominantly equity financed which is evident from the capital structure table.

B) Categories of Financial Instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

₹ in Lakhs

Particulars	Carrying amount		Carrying amount	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial Assets				
Measured at Amortised Cost				
Non - Current Assets				
- Trade Receivables	-	1.50	-	1.50
- Other Financial Assets	298.31	284.17	298.31	284.17
Current Assets				
- Trade Receivables	74.25	16.63	74.25	16.63
- Cash and Cash Equivalents	33.49	55.41	33.49	55.41
- Other Financial Assets	638.95	-	638.95	-
Total	1,045.00	357.70	1,045.00	357.70
Financial Liabilities				
Measured at Amortised Cost				
Current Liabilities				
- Trade Payables	382.16	1,226.08	382.16	1,226.08
Total	382.16	1,226.08	382.16	1,226.08

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

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 and other payables, trade and other receivables, security deposits, cash and cash equivalents and other bank balances at carrying value because their carrying 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.

C) Financial Risk Management

The Company's principal financial liabilities, comprise of trade and other payables.

The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Security deposit, trade receivables, other receivables, cash and cash equivalents 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.

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. Financial instruments affected by market risks include security deposits, receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31st March, 2020. 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 31st March, 2020.
- (i) **Interest Rate Risk:** Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. however there are no instruments that are exposed to risk of fluctuation in market interest rates.
- (ii) **Interest rate risk management & Sensitivity Analysis:** There are no interest bearing financial instrument as at the reporting date.
- (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)
- 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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

- ii) **Financial instruments and cash & bank deposits:** Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March 2020 is the carrying amounts which are given below. Trade Receivables and Other Financial Assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the company.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current assets		
- Trade Receivables	-	1.50
- Other Financial Assets	298.31	284.17
Current assets		
- Trade Receivables	74.25	16.63
- Other Financial Assets	638.95	-
- Cash and Cash Equivalents	33.49	55.41

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Not Due	-	-
Due from 0 to 180 days	73.19	16.53
Due for more than 180 days	1.06	1.60
Less: Loss Allowance	-	-
Total	74.25	18.13

- (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, Processes and policies related to such risks are overseen by senior management.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company assessed the concentration of risk with respect to its debt and concluded it to be very low.

Maturity profile of financial liabilities: The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

₹ in Lakhs

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at March 31, 2020			
Trade payables	382.16	381.13	1.03
Total	382.16	381.13	1.03
Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at March 31, 2019			
Trade payables	1,226.08	1,195.53	30.55
Total	1,226.08	1,195.53	30.55

D) Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Disclosures of fair value measurement hierarchy for financial instruments are given below:

₹ in Lakhs

Particulars	Carrying amount/Fair value					
	As at March 31, 2020			As at March 31, 2019		
	L-1	L-2	L-3	L-1	L-2	L-3
Financial Assets						
Measured at Amortised Cost						
Non-Current Assets						
- Other Financial Assets	-	-	298.31	-	-	284.17
- Trade Receivables	-	-	-	-	-	1.50
Current Assets						
- Trade receivables	-	-	74.25	-	-	16.63
- Other Financial Assets	-	-	638.95	-	-	-
- Cash and cash equivalents	-	-	33.49	-	-	55.41
Total	-	-	1,045.00	-	-	357.70
Financial liabilities						
Measured at Amortised Cost						
Current Liabilities						
- Trade payables	-	-	382.16	-	-	1,226.08
Total	-	-	382.16	-	-	1,226.08

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 28. Employee Benefits

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

Leave Encashment : Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 180 days which is payable/ encashable as per the policy on their separation.

(b) Defined Contribution plan: Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹54.18 lakhs (Previous Year: ₹0.64 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

₹ in Lakhs

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Employer's contribution towards Provident Fund (PF)	44.52	0.49
Employer's contribution towards Employees State Insurance (ESI)	9.66	0.15

(c) Other disclosures of Defined Benefit plans as required under Ind AS-19 are as under

(i) Reconciliation of the opening and closing balances of Defined Benefit Obligation:

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended 31 March, 2020	Year ended 31 March, 2019	Year ended 31 March, 2020	Year ended 31 March, 2019
Present Value of Defined Benefit Obligation at the beginning of year	-	-	-	-
Interest cost	-	-	-	-
Current Service Cost	12.97	-	12.63	-
Past Service Cost	-	-	-	-
Benefit Paid	-	-	-	-
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	-	-	-	-
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	-	-	-	-
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	-	-	-	-
Present value of the Defined Benefit Obligation at the end of year	12.97	-	12.63	-

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
(ii) Net Defined Benefit recognized in the Statement of Profit and Loss.

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Current Service Cost	12.97	-	12.63	-
Past Service Cost	-	-	-	-
Interest cost	-	-	-	-
Interest income on plan asset	-	-	-	-
Net Defined Benefit recognized in Statement of Profit and Loss	12.97	-	12.63	-

(iii) Net asset / (liability) recognized in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit obligation at the end of the year	12.97	-	12.63	-
Fair value of plan assets	11.41	-	9.24	-
Net Defined Benefit recognized in the Balance Sheet	(1.56)	-	(3.39)	-

(iv) Sensitivity Analysis*
a) Impact of the change in the discount rate

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit obligation at the end of the year				
a) Impact due to increase of 100 basic points	11.22	-	11.25	-
b) Impact due to decrease of 100 basic points	15.13	-	14.34	-

b) Impact of the change in the salary increase

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit obligation at the end of the year				
a) Impact due to increase of 100 basic points	15.07	-	14.25	-
b) Impact due to decrease of 100 basic points	11.24	-	11.31	-

* Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase in pension for payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(v) Maturity Profile

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Year (I)	0.06	-	3.40	-
Year (II)	0.05	-	0.74	-
Year (III)	0.05	-	0.69	-
Year (IV)	0.05	-	0.65	-
Year (V)	0.05	-	0.60	-
Next 5 year pay-outs (6-10 years)	0.20	-	2.48	-
Pay-outs Above Ten Years	12.51	-	4.07	-

(vi) Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Method used	Projected unit credit method	Projected unit credit method	Projected unit credit method	Projected unit credit method
Discount rate	6.82%	0.00%	6.82%	0.00%
Salary Escalation	5.00%	0.00%	5.00%	0.00%
Mortality Rate	IALM (2012-14)	0	IALM (2012-14)	0
Withdrawal rate up to 30/44 and above 44 years	5%	0%	5%	0%
Rate of return on plan assets	6.82%	0.00%	6.82%	0.00%

29. Previous year figures have been regrouped / reclassified, wherever necessary, to confirm to the current year groupings / classifications.

For and on behalf of the Board of Directors

For and on behalf of the Board of Directors

Place : Bengaluru
Date : 19.08.2020

Sd/-
T. Sudhakar Pai
Director
DIN-00043298

Sd/-
Narendra Kudva
Director
DIN: 07459916

KURLON LIMITED

BOARD OF DIRECTORS

Mr. T. Sudhakar Pai	: Managing Director
Mrs. Jaya S. Pai	: Director
Dr. Nitin G. Khot	: Independent Director
Mr. S. Ananthanarayanan	: Independent Director
Mrs. Jyothi Ashish Pradhan	: Director
Mrs. Deepa Pai	: Director
Mr. Narendra Kudva	: Alternate Director
Mr. N. Srinivasa Ulloor	: Chief Financial Officer (CFO) (w.e.f. 01.06.2020)
Mr. Monu Kumar	: Company Secretary (CS)

REGISTERED AND CORPORATE OFFICE

N-301, III Floor, North Block,
Front Wing, Manipal Centre,
47, Dickenson Road,
Bangalore-560042

BANKERS & FINANCIAL INSTITUTION:

Development Credit Bank Limited

STATUTORY AUDITORS:

MOHAN & VENKATARAMAN
Chartered Accountants
12, HSR-BDA Complex Road, Jakkasandra, Koramangala I Block,
Bangalore 560034

REGISTRAR & SHARE TRANSFER AGENT:

Purva Sharegistry (India) Private Limited
9, Shiv Shakti Ind. Estt., J.R. Boricha Marg
Lower Parel (E), Mumbai - 400011
Tel: +91 (022) 2301-6761/2518
Fax: +91 (022) 2301-2517
E-mail: support@purvashare.com
Contact person: Mrs. Purva Shah / Mr. Rajesh Shah
SEBI Registration Number: INR000001112

FACTORY:

Plot No. 4, Part of GAE - 1, Ghirongi (Malanpur) Industrial
Area, Gohad Tahsil, Bhind Dist., Gwalior-477116.

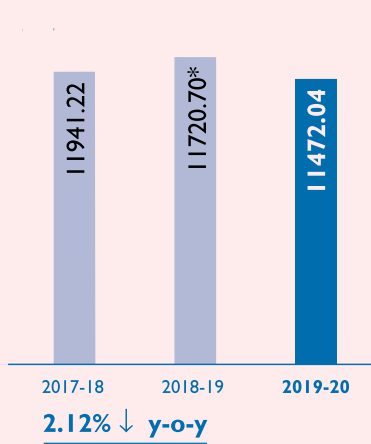
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Event of 58th Annual General Meeting

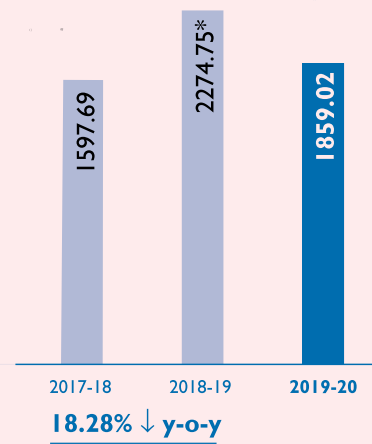
Day	Thursday
Date	22 nd October, 2020
Time	11:30 A.M.
Venue	Through Video Conference (VC) / Other Audio Visual Means (OAVM) The Registered Office of the Company shall be deemed Venue of the Meeting

PERFORMANCE HIGHLIGHTS-KURLON LIMITED (STANDALONE)

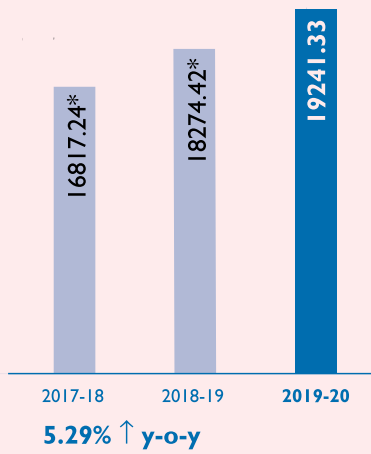
REVENUE (₹ in Lakhs)



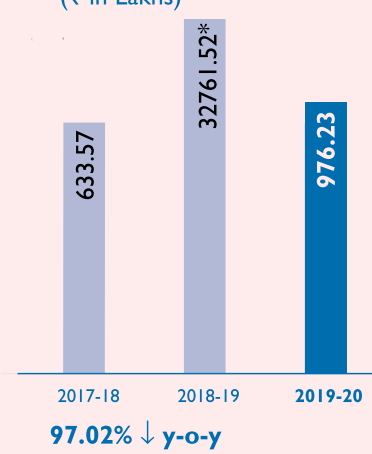
EBIDTA (₹ in Lakhs)



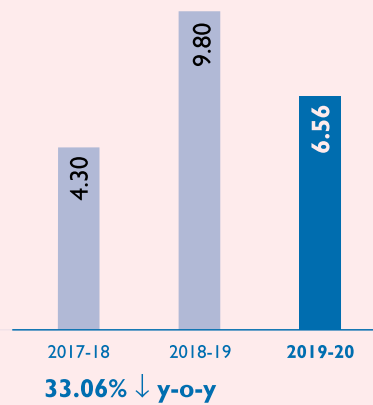
Networth (₹ in Lakhs)



Profit after Tax
(After Other Comprehensive Income)
(₹ in Lakhs)



Earning per Share (₹)

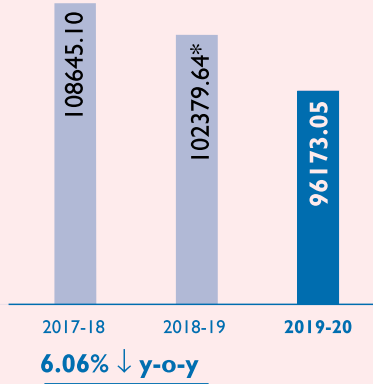


Note:

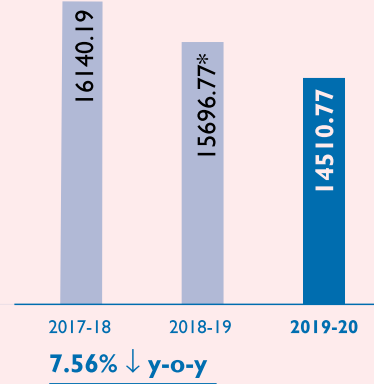
* figures of the previous year have been regrouped/reclassified whenever necessary to confirm to the current year groupings/classifications

PERFORMANCE HIGHLIGHTS-KURLON LIMITED (CONSOLIDATED)

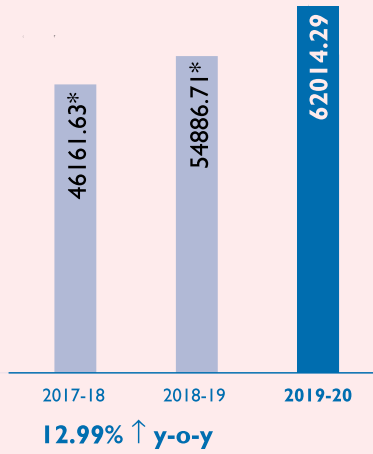
REVENUE (₹ in Lakhs)



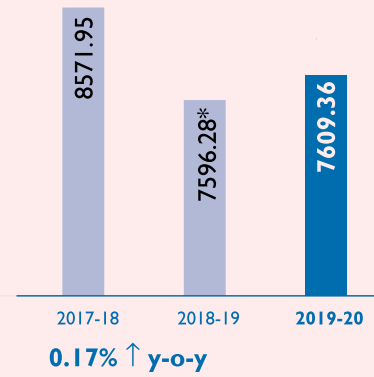
EBIDTA (₹ in Lakhs)



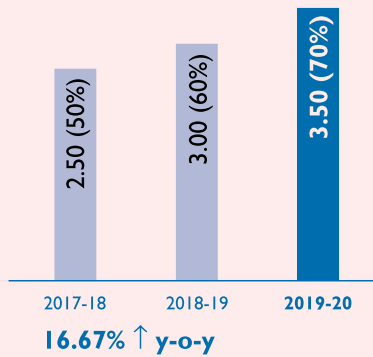
Networth (₹ in Lakhs)



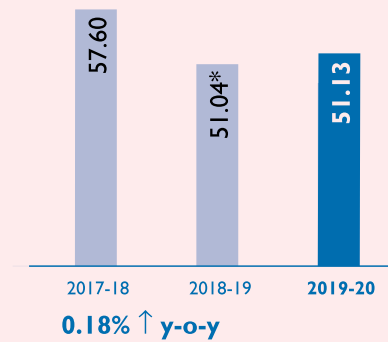
Profit after Tax
(After Other Comprehensive Income)
(₹ in Lakhs)



Dividend per Share (₹)



Earning per Share (₹)



Note:

* figures of the previous year have been regrouped/reclassified whenever necessary to confirm to the current year groupings/classifications

DIRECTORS' REPORT

Dear Members,

The Board of directors are pleased to present the Company's 58th Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2020.

I. Financial summary or highlights/Performance of the Company

Financial results of the Company for the year under review along with previous year's figures are given hereunder;

₹ in Lakhs

Particulars	Standalone		Consolidated	
	2019-2020	2018-2019	2019-2020	2018-2019
Revenue from operations	11,472.04	11,720.70	96,173.05	102,379.64
Profit Before Financial charges, tax and Depreciation	1859.02	2274.75	14510.77	15696.77
Less: Finance Charges	112.48	168.38	1,053.85	766.71
Gross Profit	1746.55	2106.37	13456.92	14930.06
Less: Provision for Depreciation	557.92	453.54	3,888.17	2,349.99
Profit Before Tax and Exceptional Items	1,188.62	1,652.83	9,568.75	12,580.07
Less Exceptional items	-	(21.65)	-	(21.65)
Profit before Tax	1,188.62	1,631.18	9,568.75	12,558.42
Add/Less: Current Income Tax	47.81	184.63	2,713.06	2,949.76
Less: (Excess)/Short Provision for Income Tax of earlier year	47.44	(146.62)	(196.95)	(169.81)
Less: MAT Credit	(44.71)	-	(52.13)	-
Add/Less: Deferred tax	171.17	134.15	(461.14)	2,282.52
Profit after tax	966.91	1,459.02	7,565.91	7,495.96
Other comprehensive income	9.32	31,302.50	43.46	100.32
Total comprehensive income for the year	976.23	32,761.52	7,609.36	7,596.28
Transfer to General reserve	-	-	-	-
Proposed Dividend on Equity Shares	-	-	1279.33	1091.47
Tax on proposed Dividend	-	-	-	224.41
Surplus in statement of P & L carried to Balance Sheet	13024.02	12,057.11	35,270.93	27,772.86
Earnings per share (EPS).	6.56	9.80	51.13	51.04

*Previous year figures have been regrouped / reclassified, wherever necessary, to confirm to the current year groupings / classifications.

During the current year, Revenues from operation of the Company, on Standalone basis, decreased by 2.12% from ₹11,720.70 Lakhs to ₹11,472.04 Lakhs. The Profit after Tax, for the current year decreased to ₹966.91 Lakhs against the Profit after Tax of ₹1,459.02 Lakhs of last year (before Other Comprehensive Income). The decreases in revenue from operations are due to impact of COVID-19 during February/March'20 and the subsequent lockdown during the last week of March'20.

On consolidated basis, the Group has achieved revenue of ₹96,173.05 Lakhs as compared to ₹102,379.64 Lakhs previous year and its Profit after Tax grew by 0.93% to Rs 7,565.91 Lakhs as compared to ₹7,495.96 Lakhs previous year (Before Other Comprehensive Income) and increased by 0.17% to ₹7,609.36 Lakhs from ₹7,596.28 Lakhs (After Other Comprehensive Income). From April 1, 2019 onwards, the Group has opted to pay income taxes under the concessional tax regime as prescribed under Section 115BAA of the Income Tax Act, 1961. Accordingly, Current tax Liability for the year ended March 31, 2020 has been determined and recognized at the concessional rate. The impact arising from restating the deferred tax balances at the reduced rate has been recognized during the year.

2. COVID-19

It is quite unfortunate and sad that Corona Virus has caused significant health concerns across the Globe and resulted in multiple deaths. Social distancing being the only and the first compulsory remedy, entire World was forced to observe Lockdown. Thanks to early initiatives taken, India declared Lockdown from 24th March 2020 and is on. Your Company complied with the directions of the Government of India, the Government of Karnataka and the relevant authorities and strictly adhered to the Lockdown in its factory and at all Offices. In keeping with its employee-safety first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being. Our teams reacted with speed and efficiency, and quickly shifted the workforce to an entirely new 'Work-From-Home' model. Proactive preparations were done in our work locations during this transition to ensure our offices and factory was safe. The said closure(s) have affected the operations of the Company and the impact of the same cannot be assessed at this point of time. However, this does not affect the going concern status of the Company.

3. Dividend

The Board of Directors of your Company has decided to retain and plough back the profit into business thus no dividend is being recommended for this year.

4. Transfer to Reserves;

During the year under review, your Company has not transferred any amount of the profit to general reserve

5. Consolidated Financial Statement;

Pursuant to Section 129(3) of the Companies Act, 2013 and IND AS 110 issued by Institute of Chartered Accounting of India, the Consolidated Financial Statements presented by the Company include the audited financial statements received from Subsidiary Company, as approved by its Boards.

6. Change in the Nature of Business ;

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

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

There have been No material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report except;

- a) As a result of COVID - 19 pandemic and the nationwide lockdown, all operations remained suspended till mid May 2020. Subsequently, the operations recommenced in accordance with the guidelines laid down by the government.
- b) The Company acquired 87,98,000 Equity Shares of ₹10/- (Rupees Ten) each of M/s Spring Air Bedding Company (India) Ltd ("Spring Air") constituting 15.67 % of the total paid up Equity Share Capital of Spring Air on 16.07.2020 in pursuant to the Share Purchase Agreement entered into by the Company with the shareholders of Spring Air.
- c) The Company acquired 10000 Equity Shares of ₹10/- (Rupees Ten) each, constituting 100% of the total paid up Equity Share Capital of M/s Manipal Natural Extracts Private Limited for a sum of ₹1,00,000/- (Rupees Only Lakh Only) and also approved to invest further upto ₹5,00,00,000/- (Rupees Five Crores Only) in the securities of M/s Manipal Natural Extracts Private Limited, to be issued from time to time, as and when necessary. Manipal Natural Extracts Private Limited became Wholly Owned Subsidiary (WOS) of the Company by virtue of its shareholding.
- d) The Board of Directors of the Company at their meeting held on June 12, 2020 and August 19, 2020, approved to Grant Loan to Manipal Natural Extracts Private Limited, Manipal International School, M/s Alpasara Finvest Care Advisory Private Limited, Sirar Solar Energies Private Limited, Sirar Dhotre Solar Private Limited, Sevalal Solar Private Limited and Manipal Academy of Health and Education, aggregating to upto ₹46.70 Crores subject to the limit as envisaged in the Section 186 of the Companies Act, 2013. The Board also approved to Borrow Term Loan/ Credit Facility From Bank upto ₹70 Crs and from its subsidiary Company upto ₹60 Crs, in their meeting held on June 12, 2020, for meeting the Company's requirements to construct a building/Shed at Dabaspet, to reimburse of the Capital Expenditure incurred by the Company with respect to purchase of properties and other business operations etc.

e) Further, Keeping in view the Company's existing and future financial requirements to support its business operations, The Board of Directors of the Company at their meeting held on August 19, 2020 had inter-alia approved issuance of unsecured Compulsory Convertible Debenture (CCD) to the extent of upto ₹135,00,00,000/- (Rupees One Hundred Thirty Five Crores Only), to one or more investors, on Private Placement Basis, in one or more tranches and also recommended to increase borrowing powers of the Board and authorization limit to secure the borrowings under Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013 subject to shareholders approval in ensuing Annual General Meeting.

8. Indian Accounting Standards

Financial statements of the Company have been prepared in accordance with Indian Accounting Standard ("IND AS")

9. Share capital

The Authorized Share Capital of the Company as on date of Balance Sheet is ₹35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crores Fifty Lakhs Only) Equity Shares of ₹10/- (Rupees Ten Only) each and The Paid up share capital of the Company as on date of balance sheet is ₹14,88,26,050/- (Rupees Fourteen Crores Eighty Eight Lakhs Twenty Six Thousand Fifty Only) divided into 1,48,82,605 (One Crore Forty Eight Lakhs Eighty Two Thousand Six Hundred Five Only) Equity Shares of ₹10/- each.

Buy-back of Securities

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

Issue of sweat equity shares;

During the year the Company has neither issued any sweat Equity Shares nor shares with differential voting rights.

Sub-division of equity shares

No subdivision took place during the year under review.

Bonus Shares

The Company has not issued any bonus shares during the year under review.

Employee stock option scheme

The Company has not provided any Stock Option to its employee(s).

10. Directors and Key Managerial Personnel

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

DIN/PAN	Directors and Key Managerial Personnel	Designation
00043298	Sri T Sudhakar Pai	Managing Director
00030515	Mrs. Jaya S Pai	Director
00030613	Dr. Nitin Gajananrao Khot	Independent Director
00025505	Sri S Ananthanarayanan	Independent Director
06733156	Mrs. Jyothi A Pradhan	Director
02825199	Mrs. Deepa Pai	Director
07459916	Mr. Narendra Kudva	Alternate Director
BMYPK6724N	Mr. Monu Kumar	Company Secretary
ALGPS1199D	Mr. N Srinivasa Ulloor (w.e.f. 01.06.2020)	Chief Financial Officer

None of the directors of the company is disqualified under section 164 of the Companies Act, 2013.

In accordance with the provisions of the Act, Mrs. Deepa Pai, Director of the Company, retire by rotation at the ensuing Annual General Meeting. The Board of directors on the recommendation of Nomination and Remuneration Committee ("NRC") has recommended her re-appointment.

During the year, Mr. Jamsheed M Panday ceased to be an Alternate Director to Mrs. Jyothi A Pradhan w.e.f. July 10, 2019. The Board places on record its appreciation towards valuable contribution made by Mr. Jamsheed M Panday during his tenure as an Alternate Director of the Company.

Mrs. Jyothi A Pradhan (DIN: 06733156) was reappointed as Non-Executive Director of the Company in previous Annual General Meeting of the Company, liable to be retire by rotation.

The Company has reappointed Mr. T Sudhakar Pai (DIN: 00043298) as Managing Director of the Company for a further period of 5 years on the expiry of his current term of office i.e. w.e.f. 14.07.2019 in the 57th Annual General meeting of the Company held on September 30, 2019.

The Company reappointed Sri Ananthanarayanan Subramanian (DIN: 00025505) and Dr. Nitin G Khot (00030613) as an Independent Directors of the Company for a second term of 5 (five) consecutive years on the expiry of their current term of office in the previous Annual General Meeting of the Company held on September 30, 2019.

11. Declaration by Independent Director;

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in section 149 (6) of the Companies Act, 2013, as amended. The Board took on record the declaration and confirmation submitted by the independent directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required.

The Ministry of Corporate Affairs vide its circular dated 22 October 2019 further amended the Companies (Appointment and Qualification of Directors) Rules, 2014 by requiring an independent director to apply online, within 1 May 2020, to the Indian Institute of Corporate Affairs for inclusion of his/her name in the data bank for such period till he/she continues to hold office of an independent director in any Company. The independent directors were also required to submit a declaration of compliance in this regard. Deadline has now been extended till September 30, 2020 by MCA. The Company will ensure that all independent directors of the Company will submit the declaration with respect to the same.

12. Board Meetings

The Meetings of the Board were held at regular intervals within a time gap of not more than 120 days between two consecutive Meetings. During the year under review 7 (Seven) Meetings of the Board of Directors were held on 17.05.2019, 10.07.2019, 19.07.2019, 01.10.2019, 12.11.2019, 21.11.2019 and 21.01.2020 respectively.

The Agenda of the Meetings are circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

The particular of meetings held and attended by each director including committee meetings are detailed in the Corporate Governance report, attached as **Annexure "A"** which forms part of this report.

13. Disclosure about receipt of commission or remuneration by Managing Director-

In terms of the provisions of section 197(14) of the Act, Mr. T Sudhakar Pai receives remuneration and commission in its Subsidiary Company Viz. Kurlon Enterprise Limited apart from the commission received in the company.

14. Annual Evaluation of Board and its Committees

The Nomination and Remuneration Committee ("NRC") has laid down proper criteria and procedure to evaluate and scrutinize performance of the Chairperson, each Director (including Executive, Non-Executive and Independent Directors), of the Board as a whole and its Committee. The criteria include different aspects covered under Administrative, Strategic, Operational and Compliance headings.

As per laid down procedure, the Independent Directors would held a separate meeting whenever necessary, to review the performance of the Chairman of the Company after taking into account the views of Executive and Non-Executive Directors. The substantial, and continuing, contribution of the Chairman in the growth of the Company has been highly commended. The Independent Directors also reviewed performance of every Executive and Non-Executive Director of the Board. The performance evaluation of each Independent Director was done by the entire Board (except the Independent Directors being evaluated).

The performance of each committee has been evaluated by its members and found to be satisfactory.

On the basis of this exercise, the NRC and the Board, after recognizing the important contribution being made by each Independent Directors have decided that all Independent Directors should continue to be on the Board.

15. Familiarization Programme for Independent Directors

The Company has put in place a Familiarization Program for Independent Directors to familiarize them with the Company, its businesses, their roles, rights, responsibilities & nature of industry in which Company operates. Directors are regularly updated on performance of the business of the Company, business strategy going forward and new initiative being taken/proposed to be taken by the Company through presentation by head of the Departments.

16. Deposit from Public

The Company has not accepted any deposits from the public within the meanings of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.

17. Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board. More details on the same are given in the Corporate Governance Report.

18. Details of Subsidiary/Joint Ventures/Associate Companies

During the year, the Company has following subsidiaries;

Sl. No.	Name and address of the Company	CIN/GLN	Subsidiary/Associate/Joint Venture
1	Kurlon Enterprise Limited	U36101MH2011PLC222657	Subsidiary
1	Kurlon Retail Limited*	U36104KA2012PLC065664	Stepdown Subsidiary
2	Sirar Solar Energies (P) Ltd**	U40106KA2016PTC097367	Stepdown Subsidiary
3	Sevalal Solar (P) Ltd**	U40106KA2016PTC094328	Stepdown Subsidiary
4	Sirar Dhotre Solar (P) Ltd**	U40300KA2016PTC097314	Stepdown Subsidiary

* Kurlon Enterprise Limited holds 100% stakes in the Company

** Kurlon Enterprise Limited holds 69% shares in each Company w.e.f. 24.12.2019

Spring Air Bedding Company (India) Limited ceased to be a step down subsidiary of the Company by virtue of its Merger with Kurlon Enterprise Limited.

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-I as **Annexure-B** of the Board Report therefore not repeated to avoid duplication.

19. Directors' Responsibility Statement

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

- that in the preparation of the annual accounts for the Financial Year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- b. that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the State of Affairs as at March 31, 2020 and of the Profit of your Company for the Financial Year ended March 31, 2020;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts for the Financial Year ended March 31, 2020 have been prepared on a going concern basis;
- e. They have laid down internal Financial Controls, which are adequate and are operating effectively.
- f. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

20. Management Discussion and Analysis Report;

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

21. Report on Corporate Governance;

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance practice as set out in the Act. The Company believes that the essence of Corporate Governance lies in the phrase 'Your Company'. It is 'Your' Company because it belongs to you – the shareholders. The Chairman and Directors are 'Your' fiduciaries and trustees. Their objective is to take the business forward in such a way that it maximizes 'Your' long-term value.

Your Company is committed to benchmarking itself with global standards for providing good Corporate Governance. It has put in place an effective Corporate Governance System in the Company not only for the good secretarial practice but to ensure that the businesses of the Company are being conducted in transparent manners. A Report on Corporate Governance is disclosed as **Annexure "A"** forming part of this Report.

22. Auditors and Auditors' report

Statutory Auditors

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, Mohan & Venkataraman, Chartered Accountants (Firm Registration Number 007321S) was appointed as the statutory auditors of the Company to hold office for a period of 5(Five) consecutive years from the conclusion of the 57th AGM of the Company held on September 30, 2019, till the conclusion of the 62nd AGM to be held in the year 2024. The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013 and the Code of Ethics issued by the Institute of Chartered Accountants of India.

Audit reports

The notes on financial statement referred to in the auditors' report are self-explanatory and do not call for any further comments. The auditors' report does not contain any qualification, reservation, adverse remark or disclaimer. Emphasis made by the auditor in their report are self-explanatory and do not call for any further comments.

Secretarial Auditor:

The provisions of section 204 of the Companies act are not applicable to the Company hence your Company is not required to appoint Secretarial Auditor.

Cost Auditor:

As per the Cost Audit Orders, Cost Audit is applicable to the Company's manufacture of PU Foam and foam products/ business of the Company for the FY 2020-21.

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s. GNV & Associates, Cost Accountants have been appointed as Cost Auditors to conduct the audit of cost records of your Company for the financial year 2020-21. The remuneration proposed to be paid to them for FY 2020-21 requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to Cost Auditors is being sought at the ensuing Annual General Meeting. The Company has received consent from M/s. GNV & Associates, Cost Accountants, to act as the Cost Auditor for conducting Audit of cost records for the FY 2020-21 along with a certificate confirming their independence and arm's length relationship.

The Company has appointed M/s. GNV & Associates, Cost Accountants as Cost Auditors to conduct the audit of cost records of your Company for the financial year 2019-20.

Your Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

23. Transfer to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("The Rules"), the Company had sent individual notices and also advertised in the newspapers seeking action from the Shareholders who have not claimed their Dividends for past seven consecutive years i.e. for final Dividend of the financial year ended 2011-2012, and thereafter, had transferred such unpaid or unclaimed Dividends and corresponding 27310 Equity Shares held by 164 Shareholders to the IEPF Authority on 29.11.2019. Shareholders /claimants whose Shares, unclaimed Dividend, have been transferred to the IEPF Suspense Account or the Fund, as the case may be, may claim the Shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>) along with requisite fee as decided by the IEPF Authority from time to time. The Company has not declared any dividend (Interim or Final) after FY 2011-2012 onwards.

24. Loans, Guarantees and investments

The particulars of Loans given, investments made, guarantees given and securities provided in accordance with the provisions of Section 186(4) of the Companies Act, 2013 are furnished in the notes to the Standalone Financial Statements for the year ended 31st March, 2020 (please refer to Note No. 30 to the Standalone Financial Statement).

25. Particulars of Contracts or Arrangements with related parties

All related party transactions pursuant to Section 188(1) of the Act that were entered into during the Financial Year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by your Company with its Promoters, Directors, Key Managerial Personnel or other designated persons which might have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is also obtained from the Audit Committee for the related party transaction which are of repetitive nature.

The information on transactions with related parties pursuant to section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given elsewhere in this report and the same forms part of this report.

26. Risk Management System

The Company has laid down a well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor and non-business risks. The Audit Committee and the Board periodically review the risks and suggest steps to be taken to manage/mitigate the same through a properly defined framework.

During the year, a risk analysis and assessment was conducted and no major risks were noticed, which may threaten the existence of the Company.

27. Environment & Safety

Since inception the Company has striven to embed environmental considerations in business decisions & continues its focus on Environmental Management System which is a structured and systematic process for achieving continuous improvement in environmental performance.

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

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

In addition to complying with all applicable environmental laws and regulations, the Company is committed to a). Proper management of Hazardous waste & solid waste, b). Maintain 'Zero' discharge pattern by installation of Effluent Treatment Plant & Sewage Treatment Plant, c). Regular compliance of environmental Rules & Regulation and Maintain open channels of communication with employees, clients, government agencies, public officials, the media and the public to meet their information needs in regard to energy, environment and sustainability issues.

The Company is also committed to ensure the safety of all its employees and others connected with its operations. The Company has substantially reduced the number of on-site injuries with its strong emphasis on improving health and safety parameters, reducing risks through people engagement, capability building, and its strengthening health and safety management systems and processes.

28. Vigil Mechanism/ Whistle Blower Policy

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail the mechanism. In exceptional cases, Directors and employees have direct access to the Chairperson of the Audit Committee.

29. Corporate Social Responsibility (CSR)

Your Company has constituted a Corporate Social Responsibility (CSR) Committee which works under the direct supervision of Mrs. Jaya S Pai, Director, who also acts as the Chairperson of the Committee. Dr. Nitin G Khot, Sri. S Ananthnarayanan, Non-Executive, Independent Directors of the Company, are members of the Committee. The Committee manages and overviews the CSR projects of your Company. The CSR activities are based on the CSR policy approved by the Board of directors of the Company. A brief outline of which is appended as **Annexure "D"** an integral part of this report.

30. Audit Committee

The Board has constituted an Audit Committee with Sri. S Ananthnarayanan, Independent Director of the Company as Chairperson, Dr. Nitin G Khot, Independent Director and Mrs. Jaya S Pai, Non- Executive Director of the Company as Members. There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

The details about Audit Committee and its terms of reference etc. have been given in Corporate Governance Report.

31. Nomination and Remuneration Committee("NRC")

Details of NRC are provided in Corporate Governance Report as annexed to this report.

32. Internal Audit and Control

Provisions of section 138 of the Companies Act, 2013 is not applicable to the Company hence your Company is not required to appoint Internal Auditor.

33. Extract of Annual Return:

— The details forming part of the extract of the Annual Return pursuant to Sections 92(2) and 134(3)(a) of the Act and rules made thereof in form MGT 9 is annexed herewith and marked as **Annexure “E”** forming part of this report.

34. Secretarial Standards

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

35. 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.

36. Fraud Reporting (required by Companies Amendment Bill, 2014):

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

37. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWWA);

Your Company has always believed in providing a safe and harassment free workplace for every individual working in Company’s premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

A policy on Prevention of Sexual Harassment at Workplace has been released by the Company. The policy aims at prevention of harassment of employees and lays down the guidelines for identification, reporting and prevention of undesired behavior. Three member Internal Complaints Committee (ICC) was set up from the senior management with women employees constituting majority. The ICC is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the Policy.

No complaints pertaining to sexual harassment was reported during the year.

38. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and out go during the year are as follows:

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	<ul style="list-style-type: none"> ✓ Modified the cutting machine which is used to cut STR8 pads. ✓ Replaced MH sealing lights around 250 no’s by LED 100 watt -40 no’s saving up to 40kw ✓ Provided the centralized UPS of 5KVA for LT-I and Solar PV modules. Eliminating the small UPS.
(ii)	the steps taken by the company for utilizing alternate sources of energy	Nil
(iii)	the capital investment on energy conservation equipment’s	Nil

(b) Technology absorption

(i)	the efforts made towards technology absorption	✓ Automatic timer introduce in the E block to avoid manual operation and energy conservation.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Nil
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
	(a) the details of technology imported	-
	(b) the year of import;	-
	(c) whether the technology been fully absorbed	-
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	the expenditure incurred on Research and Development	Nil

(c) Foreign exchange earnings and Outgo

₹ in Lakhs

	2019-2020	2018-2019
Total foreign exchange inflow	-	-
Total foreign exchange outflow	928.48	1123.04

39. Human Resources

Your Company assigns a great deal of importance to this most precious resource. It has a full-fledged Human Resource Department that seeks to attract and recruit the best possible talent and groom it to fulfill its vision for the future. The Directors wish to acknowledge the efforts all employees in raising the performance of the Company. Industrial relations throughout the year continued to remain cordial.

40. Acknowledgements

The Directors wish to place on record their sincere gratitude for the co-operation, guidance, support and assistance provided during the year by its Bankers, Registrars and Industries Dept. of Govt., Local Authorities, Suppliers, Contractors, Customers and Vendors. Your Directors also wish to express their deep sense of appreciation for the dedicated services rendered by the staff at all levels towards its successful operations. The Directors also thank the Shareholders of the Company for reposing their faith in the Company and for giving their dedicated and ever-willing support towards taking the Company forward on the path of progress and growth.

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

Date: 24.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Managing Director
DIN: 00043298

Sd/-
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

ANNEXURE-“B”

FORM AOC-I

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY AND DEEMED SUBSIDIARY COMPANY

[Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014]

In accordance with the General Circular No: 2/2011 dated 8 February, 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the Statement of Profit and Loss and other documents of the subsidiary are being attached with the Annual Accounts of the Company. This Annual Report also contains Consolidated Financial Statement of the Company and its subsidiary in accordance with the relevant Accounting Standards and the same has been duly audited by Statutory Auditors. The annual Accounts of the Subsidiary Company and related information will be made available to the shareholders of the Company and its Subsidiary Company on request and will also be kept open for inspection by the shareholders at the Registered Office of the Company and the subsidiary.

₹ in Lakhs

Name of Subsidiary/Step down Subsidiaries	Kurlon Enterprise Limited	Kurlon Retail Limited	Sirar Solar Energies (P) Ltd	Sirar Dhotre Solar (P) Ltd	Sevalal Solar (P) Ltd
Date of Incorporation/acquisition	03.10.2011	31/08/2012	25/10/2016	21/10/2016	22/06/2016
Place of Incorporation	Bangalore	Bangalore	Bangalore	Bangalore	Bagalkot
Issued & Subscribed Capital	1,819.12	763.33	1.00	1.00	1.00
Reporting period for the subsidiary concerned, if different from the holding company's reporting period***	NA	NA	24.12.2019 to 31.03.2020	24.12.2019 to 31.03.2020	24.12.2019 to 31.03.2020
Share capital	1,819.12	763.33	1.00	1.00	1.00
Reserves & Surplus	46,609.90	(587.20)	22.36	21.67	(2.31)
Total Assets	72,904.98	6427.72	305.37	301.16	40.30
Total Liabilities (Excluding Share capital & Reserve & Surplus)	24475.96	6251.59	282.01	278.48	41.61
Investments	11,477.67	-	-	-	-
Turnover/Income from operations	95,904.19	4016.92	53.42	49.69	-
Profit/(Loss) before Tax	10,142.60	(654.33)	22.56	16.44	(1.81)
Provision for Taxation	1,773.17	0.55	7.59	6.03	-
Profit/(Loss) After Tax (Before Other Comprehensive Income)	8,369.43	(654.88)	14.97	10.41	(1.81)
Proposed Dividend	1279.33	-	-	-	-
% of shareholding	85.06	NA*	5%**	5%**	5%**

* Wholly Owned Subsidiary (WOS) of M/s Kurlon Enterprise Limited.

** 69% held by M/s Kurlon Enterprise Limited in each Company.

*** Control date is 24.12.2019 in each Solar Company.

figures as at 31.03.2020 is presented of each Subsidiaries

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

Date: 24.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Managing Director
DIN: 00043298

Sd/-
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

ANNEXURE-“C”

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

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

However your Company is not a listed company hence it is not bound to comply with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Company recognizes that good Corporate Governance is a Continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders. The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

2. BOARD OF DIRECTORS

I. Composition & Category of Directors;

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected. Your Company has an engaged and well informed Board with qualifications and experience in diverse areas. The Board composition is in conformity with the Companies Act, 2013 ('the Act').

The Board of Directors, as on 31st March, 2020, comprised 7 Directors, of which 3 are Non-Executive Directors, one Managing Director, 2(Two) Non-Executive, independent & 1 (One) Alternate Director. All Directors possess relevant qualifications and experience in general corporate management, finance, and other allied fields which enable them to effectively contribute to the Company in their capacity as Directors

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

Membership and Chairmanship of all Directors who are on various Committees, the composition of the Board and the number of outside Directorship and Committee position as held by each of the Directors during the financial year ended 31st March, 2020 are as follows:-

Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2019-2020	Attendance at the Last AGM	As on 31-03-2020		
				No. of Directorship in other Co.	Committee membership in other Companies	Chairman in Committees in which they are members
Mr.T Sudhakar Pai Managing Director DIN: 00043298	Executive, Promoter	7	No	9	5	2
Mrs. Jaya S Pai Director DIN: 00030515	Non-Executive, Promoter	6	No	5	2	1
Dr. Nitin G Khot Director DIN: 00030613	Non-Executive, Independent	7	No	1	5	2
Sri. S Ananthnarayanan Director DIN: 00025505	Non-Executive , Independent	7	Yes	1	6	1
Mrs.T Deepa Pai Director DIN: 02825199	Non-executive	-	No	3	-	-
Mrs. Jyothi Ashish Pradhan Director DIN: 06733156	Non-executive	3	No	3	-	-
Mr. Jamsheed Minocher Panday, Alternate Director to Mrs. Jyothi Ashish Pradhan (upto 10.07.2019) DIN: 00232768	Non-executive alternate	1	No	13	-	-
Mr. Narendra Kudva Alternate Director to Mrs. T. Deepa Pai. DIN: 07459916	Non-executive alternate	7	Yes	1	-	-

III. Meetings;

During the financial year under review the Board of Directors of your Company met 7(Seven) times as at 17.05.2019, 10.07.2019, 19.07.2019, 01.10.2019, 12.11.2019, 21.11.2019 and 21.01.2020 respectively and the gap between two meetings did not exceed 120 days.

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

Details of directors seeking appointment/reappointment at the ensuing annual general meeting are provided in **Annexure** annexed to the notice of AGM.

3. AUDIT COMMITTEE

a. Terms of Reference

The Audit Committee functions according to its Charter that defines its composition, authority, responsibilities and reporting functions. The terms of reference of the Audit Committee, inter alia, are as follows:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Discuss and review with the management the annual financial statements and the auditor's report thereon, before submission to the Board for approval.
- Review of the Company's accounting policies, internal accounting and financial controls, risk management policies and such other matters.

- Discuss with the statutory auditors, before the audit commences, about the nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
- Hold timely discussions with the statutory auditors regarding critical accounting policies and practices and significant financial reporting issues and judgments made.
- Recommend to the Board the appointment, re-appointment and, if required, the replacement or removal of statutory auditors, remuneration and terms of appointment of auditors, fixation of audit fees and to approve payment for any other services rendered by the statutory auditors.
- Review and monitor the auditor's independence, qualification and performance and effectiveness of audit process.
- Review with the management, performance of the statutory and internal auditors.
- Review the adequacy of the internal audit function and the adequacy and efficacy of the internal control systems, including the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, budget, coverage and frequency of internal audit.
- Evaluate internal financial controls and risk management systems.
- Scrutinize inter-corporate loans and investments.
- Discuss any significant findings with internal auditors and follow-up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Look into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- Approve transactions, including any subsequent modifications, of the Company with related parties.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Review and monitor the statement of use and application of funds raised through public offers and related matters.
- Review the functioning of the Whistle Blower/Vigil mechanism.
- Review the effectiveness of the system for monitoring compliance with laws and regulations and oversee compliance with legal and regulatory requirements.
- Approve the appointment of the Chief Financial Officer after assessing the qualifications, experience and background of the candidate.

b. Composition & Attendance during the year

The Audit Committee of the Company have been constituted in accordance with the provisions of Section 177 of the Act. All members of the Committee including its chairperson are financially literate, having the relevant accounting and financial management expertise.

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

Name of the Member	Category	No. of meetings	
		Held during the Year	Attended
Sri. S Ananthnarayanan	Independent, Non-Executive	6	6
Dr. Nitin G Khot	Independent, Non-Executive	6	6
Mrs. Jaya S Pai	Non-Executive	6	5

The Committee met 6 (Six) times during the Financial Year 2019-2020 as at 17.05.2019, 10.07.2019, 19.07.2019, 01.10.2019, 12.11.2019 and 21.01.2020. The necessary quorum was present at the above meetings.

The Chairperson of the Audit Committee, Sri. S Ananthnarayanan was present at the Annual General Meeting of the Company held on 30th September, 2019. Company Secretary acts as secretary to the meeting.

4. NOMINATION AND REMUNERATION COMMITTEE

a. Term of reference;

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

- To formulate criteria for determining qualifications, positive attributes and independence of a director.
- To formulate criteria for evaluation of independent directors on the Board.
- To recommend to the Board policy relating to remuneration for directors, Key Managerial Personnel and other senior management.
- To carry out evaluation of every Director's performance;
- To devise policy on Board diversity;
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or notification as may be applicable.

b. Composition and Attendance during the year

In terms of the provisions of Section 178 of the Act, your Company has duly constituted a Nomination and Remuneration Committee ("NRC") with a view to review and recommend the payment of remuneration, commission and finalizes service agreements and other employment conditions of Executive Directors & Key managerial personnel. The Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages.

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

Name of the Member	Category	No. of meetings	
		Held during the Year	Attended
Dr. Nitin G Khot	Independent, Non-Executive	3	2
Sri. S Ananthnarayanan	Independent, Non-Executive	3	2
Mrs. Jaya S Pai	Non-Executive	3	2

The Committee met 3(Three) times during the FY 2019-2020 as at 10.07.2019, 12.11.2019 and 21.01.2020 respectively. The necessary quorum was present at all meetings. The Chairperson of the NRC, Sri. S Ananthnarayanan was present at the Annual General Meeting of the Company held on 30th September, 2019. Company Secretary acts as secretary to the meeting.

c. Remuneration policy:

In view of the requirement of the provision of section 178 of Companies Act, 2013, the NRC has suitably framed and implemented remuneration policy of the Company to keep pace with the business environment and market linked positioning. The NRC takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages for Directors.

Further the compensation package for Directors, Key Managerial Personnel, Senior Management and other employees are designed based on the following set of principles:

- Aligning Key Executive and Board remuneration with the longer term interests of the Company and its shareholders;

- Minimize complexity and ensure transparency;
- Link to long term strategy as well as annual business performance of the Company;
- Promotes a culture of meritocracy and is linked to key performance and business drivers; and
- Reflective of line expertise, market competitiveness so as to attract the best talent.

Remuneration paid to Executive Directors & KMP(s)

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

At the Board meeting, only the Non-Executive and Independent Directors participate in approving the remuneration paid to the Executive Directors. The remuneration is arrived by considering various factors such as qualification, experience, expertise, prevailing remuneration in the industry and the financial position of the Company. The elements of the remuneration and limits are pursuant to the provisions of Sections 197 and Schedule V of the Act. The remuneration structure comprises of Basic Salary, Commission, Perquisites and Allowances, Contribution to Provident Fund and other funds. The term of appointment of Executive Directors is 5 (five) years.

5. SHAREHOLDERS'/ INVESTORS GRIEVANCE COMMITTEE

a. Terms of Reference

The terms of reference of the Stakeholders Relationship Committee ("SRC") are as follows;

1. To approve request for transfer and transmission of shares of the Company;
2. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
3. Issue of duplicate / split / consolidated share certificates;
4. Allotment of shares;
5. Review of cases for refusal of transfer / transmission of shares and debentures;
6. To approve the dematerialization and rematerialization of shares;
7. To review from time to time overall working of the secretarial department of our Company relating to the shares of our Company and functioning of the share transfer agent and other related matters;
8. Reference to statutory and regulatory authorities regarding investor grievances; and
9. Otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

b. Composition and Attendance during the year;

The SRC met 3 (Three) times during the year as at 10.07.2019, 01.10.2019 and 21.01.2020 respectively.

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

Name of the Member	Category	No. of meetings	
		Held during the Year	Attended
Sri. S Ananthnarayanan	Independent, Non-Executive	3	3
Dr. Nitin G Khot	Independent, Non-Executive	3	3
Mrs. Jaya S Pai	Non-Executive	3	3

Sri. S Ananthnarayanan being independent director acts as chairperson of the meeting and Company secretary acts as the secretary to the meeting.

c. Details of investor complaints received, redressed and pending during the financial year ended 31st March, 2020

Pending at the beginning of the year	Received during the year	Redressed/replied during the year	Pending at the end of year
Nil	Nil	Nil	Nil

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (“CSR” COMMITTEE)

a. Term of reference

The terms of reference of the Corporate Social Responsibility (CSR) Committee are as follows:

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act.
- Recommend the amount to be spent on the CSR activities.
- Monitor the Company’s CSR Policy periodically.
- Oversee the Company’s conduct with regard to its Corporate and societal obligations and its reputation as a responsible corporate citizen.
- Attend to such other matters and functions as may be prescribed from time to time.

The Corporate Social Responsibility Committee of the Board (“CSR Committee”) has been constituted pursuant to the provision of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014, in order to oversee the CSR Policy of the Company and recommend the amount of expenditure to be incurred on the activities mentioned in the Schedule VII of the Act. The Board has adopted the CSR Policy as formulated and recommended by the CSR Committee. The Annual Report on CSR activities for the year 2019-20 is annexed as an **Annexure “D”** forms a part of the Board’s Report.

b. Composition and Attendance during the year;

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

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

Name of the Member	Category	No. of meetings	
		Held during the Year	Attended
Mrs. Jaya S Pai	Non Independent, Non-executive	4	3
Dr. Nitin G Khot	Independent, Non-Executive	4	4
Sri. S. Ananthanarayanan	Independent, Non-Executive	4	4

The CSR Committee met 4(Four) times during the FY 2019-20 as at 17.05.2019, 10.07.2019, 12.11.2019 and 21.01.2020 respectively. Mrs. Jaya S Pai acts as the chairperson to the meeting and Company Secretary of the Company acts as the secretary to the meeting.

7. GENERAL BODY MEETINGS

A. Particulars of past three Annual General Meetings of the Company:

Year	Date	Venue	Summary of special resolution(s) passed if any,	Time
2019	30.09.2019	Kurlon Factory, Jalahally Camp Road, Yeshwantpur, Bangalore-560022	Re-appointment of Sri S Ananthanarayanan as an Independent Director of the Company Re-appointment of Dr. Nitin G Khot as an Independent Director of the Company Re-appointment of Sri T Sudhakar Pai as Managing Director of the Company	11.00 A.M.
2018	26.09.2018	Kurlon Factory, Jalahally Camp Road, Yeshwantpur, Bangalore-560022	No Special resolution passed	11.30 A.M.
2017	29.09.2017	Kurlon Factory, Jalahally Camp Road, Yeshwantpur, Bangalore-560022	Alteration in the Memorandum of Association ("MOA") Adoption of New set of MOA	11.00 A.M.

All resolutions moved at the last Annual General Meeting held on 30.09.2019 were passed by the requisite majority of shareholders except as above which was approved through Special resolution.

B. Extra ordinary General Meeting

Year	Date & Day	Location	Time	Special Resolution
2020	January 10, 2020, Friday	Kurlon Factory, Jalahally Camp Road, Yeshwantpur, Bangalore-560022	11.30 A.M.	Approval pursuant to Section 185 of the Companies Act, 2013 for providing Corporate Guarantee to Related party.

C. Postal Ballot

There was no any Special/Ordinary Resolutions passed by the Company through Postal Ballot.

8. RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by Companies Amendment Act, a qualified Practicing Company Secretaries/ Chartered Accountants carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every half yearly and the report thereon is submitted to the Registrar of Companies Karnataka Bangalore.

9. DISCLOSURES

A. Related Party Transactions

All the transactions entered into with Related Parties as per the Companies Act, 2013 during the Financial Year 2019-20 were in ordinary course of business and on an arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. Further, there was no material related party transaction which required shareholder's

approval. The required statements / disclosures with respect to the related party transactions are placed before the Audit Committee on regular basis. Suitable disclosures as required by the IND AS-24 have been made in notes to the Financial Statements. Further, the Company has not entered into any transaction of material nature with Promoters, the Directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interest of the Company.

B. Disclosure of accounting treatment in preparation of Financial Statements

In the financial statements for the year ended 31 March, 2020, the Company has followed the treatment as prescribed in the applicable Ind AS.

C. Management Discussion and Analysis Report.

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

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

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

E. Whistle-Blower Policy/Vigil Mechanism

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

F. Risk Management Framework.

The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews by internal team to ensure that critical risks are controlled by the management.

10. GENERAL SHAREHOLDERS INFORMATION

A. Annual General Meeting

Day & Date	Time	Venue
Thursday, October 22, 2020	11.30 A.M.	Venue- E-Meeting, through video Conference (VC) or other Audio visual Means (OAVM).

B. Dates of Book Closure

The share transfer book and register of members of the Company will remain closed from October 15, 2020 to October 22, 2020 (both days inclusive) for the purpose of the Annual General Meeting of the Company.

C. Dividend Payment Date

The Company has not recommended/paid any dividend for the period under review.

D. Listing on Stock Exchanges:

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

Payment of Depository Fees

Annual Custody/Issuer fee for the year 2019-20 has been paid by the Company to CDSL & NSDL.

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

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

Particulars	Purva Sharegistry (India) Private Limited
Contact Person	Ms. Purva Shah
Address	9, Shiv Shakti Ind. Estt. J.R. Boricha Marg, Lower Parel(E), Mumbai-400011
Phone Nos.	+91-022-2301-6761/2518
Email ID	support@purvashare.com

F. Distribution of Shareholding as on 31st March 2020:

Slab of Shareholding (₹)	Number	% of Total	In ₹	% of Total
Upto 5,000	1563	85.50	1732010.00	1.16
5,001 - 10,000	99	5.42	811060.00	0.54
10,001 - 20,000	71	3.88	1043690.00	0.70
20,001 - 30,000	33	1.81	843200.00	0.57
30,001 - 40,000	13	0.71	463400.00	0.31
40,001 - 50,000	6	0.33	279800.00	0.19
50,001 - 1,00,000	25	1.37	1982580.00	1.33
1,00,001 & Above	18	0.98	141670310.00	95.19
TOTAL	1828	100.00	148826050.00	100.00

G. Categories-wise list of Shareholders

Category	No. of Shareholders	% of Shares	Number of Shares
Resident Individuals	1731	4.78	711171
Corporate Promoter	10	91.15	13566192
IEPF	1	0.33	48686
LLP	1	0.04	5665
Bodies Corporate	23	0.62	91887
Promoter	4	2.81	418373
Employee	16	0.02	3680
N.R.I. (Non-Repatriation)	6	0.03	4680
N.R.I. (Repatriation)	3	0.03	5000
Trust	1	0.05	7450
Hindu Undivided Family	32	0.13	19821
TOTAL	1828	100.00	14882605

H. Dematerialization of shares and liquidity:

Percentage of shares held in physical and dematerialized form as on 31st March, 2020:

Physical form	:	1.79%
Electronic form with NSDL & CDSL	:	98.21%

I. Factories/Plant Locations

All factories/Plant location is mentioned on the first page of this Annual Report.

J. Address for Correspondence:

The shareholders may send their grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned elsewhere in this report or to the Company at:

- I. Secretarial Department
Kurlon Limited,
N-301, 3rd Floor, Front Wing, North Block,
Manipal Centre, 47, Dickenson Road,
Bangalore-560042.
e-mail: monukumar@kurlon.com

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

Please refer Board Report.

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

Date: 24.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Managing Director
DIN: 00043298

Sd/-
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

ANNEXURE-“D”

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

MARKET OVERVIEW

Rise in income levels, health consciousness and growth in the real estate and hospitality sectors are major factors that accelerated the growth of the Indian mattress market. A visible shift has been observed in the consumers' perspective, where the main focus now is on the comfort and functionality of the product. Several new trends are expected in the mattress industry during the coming years. The demand for customized and luxury mattresses is expected to increase significantly. Mattresses are no longer considered as mere consumer durables, they are an indicator of the quality of life. Demand in both residential and institutional sectors is expected to grow in India. Among various sizes available, king size mattresses are the most preferred one, and comfort and durability are the most important factors for dominance in the market. Presently your Company sales its products only to its subsidiary Company Viz. Kurlon Enterprise Limited.

ECONOMIC OVERVIEW

Global Economy

The year 2019 was a difficult year for the global economy with world output growth estimated to grow at its slowest pace of 2.9 per cent since the global financial crisis of 2009, declining from a subdued 3.6 per cent in 2018 and 3.8 per cent in 2017 (Source: The World Economic Outlook (WEO) Update of January 2020 published by IMF). The subdued growth is a consequence of elevated trade barriers, Brexit related concerns, geopolitical tensions and macroeconomic stress in several emerging economies. However, there have been positives since the beginning of 2020, which include United States (US)-China trade negotiations, a successful Brexit and continued monetary easing. Additionally, emergence of COVID-19 in last December 2019 in Wuhan Province, China, which has been declared as a pandemic by WHO, has affected the global economy adversely.

COVID-19 Impact

Amid the COVID-19 pandemic, several countries across the world resorted to lockdowns to “flatten the curve” of the infection. These lockdowns meant confining millions of citizens to their homes, shutting down businesses and ceasing almost all economic activity. According to the International Monetary Fund (IMF), the global economy is expected to shrink by over 3 per cent in 2020 – the steepest slowdown than the financial crisis a decade ago. The economic outlook seems gloomier at this juncture with growth estimated at 1.9% for FY 2020-21 with potential downsides. Strict containment measures, such as the nationwide lockdown have stalled economic activity and have impacted both consumption and investment. Nonetheless, Global Economy growth is expected to recover sharply to 7.4% in FY 2021-22.

INDIAN ECONOMY

As per the International Monetary Fund (IMF) estimates, India's Gross Domestic Product (GDP) is expected to grow by 4.2% in FY 2019-20, way lower than the 6.8% growth clocked in FY 2018-19 (Source: Economic times). Primary factors responsible for this expected growth deceleration include the global economic slowdown, subdued consumption and private investment, weak exports and liquidity constraints. However, now with COVID-19 striking India too, its economic impact has not yet been fully analyzed, and performance of GDP is yet to be recorded.

Despite these short and medium-term challenges, the Indian economy continues to have some positives. India improved by 14 ranks in the World Bank's Ease of Doing Business Index 2020 to the 63rd position (Source: <https://www.livemint.com/news/india/india-jumps-14-notches-in-world-bank-s-ease-of-doing-business-rankings-11571882591868.html>). In an attempt to boost investment, consumption and exports, the government has taken important reforms such as reduction in policy rates, transmission in policy rates, Funding to Micro, Small & Medium Enterprises, reduction in Income Taxes, Reduction in Goods and Services Tax (GST), Foreign Direct Investment (FDI) liberalization, , among others, which would improve the the prospects of India's growth story in the years to come. With COVID 19 impacting the Indian Supply Chain, India has laid out an aggressive 'MAKE IN INDIA' strategy which is expected to drive significant benefits for the economy.

OUTLOOK ON OPPORTUNITIES, THREATS, RISKS AND CONCERNS:

Future Prospects & Opportunities;

- The Company has established itself as the mattress producer in the Country with the brand Kurlon being a Superbrand. However the COVID - 19 pandemic has adversely affected the economy. To support the Economy, the Government

of India has rolled out policy stimulus equivalent to INR 20 trillion. It is expected that by end of the year the Indian economy would be back on track.

- With Work From Home expected to be the new normal and more people spending greater time at home, it is expected that the demand for the products used at home would go up especially in the Mattress space
- Online segment is expected to experience significant growth due to thrust on online mode of purchasing by customers
- The Industry is largely unorganized and with greater awareness and higher income levels, the market share of the organized players would eventually go up
- The company sell its products to its subsidiary company Viz Kurlon Enterprise Limited which foresees a good opportunity for growth and off take of its products owing to its strong manufacturing base, established marketing & logistics infrastructure, & strong financials

Threats, Risks & Concerns;

- Impact of the COVID-19 pandemic and its lasting effect has affected/would affect the economies across the globe
- Loss of jobs and income levels would have a temporary impact on demand for non-essential products affecting the sector.
- State wise announcement of lockdowns resulting in disruptions in the supply and distribution chain

INTERNAL CONTROL SYSTEM & ADEQUACY

Your Company does not fall within the preview of section 138 of the Companies Act, 2013 hence disclosure under this section is not provided.

FINANCIAL OVERVIEW

During the year under review, Net Revenue from operations on standalone basis decreased to ₹11,472.04 Lakhs from ₹ 11,720.70 Lakhs and Profit after Tax for the current year decreased by 33.73% to ₹966.91 Lakhs from ₹1,459.02 Lakhs (Before Other Comprehensive Income).

On a Consolidated basis, Net Revenue from operations decreased to ₹96,173.05 Lakhs from ₹1,02,379.64 Lakhs. On a consolidated basis Net Profit after tax increased by 0.93% to ₹7,565.91 Lakhs from ₹7,495.96 Lakhs last year (Before Other Comprehensive Income) and increased by 0.17% to ₹7,609.36 Lakhs from ₹7,596.28 Lakhs (After Other Comprehensive Income).

The Consolidated Financial Statements have been presented after accounting for the business combination arising from the Scheme of Arrangement (“Scheme”) between Kurlon Enterprise Limited and Spring Air Bedding Company (India) Limited, that was approved by the National Company Law Tribunal, Mumbai vide its order dated March 12, 2020 and National Company Law Tribunal, Delhi vide its order dated May 05, 2020, with effect from April 01, 2018, (“the appointed date”).

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

Human capital being the most crucial asset of the Company, the Company has to continue to invest in the development of its employees, which is very important for ensuring sustained high performance. The Company is in the process of strengthening and introducing a system that would enable employees to track their own progress as well as bring up issues that concerns them and the company for better performance.

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

Date: 24.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Managing Director
DIN: 00043298

Sd/-
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

ANNEXURE-“E”**ANNUAL REPORT ON CSR ACTIVITIES****I. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the CSR policy and projects or programs.**

The Board of Directors (the 'Board') of "Kurlon" has adopted a CSR policy, which includes:

- a. To direct Kurlon's CSR Programs, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education including skill development; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India and preserving and promoting sports.;
- b. To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are prerequisites for social and economic development.
- c. To engage in affirmative action/interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons including from disadvantaged sections of society;
- d. To pursue CSR Programs primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- e. To carry out CSR Programs in relevant local areas to fulfill commitments arising from requests by government/regulatory authorities and to earmark amounts of monies and to spend such monies through such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates;
- f. To carry out activities at the time of natural calamity or engage in Disaster Management system;
- g. To contribute to the Prime Minister' National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- h. To contribute or provide funds to technology incubators located within academic institutions which are approved by the Central Government;
- i. To contribute to any fund setup by the Central Government or State Government(s) including Chief Minister's Relief Fund, which may be recognized as CSR activity;
- j. To promote sustainability in partnership with industry associations, like the Confederation of Indian Industry (CII), PHD, FICCI, etc. in order to have a multiplier impact.

2. The Composition of the CSR Committee.

Mrs. Jaya S Pai	:	Chairman
Mr. Nitin G Khot	:	Member
Sri S Ananthanarayanan	:	Member

3. Average Net Profit of the Company for last three Financial Years : ₹646.47**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹12.93 Lakhs****5. Details of CSR spent during the financial year.**

- a. Total amount spent for the financial year 2019-20: **12.93 Lakhs**
- b. Amount unspent, if any : **NIL**

c. Manner in which the amount spent during the financial year is detailed below;

₹ in Lakhs

Sr. No.	CSR Project or Activity	Sector in which project is covered	Areas Where Project Was Implemented	Amount outlay (budget)	Amount Spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Donation	Donation to the Corpus of Trust/Society/Section 8 Companies	Odisha & Mumbai	12.93	15.00	15.00	Through Avabai Hormusji Trust & Kalinga Institute of Social Sciences
	Education, Health and Development	Providing health care & education support to villages.	GWALIOR (MP)		1.57	1.57	Through Ehsaas Trust
	Others	Rehabilitation	GWALIOR (MP)		2.10	2.10	Through Narayana Vrudha Aashrama

6. Reason/justification for not spending Prescribed CSR expenditure if any: None

7. Responsibility statement

The responsibility statement of the Corporate Social Responsibility (CSR) committee of the Board of Directors of the company is reproduced below;

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the company.

Sd/-

(T. Sudhakar Pai)
Managing Director

Sd/-

Jaya S Pai
Chairman of CSR Committee

ANNEXURE-“F”

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U17214KA1962PLC001443
2.	Registration Date	09.02.1962
3.	Name of the Company	Kurlon Limited
4.	Category/Sub-category of the Company	Company Limited by Shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	N-301, III Floor, North Block, Front Wing, Manipal Centre, 47, Dickenson Road Bangalore- 560042 Email: secretary@kurlon.org
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry (India) Private Limited Ms. Purva Shah 9, Shiv Shakti Ind. Estt. J.R. Boricha Marg, Lower Parel(E), Mumbai-400011 +91-022-2301-6761/2518 support@purvashare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Mattresses/Pillows/Cushions/Foam/EPE sheet	31005	88.65%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ associate	% of shares held	Applicable section
1	Kurlon Enterprise Limited	U36101MH2011PLC222657	Subsidiary	85.06	2(87)
2.	Kurlon Retail Limited	U36104KA2012PLC065664	Stepdown Subsidiary	100.00*	2(87)
3	Sevalal Solar (P) Ltd	40106KA2016PTC094328	Stepdown Subsidiary	5.00	2(87)
4	Sirar Dhotre Solar (P) Ltd	U40106KA2016PTC097367	Stepdown Subsidiary	5.00	2(87)
5	Sirar Solar Energies (P) Ltd	U40300KA2016PTC097314	Stepdown Subsidiary	5.00	2(87)

* Kurlon Enterprise Limited holds 100% shares.

** Kurlon Enterprise Limited holds 69% shares in each Company.

*** during the year, Spring Air Bedding Company (India) Ltd ceased to be a stepdown subsidiary of the Company by virtue of its Amalgamation with M/s Kurlon Enterprise Limited.

*** SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As at 31-March-2019]				No. of Shares held at the end of the year [As at 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	411068	7695	418763	2.81	410678	7695	418373	2.81%	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	13564571	1621	13566192	91.15	13564591	1601	13566192	91.15%	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	00
Sub-Total (A)(1)	13975639	9316	13984955	93.96	13975269	9296	13984565	93.96	0.00
(2) Foreign									
a). NRI/Foreign individual	0	0	0	0	0	0	0	0	0
b). Bodies Corporate	0	0	0	0	0	0	0	0	0
c). Institutions	0	0	0	0	0	0	0	0	0
d). QII	0	0	0	0	0	0	0	0	0
e). any other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of promoters and promoters group (A)=(A)(1)+(A)(2)	13975639	9316	13984955	93.96	13975269	9296	13984565	93.96	0.00
B. Public Shareholding									
I. Institutions									
a) Mutual Funds/UTI	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt/IEPF	21376	0	21376	0.14	48686	0	48686	0.33	+0.19
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(I):-	21376	0	21376	0.14	48686	0	48686	0.33	+0.19

2. Non-Institutions

a) Bodies Corp.	88027	75	88102	0.59	91812	75	91887	0.62	+0.03
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	422896	230145	653041	4.39	436441	191419	627860	4.22	-0.17
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	28498	54813	83311	0.56	28498	54813	83311	0.56	0.00
c). Qualified foreign investor	0	0	0	0	0	0	0	0	0
d) Others:									
i. N.R.I. (Repat & Non- Repat.)	9880	0	9880	0.07	9680	0	9680	0.07	0.00
ii. Foreign Corporate Bodies	0	0	0	0	0	0	0	0	0.00
iii. Trust	0	7450	7450	0.05	0	7450	7450	0.05	0.00
iv. LLP	5665	0	5665	0.04	5665	0	5665	0.04	0.00
v. Hindu Undivided Family	24745	0	24745	0.17	19821	0	19821	0.13	-0.04
vi. Employee	4080	0	4080	0.03	0	3680	3680	0.02	-0.01
vii. Clearing Members	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(2):-	583791	292483	876274	5.90	591917	257437	849354	5.71	-0.19
Total Public Shareholding (B)=(B)(1)+ (B)(2)	605167	292483	897650	6.04	640603	257437	849354	6.04	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	14580806	301799	14882605	100	14615872	266733	14882605	100.00	0.00

* changes in the shareholding s figure if any are due to reclassification.

B. Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Manipal Holdings Private Limited	7183919	48.27%	0.00	7183919	48.27%	0.00	0.00%
2	Maha Rashtra Apex Corporation Ltd	5693020	38.25%	0.00	5693020	38.25%	0.00	0.00%
3	General Investment And Commercial Co.	487620	3.27%	0.00	487620	3.27%	0.00	0.00%
4	Jaya S Pai	376586	2.53%	0.00	376586	2.53%	0.00	+0.08%

5	Metropolis Builders Pvt Ltd	167036	1.12%	0.00	167036	1.12%	0.00	0.00%
6	Manipal Home Finance Limited	32350	0.21%	0.00	32350	0.21%	0.00	0.00%
7	T Sudhakar Pai (Trustee of Ananth Trust)	29107	0.19%	0.00	29107	0.19%	0.00	0.00%
8	T Sudhakar Pai	100	0.00%	0.00	110	0.00%	0.00	0.00%
9	Mangala Investments Limited	646	0.00%	0.00	646	0.00%	0.00	0.00%
10	Rajmahal Trade & Investments Pvt. Ltd.	501	0.00%	0.00	501	0.00%	0.00	0.00%
11	Commercial Corporation Of India Ltd	500	0.00%	0.00	500	0.00%	0.00	0.00%
12	Manipal Stock & Share Brokers Ltd	350	0.00%	0.00	350	0.00%	0.00	0.00%
13	Jai Bharath Mills Private Ltd	250	0.00%	0.00	250	0.00%	0.00	0.00%
14	Tonse Sudhakar Pai (Trustee of Trust Foundation)	12570	0.08%	0.00	12570	0.08%	0.00	+0.08%

C. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	13984555	93.96%	13984555	93.96%
	Add: purchased during the year			10	0.00%
	At the end of the year			13984565	93.96%

D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
I.	ENRICH ADVISORS PRIVATE LIMITED				
	At the beginning of the year	23596	0.16	3145	0.16%
	Add/less: Purchased and sold during the year			-600	-0.00%
				+2000	+0.01%
				-1320	-0.01%
				-500	-0.01%
				+1000	+0.01%
				-250	-0.01%
	At the end of the year			23926	0.16%

2.	IEPF				
	At the beginning of the year	15585	0.10%	15585	0.10%
	Add: Transferred during the year pursuant to IEPF Rules, 2016 on 29.11.2019				27310 0.04%
	At the end of the year			48686	0.14%
3.	MI LIFESTYLE MARKETING PRIVATE LTD				
	At the beginning of the year	18800	0.12%	18800	0.12%
	Add/Less: change during the year				Nil
	At the end of the year			18800	0.12%
4.	RAMESH RAO A				
	At the beginning of the year	16639	0.11%	16639	0.11%
	Add/Less: change during the year				Nil
	At the end of the year			16639	0.11%
5.	SUNANDA NAYAK				
	At the beginning of the year	16000	0.10%	16000	0.10%
	Add/Less: change during the year				Nil
	At the end of the year			16000	0.10%
6.	USHA RAO A				
	At the beginning of the year	13416	0.09%	13416	0.09%
	Add/Less: change during the year				Nil
	At the end of the year			13416	0.09%
7.	ATTUR VASUDEVA PRABHU				
	At the beginning of the year	13000	0.08%	13000	0.08%
	Add/Less: change during the year				Nil
	At the end of the year			13000	0.08%
8.	A SHAILA PRABHU				
	At the beginning of the year	12498	0.08%	12498	0.08%
	Add/Less: change during the year				Nil
	At the end of the year			12498	0.08%
9.	AROOR ANUSUYA RAO				
	At the beginning of the year	11758	0.07%	11758	0.07%
	Add/Less: change during the year				Nil
	At the end of the year			11758	0.07%
10.	MORARKA FINANCE LTD				
	At the beginning of the year	10100	0.07%	10100	0.07%
	Add/Less: change during the year				Nil
	At the end of the year			10100	0.07%

E. Shareholding of Directors and Key Managerial Personnel;

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	MR.T SUDHAKAR PAI*				
	At the beginning of the year	41777	0.28%	41777	0.28%
	Add: purchased during the year			10	0.00%
	At the end of the year			41787	0.28%
3.	MRS. JAYA S PAI				
	At the beginning of the year	376586	2.53%	376586	2.53%
	Add/Less: change during the year				Nil
	At the end of the year			376586	2.53%
4.	MRS. JYOTHI ASHISH PRADHAN				
	At the beginning of the year	1800	0.01%	1800	0.01%
	Add/Less: change during the year				Nil
	At the end of the year			1800	0.01%

*holding 29107 on behalf of Ananth Trust and 12570 on behalf of Trust Foundation as Trustee.

IV. INDEBTEDNESS;

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the year				
i) Principal Amount	781.35	-	-	781.35
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	781.35	-	-	781.35
Change in Indebtedness during the year				
* Addition	-	-	-	-
* Reduction	(437.40)	-	-	(437.40)
Net Change	(437.40)	-	-	(437.40)
Indebtedness at the end of the year				
i) Principal Amount	343.95	-	-	343.95
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	343.95	-	-	343.95

Apart from above secured loans, The Company has current maturity of Vehicle and term loans amounting to ₹437.40 lakhs.

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

a. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr.T Sudhakar Pai Managing Director
1	Gross salary(in lakhs)	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission/incentive - as 3% of profit - others, specify	36.68
5	Others, please specify	-
	Total (A)	36.68
	Ceiling as per the Act	61.13

b. Remuneration to other directors: Nil

c. Remuneration to key managerial personnel other than MD/Manager/WTD: Nil

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

Date: 24.09.2020
Place: Bangalore

Sd/-
(T. Sudhakar Pai)
Managing Director
DIN: 00043298

Sd/-
(Dr. Nitin G. Khot)
Independent Director
DIN: 00030613

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF KURON LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **KURLON LIMITED** (the “Company”), which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to 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 (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 the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (“SA”)s 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

- a) We draw attention to Note no.8 of the accompanying financial statements with respect to the advance paid towards purchase of properties. The property for which the advance paid is not yet registered in the name of company even though the advance is pending for a long period of time.
- b) We draw attention to Note no.35 to the Financial Statements, which describes that the potential impact of the COVID-19 pandemic on the Company’s financial performance and financial position are dependent on future developments, which are uncertain.

Our opinion is not modified in respect of the above matters.

Information Other than the Standalone Financial Statements and Auditor’s Report thereon

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s Director Report, 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 during the course of our 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.

Management’s Responsibilities for the Standalone Financial Statements

The Company’s management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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.

Other matters

- a) Due to the COVID-19 related lock-down we were not able to physically observe the physical verification of inventory that was carried out by the management subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence — Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our opinion on these standalone financial statements. Our opinion is not modified in respect of this matter.
- b) Corresponding figures for the year ended 31st March 2019 were audited by the predecessor auditor who have expressed an unmodified opinion on the financial statements for the year ended 31st March 2019, vide their report dated 19th July 2019. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- B. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 no.26 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Mohan & Venkataraman
Chartered Accountants
Firm's Registration No.007321S

Place of Signature : Bangalore
Date : 19.08.2020
UDIN : 20205737AAAAO8106

S. K. Subramanian
Partner
M. No. 205737

ANNEXURE 'A'
TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KURLON LIMITED of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- ii. As explained to us, the inventories were physically verified by the management during the year and no material discrepancies were noticed on physical verification
- iii. The Company has granted unsecured loans to companies which are covered in the register maintained under Section 189 and complied with the provisions of the Companies Act, 2013 in respect of grant of loans as applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities..as..applicable.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits during the year. There is no unclaimed deposit as at March 31, 2020 and hence reporting under clause (v) of the order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 .We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing the undisputed statutory dues including provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales tax, value added tax and goods and service tax as on March 31st 2020 on account of disputes are given below

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount* involved (In lakhs)
Value Added Tax, Sales Tax and Entry Tax - Various states	Value Added Tax, Sales Tax and Entry Tax - Various states	High Court	2004-2005	2.81
		Appellate Tribunal/ Board	2005-2006	29.09
			1990-1991 & 1991-1992	0.17
		The Joint Commissioner/ Dy. Commissioner/Asst. Joint Commissioner/ Dy. Joint Commissioner -Commercial Taxes	1997-1998	29.38
			2000-2001	1.73
			2004-2005	1.16
			2008-2009	15.78
			2010-2011	70.76
			1995-1996	0.9
			1996-1997	15.86
			1998-1999	4.23
			1999-2000	34.87
			2000-2001	32.4
			2003-2004	0.59
			2004-2005	11.49
			2005-2006	40.44
			2006-2007	42.11
			2007-2008	223.27
			2008-2009	165.89
			2009-2010	122.14
			2010-2011	8.02
			2011-2012	674.34
			2012-2013	412.14
		2013-2014	492.13	
		2014-2015	21.51	
		2015-2016	27.94	
		2016-2017	38.19	
				2,519.33

* ₹388.48 lakhs has been paid as advance against the demands/appeals.

- viii. In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowing to banks. The company has not availed loans or borrowings from financial institutions, government and has not issued any debenture.
- ix. In our opinion and according to the information and explanation given to us, the term loans have been applied by the company during the year for the purposes for which they have raised, other than temporary deployment pending application of proceeds. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Mohan & Venkataraman
Chartered Accountants
Firm's Registration No. 007321S

Place of Signature : Bangalore
Date : 19.08.2020
UDIN : 20205737AAAAO8106

S. K. Subramanian
Partner
M. No. 205737

ANNEXURE 'B' **TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of KURLON LIMITED of even date)

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

We have audited the internal financial controls over financial reporting of **KURLON LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorisations of the 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 over Financial Reporting

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

Opinion

We have audited the internal financial controls over financial reporting of KURLON LIMITED (the “Company”) as of March 31, 2020 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 control system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2020, based on the internal controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Mohan & Venkataraman
Chartered Accountants
Firm's Registration No. 007321S

Place of Signature : Bangalore
Date : 19.08.2020
UDIN : 20205737AAAAO8106

S. K. Subramanian
Partner
M. No. 205737

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3	10,216.93	12,765.74	7,607.83
(b) Right to Use Assets		4,305.17	-	-
(c) Other Intangible Assets	3	0.43	0.48	0.35
(d) Capital work-in-progress	3a	127.51	36.21	586.90
(e) Financial Assets				
(i) Investments	4	4,416.56	4,417.34	4,390.34
(ii) Loans	6	827.63	1,366.89	2,295.58
(iii) Other Financial Assets	7	183.42	137.58	146.12
(f) Other Non-Current Assets	8	3,783.00	3,638.81	6,270.22
Total Non - Current Assets		23,860.65	22,363.06	21,297.34
Current assets				
(a) Inventories	9	1,485.61	1,678.64	1,501.71
(b) Financial Assets				
(i) Trade Receivables	5	6.50	125.24	21.63
(ii) Cash and Cash Equivalents	10	286.00	629.89	235.60
(c) Current Tax Assets (Net)	11	797.88	777.34	962.11
(d) Other Current Assets	8	238.87	70.73	216.24
Total Current Assets		2,814.86	3,281.84	2,937.29
Total Assets		26,675.51	25,644.89	24,234.63
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	12	1,488.26	1,488.26	1,488.26
(b) Other Equity	13	17,753.07	16,786.16	15,328.98
Total Equity		19,241.33	18,274.42	16,817.24
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14	343.95	781.35	1,850.34
(ii) Other Financial Liabilities	16	55.74	29.70	33.95
(b) Deferred tax liabilities (Net)	11a	753.30	582.13	447.98
(c) Other Non-Current Liabilities	17	4,758.21	4,632.90	3,559.69
Total Non - Current Liabilities		5,911.20	6,026.08	5,891.96
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables	15	852.48	845.10	1,042.82
(ii) Other Financial Liabilities	16	441.86	436.77	445.75
(b) Other Current Liabilities	17	228.64	62.52	36.86
Total Current Liabilities		1,522.98	1,344.39	1,525.43
Total Liabilities		26,675.51	25,644.89	24,234.63

See accompanying notes forming part of these financial statements
In terms of our report attached

For and on behalf of the Board of Directors

For Mohan & Venkataraman
Chartered Accountants
Firm's Registration No. 007321S

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

S.K Subramanian
Partner
Membership No. 205737
UDIN : 20205737AAAAAO8106

N. Srinivasa Ulloor
Chief Financial Officer

Monu Kumar
Company Secretary

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	18	11,472.04	11,720.70
Other Income	19	1,468.11	2,986.86
Total Revenue		12,940.15	14,707.56
Expenses			
Cost of Materials Consumed	20	8,552.65	10,065.80
Changes in Stock of Finished Goods, Work-In-Progress and Stock-In-Trade	20.a	47.76	(227.23)
Employee Benefit Expense	21	560.25	492.50
Finance Costs	22	112.48	168.38
Depreciation and Amortization Expense	3	557.92	453.54
Other Expenses	23	1,920.47	2,101.74
Total Expenses		11,751.53	13,054.73
Profit/(Loss) Before Exceptional Items and Tax		1,188.62	1,652.83
Exceptional Items			
Depreciation of Earlier Years	3	-	(21.65)
Profit/(Loss) Before Tax		1,188.62	1,631.18
Tax Expense			
Current Tax	11a	47.81	184.63
MAT Credit		(44.71)	-
Deferred Tax	11a	171.17	134.15
(Excess)/Short Provision of Income Tax of earlier year		47.44	(146.62)
Total Tax Expense		221.71	172.16
Profit/(Loss) After Tax from Continuing Operations		966.91	1,459.02
Discontinued Operations		-	-
Profit/(Loss) for the year		966.91	1,459.02
Other Comprehensive (Loss) / Income			
Items that will not be recycled to Profit or Loss			
- Equity Instruments through other Comprehensive Income		-	31,311.69
- Fair value of Equity Instruments		-	-
- Re-measurements of the defined benefit liabilities / (asset)		12.43	(7.35)
- Income tax relating to items that will not be reclassified to profit or loss		(3.11)	(1.84)
Total Other Comprehensive (Loss) / Income		9.32	31,302.50
Total Comprehensive Income for the year		976.23	32,761.52
Earnings per Equity Share (for continuing operation):			
Basic	24	6.56	9.80
Diluted	24	6.56	9.80

See accompanying notes forming part of these standalone financial statements
In terms of our report attached

For and on behalf of the Board of Directors

For Mohan & Venkataraman
Chartered Accountants
Firm's Registration No. 007321S

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

S.K Subramanian
Partner
Membership No. 205737
UDIN : 20205737AAAAO8106

N. Srinivasa Ulloor
Chief Financial Officer

Monu Kumar
Company Secretary

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

STANDALONE CASH FLOW STATEMENT AS ON MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flows from Operating Activities			
Profit before tax for the year	PL	1,188.62	1,631.18
Adjustments for:			
Insurance claim received on Fixed Assets		-	-
Depreciation and Amortisation	2	557.92	475.19
Interest income from Deposits		(20.04)	(31.80)
Dividend Income		(928.40)	(568.86)
(Profit)/Loss on Sale of Investments		-	(1,236.02)
(Profit)/Loss on Sale of Asset		-	(0.83)
Interest Expenses		112.48	168.38
Sales Tax Subsidy		-	-
Net Foreign Exchange (Gain)/Loss		-	16.41
Net Cash Flow before Working Capital Changes		910.58	453.65
Changes in working capital:			
(Increase)/Decrease in Trade Receivables		118.74	(173.09)
(Increase)/Decrease in Inventories		193.03	(176.93)
(Increase)/Decrease in Short-term loans and advances		-	-
(Increase)/Decrease in Other Current Assets		(168.14)	144.04
Increase/(Decrease) in Trade Payables		7.38	(206.24)
Increase/(Decrease) in Provisions		-	(1.80)
Increase/(Decrease) in Long term liabilities		-	-
Increase/(Decrease) in Other Current Liabilities		171.21	19.95
(Decrease)/increase in Deferred Tax Liabilities		171.17	134.15
(Increase)/Decrease in Current Tax Assets		-	182.93
		493.39	(76.99)
Cash Flows generated from Operating Activities			
Income taxes paid		1,403.97	376.66
		(242.26)	(217.40)
		1,161.71	159.26
B. Cash flows from Investing Activities			
Capital expenditure on Fixed Assets, Including Capital Advances		(2,527.30)	(2,484.79)
Proceeds on Sale of Investments		0.78	1,263.02
Interest Received		20.04	31.80
Dividends Received from Subsidiary	19	928.40	568.86
Placed in Bank Deposits not Considered as Cash and Cash Equivalents		-	-
		(1,578.08)	(621.12)
Net cash flow from / (used in) Investing Activities (B)			
C. Cash flows from Financing Activities			
Decrease in Balances with Govt Authorities (Other than Income Tax)		(22.42)	34.49
Decrease in Loans-Non Current Assets		(43.24)	11.64
Increase in Loans & Advances		536.67	925.59
Repayment of Secured Borrowings		(437.40)	(1,077.73)
Increase in Non - Current Liabilities		125.31	1,134.80
Increase in Other Financial Liabilities		26.04	(4.25)
Interest Paid		(112.48)	(168.38)
		72.48	856.16
Net Cash Obtained/(Utilised) from Financing activities			
Net Increase in Cash and Cash Equivalents		343.90	394.30
Cash and cash equivalents at the beginning of the year		629.89	235.60
		286.00	629.89
Cash and cash equivalents at the end of the year			

See accompanying notes forming part of these standalone financial statements
In terms of our report attached

For and on behalf of the Board of Directors

For Mohan & Venkataraman
Chartered Accountants
Firm's Registration No. 007321S

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

S.K Subramanian
Partner
Membership No. 205737
UDIN : 20205737AAAAA08106

N. Srinivasa Ulloor
Chief Financial Officer

Monu Kumar
Company Secretary

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

STATEMENT OF STANDALONE CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020
a. Equity Share Capital
₹ in Lakhs

Particulars	Amount
Balance as at April 1, 2018	1,488.26
Issue during the year	-
Balance as at March 31, 2019	1,488.26
Issue during the year	-
Balance as at March 31, 2020	1,488.26

b. Other Equity
₹ in Lakhs

Particulars	Reserves and Surplus				Total
	Capital reserve	Securities premium reserve	General reserve	Retained earnings	
Balance as at April 1, 2018	970.81	293.81	3464.43	10,599.93	15,328.98
Add: Profit for the year	-	-	-	32,761.52	32,761.52
Other comprehensive Income for the year	-	-	-	(31,304.34)	(31,304.34)
Total Comprehensive Income for the year	-	-	-	1,457.18	1,457.18
Balance as at March 31, 2019	970.81	293.81	3,464.43	12,057.11	16,786.16
Add: Profit for the year	-	-	-	976.23	976.23
Other comprehensive Income for the year	-	-	-	(9.32)	(9.32)
Total Comprehensive Income for the year	-	-	-	966.91	966.91
Balance as at March 31, 2020	970.81	293.81	3464.43	13024.02	17,753.07

The above statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report attached

For and on behalf of the Board of Directors

For Mohan & Venkataraman

Chartered Accountants
Firm's Registration No. 007321S

T. Sudhakar Pai

Managing Director
DIN-00043298

Dr. Nitin G Khot

Director
DIN-00030613

S.K Subramanian

Partner
Membership No. 205737
UDIN : 20205737AAAAAO8106

N. Srinivasa Ulloor

Chief Financial Officer

Monu Kumar

Company Secretary

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Significant accounting policies

Note	Particulars
1	<p>Corporate information</p> <p>Kurlon Limited was incorporated under the name and style of “Karnataka Coir Products Limited” on 09-02-1962 and commenced commercial operations during October 1965. The name of the Company was changed to “Karnataka Consumer Products Limited” with effect from 09-10-1980. On 08-12-1995 the name of the company was changed from Karnataka Consumer Products Limited to “KURLON LIMITED”, to fully reflect all its business activities in diverse areas such as Rubberized coir, Latex Foam, Polyurethane foam, Spring Mattresses, Furniture, Furnishings etc.</p>
2	<p>Significant Accounting Policies</p>
2.1	<p>Statement of compliance</p> <p>“These financial statements have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India.</p> <p>Except for the changes below, the Company has consistently applied accounting policies to all periods:</p> <p>i) The Company has adopted Ind AS 116 ‘Leases’ with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach. As a result, the comparative information has not been restated. Refer note 25 for further details.</p> <p>ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.</p> <p>iii) Amendment to Ind AS 19 ‘Employee Benefits’: On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 ‘Employee Benefits’ in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>iv) Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.</p>

2.2 Basis of preparation and presentation

"The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair values and defined benefit plan - plan assets measured at fair value at the end of each reporting period, as explained in the accounting policies below:-

Historical cost is generally based on the fair value of the consideration given in exchange for goods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would consider those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Use of estimates and judgement

In preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS, management of the Company has made estimates, judgements and assumptions that affect the application of Accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities as at the date of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>Useful lives of property, plant and equipment</p> <p>The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.</p> <p>Provisions and Contingent Liabilities</p> <p>A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.</p>
2.4	<p>Revenue recognition</p> <p>Effective 01 April 2018, the Company adopted IND AS 115, 'Revenue from Contracts with Customers' using the modified retrospective method. In accordance with this, the comparatives have not been retrospectively adjusted and no material impact was recognised.</p> <p>Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for estimated customer returns, rebates and other similar allowances.</p> <p>Sale of goods</p> <p>Revenue from the sale of goods is recognised when (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items.</p> <p>Other income</p> <p>Interest income- Interest Income is recognised and accounted on the basis of the effective Interest rate method.</p> <p>Dividend Income- Dividend income is accounted for when the right to receive is established.</p>
2.5	<p>Foreign currencies</p> <p>The functional currency of the Company is Indian Rupees.</p> <p>Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>rates. Exchange rate differences arising on settlement of transaction of monetary items are recognized as income or expenses in the year in which they arise. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.</p>
2.6	<p>Leases</p> <p>The Company's lease asset classes primarily consist of leases for land and buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.</p> <p>The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.</p> <p>The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.</p> <p>The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense over the lease term.</p> <p>In the comparative period, leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.</p>
2.7	<p>Employee benefits</p> <p>Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences and employee state insurance scheme.</p> <p>Retirement benefit cost and termination benefits</p> <p>Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:</p> <ul style="list-style-type: none"> - service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); - net interest expense or income; and - re-measurement <p>The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item ' Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.</p> <p>The retirement benefit obligation in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.</p> <p>Defined contribution plan</p> <p>Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.</p> <p>Compensated absences</p> <p>Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized at an actuarially determined liability at the present value of the defined benefit obligation as at the balance sheet date. Liabilities for gratuity funded in terms of a scheme administered by the life insurance corporation of India are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
2.8	<p>Taxation</p> <p>Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.</p> <p>Current tax</p> <p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘ Profit before tax ‘ as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.</p> <p>Deferred tax</p> <p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p> <p>The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.</p> <p>Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.</p> <p>The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.</p> <p>Deferred tax assets include Minimum Alternate Tax (“MAT”) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.</p>
2.9	<p>Property, plant and equipment</p> <p>Property, Plant and Equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.</p> <p>Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.</p> <p>Lease rentals and premium for lease hold are amortized over the primary lease period.</p> <p>Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.</p> <p>An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.</p> <p>Capital work in progress</p> <p>“Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.</p> <p>The capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
2.10	<p>Intangible assets</p> <p>Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.</p> <p>Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.</p> <p>The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.</p> <p>An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disposed.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
2.11	<p>Impairment</p> <p>Financial assets (other than a fair value) The Company assesses at each date of balance sheet weather a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.</p> <p>Non- Financial Assets</p> <p>Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.</p>
2.12	<p>Inventory</p> <p>Inventories are valued at the lower of cost and the net realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Cost of inventories are determined on a weighted average basis. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.</p>
2.13	<p>Provisions</p> <p>Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.</p> <p>The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).</p> <p>When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.</p> <p>Provision for warranty is estimated on the basis of past technical experience.</p>
2.14	<p>Investments in Subsidiaries, Associates and Joint Ventures:</p> <p>Investments in Subsidiaries, Associates and Joint Ventures 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</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
2.15	<p data-bbox="225 406 1457 497">immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.</p> <p data-bbox="225 540 501 568">Financial Instruments</p> <p data-bbox="225 589 1457 746">Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.</p> <p data-bbox="225 785 459 812">A) Financial assets</p> <p data-bbox="225 849 555 876">Cash and cash equivalents</p> <p data-bbox="225 898 1457 989">Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p> <p data-bbox="225 1027 651 1055">Financial assets at amortized cost</p> <p data-bbox="225 1076 1457 1202">Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p data-bbox="225 1240 1190 1268">Financial assets at fair value through other comprehensive income (FVTOCI)</p> <p data-bbox="225 1289 1457 1415">Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p data-bbox="225 1453 983 1481">Financial assets at fair value through profit and loss (FVTPL)</p> <p data-bbox="225 1502 1457 1627">Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.</p> <p data-bbox="225 1653 1457 1717">The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.</p> <p data-bbox="225 1755 651 1783">Foreign exchange gains and losses</p> <p data-bbox="225 1804 1457 1930">The fair value of foreign assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For the foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in statement of profit and loss.</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>B) Financial liabilities and Equity</p> <p>Financial liabilities at amortized cost</p> <p>Financial liabilities are measured at amortized cost using effective interest method.</p> <p>Equity instruments</p> <p>An equity instrument is contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue costs.</p> <p>Derecognition: A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.</p> <p>Foreign exchange gains and losses</p> <p>“For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in “Other income”</p> <p>The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in the profit and loss.</p>
2.16	<p>Earnings per share (EPS)</p> <p>“Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.</p> <p>Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p> <p>Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.”</p>
2.17	<p>Segment reporting</p> <p>“The chief operating decision maker (CODM) identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The Company has only one reportable business segment, which is manufacture, purchase and sale of coir, foam and related products which constitutes a single business segment. Accordingly, the amounts appearing in the financial statements relate to the company's single business segment."</p>
<p>2.18</p>	<p>Business Combinations</p> <p>Business combinations are accounted for using the acquisition accounting method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.</p>
<p>2.19</p>	<p>Research and development</p> <p>All revenue expenditure related to research and development are charged to the respective heads on the Statement of Profit and Loss. Capital expenditure incurred on research and development is capitalised as property, plant and equipment and depreciated in accordance with the depreciation policy of the Company</p>

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 3. Property, Plant and Equipments

₹ in Lakhs

Particulars	a) Tangible Assets											b) Intangible Assets		
	Land Freehold	Land leasehold*	Buildings	Plant & Machinery	Furnitures & Fixtures	Office Equipments	Vehicles Owned	Vehicles Financed	Computer Owned	Total	Computer software	Total		
Gross Carrying Value														
As at 1st April 2018	718.97	922.16	5,385.93	2,946.38	243.01	25.98	92.14	132.36	30.74	10,497.67	3.23	3.23		
Additions	-	3,575.81	1,074.15	842.39	1.45	4.45	134.51	-	2.62	5,635.39	0.19	0.19		
Disposals	-	-	-	-	-	-	16.92	-	-	16.92	-	-		
Balance as at 31st March 2019	718.97	4,497.97	6,460.08	3,788.77	244.46	30.43	209.73	132.36	33.36	16,116.14	3.42	3.42		
Additions	750.00	-	1,584.44	281.33	1.54	3.29	33.58	-	1.40	2,655.57	-	-		
Disposals	-	-	0.41	913.19	35.32	-	25.41	-	4.19	978.53	-	-		
Transferred to Right to Use Assets	-	4,352.08	-	-	-	-	-	-	-	4,352.08	-	-		
Balance as at 31st March 2020	1,468.97	145.89	8,044.11	3,156.92	210.68	33.71	217.90	132.36	30.57	13,441.10	3.42	3.42		
Accumulated Depreciation														
As at 1st April 2018	-	49.44	1,408.46	1,096.13	196.31	13.89	89.11	18.13	18.37	2,889.84	2.88	2.88		
Additions	-	4.07	169.99	230.87	7.04	4.14	34.34	-	3.04	453.49	0.05	0.05		
Disposals	-	-	-	-	-	-	(14.58)	-	-	(14.58)	-	-		
Reclassification	-	(2.28)	13.46	-	1.96	1.64	0.68	-	6.19	21.65	-	-		
Balance as at 31st March 2019	-	51.23	1,591.91	1,327.00	205.31	19.68	109.55	18.13	27.60	3,350.40	2.93	2.93		
Additions	-	4.07	216.99	240.03	6.94	4.06	36.05	-	2.80	510.94	0.06	0.06		
Disposals	-	-	0.17	581.42	33.56	-	18.05	-	3.98	637.18	-	-		
Balance as at 31st March 2020	-	55.30	1,808.73	985.61	178.69	23.74	127.55	18.13	26.41	3,224.17	2.99	2.99		
Net Carrying Amount														
Balance as at 1st April, 2018	718.97	872.72	3,977.47	1,850.25	46.70	12.09	3.03	114.23	12.37	7,607.83	0.35	0.35		
Balance as at 31st March, 2019	718.97	4,446.74	4,868.17	2,461.78	39.16	10.75	100.19	114.23	5.76	12,765.74	0.50	0.50		
Balance as at 31st March, 2020	1,468.97	90.59	6,235.37	2,171.31	31.99	9.97	90.35	114.23	4.15	10,216.93	0.43	0.43		

Note: *Includes Land & Building given on Operating lease to Kurlon Enterprise Limited

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Depreciation and Amortization

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Depreciation for the year on Tangible Assets	510.94	453.49	376.26
Depreciation for the year on Intangible Assets	0.06	0.05	0.01
Depreciation on RTU Asset	46.92	-	-
Depreciation and Amortization	557.92	453.54	376.27

Note No. 3a - Capital Work in Progress

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Building	127.51	-	-
Plant & Machinery	-	36.21	572.38
Others	-	-	14.52
Capital Work in Progress	127.51	36.21	586.90

Note:

- 1) Property which was secured by borrower for loan of Rs 7.50 Crs has been registered by way of Deed of conveyance in favour of the company with an option of re-transfer of the said property back to the borrower on total discharge of the outstanding loan amount as per the lending agreement. The borrower repaid the loan of Rs 3.75 Crs and rest of the loan amount of Rs 3.75 Crs is outstanding for more than 3 years, now the borrower is in loan repayment default, In lieu of default, the company has capitalised the property as against the loan of Rs 7.50 Crs during the year and loan recovery action has been initiated by the company through NCLT for an amount aggregating to ₹5.94 Crs (including interest amount).

Interest receivable for 2 years and other charges supposed to be born by borrower are adjusted as against Rs 3.75 Crs outstanding amount payable to borrower.

- 2) Loan outstanding from Rakesh Saigal as on 31.03.2020 is ₹1.95 Crs. The borrower is in loan repayment default. In lieu of default, company has capitalised this property during the year and loan recovery action has been initiated by the company.

Note No. 4 - Investments

Non-Current Investments

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No of shares	Amounts	No of shares	Amounts	No of shares	Amounts
A. Investment in Equity Instruments						
<i>I. Quoted</i>						
Investments in Equity Instruments						
Industrial Development Bank of India	3,360	0.65	3,360	1.57	3,360	2.73
Equity share of ₹10/- each						
Total Quoted Investments	3,360	0.65	3,360	1.57	3,360	2.73

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No of shares	Amounts	No of shares	Amounts	No of shares	Amounts
II. Unquoted						
a. Investments in Equity Instruments						
Kurlon Enterprise Limited **						
Equity shares of ₹5/- each	3,09,46,755	3,542.44	3,09,46,755	3,542.44	1,35,23,261	3,621.59
* includes bonus shares as of Mar-19 8099446						
Manipal E-Commerce limited						
Equity shares of ₹10/- each	-	-	-	-	49,400	4.94
General Investment & Commercial Corporation Ltd						
Equity Shares of 10/- at a premium of Rs 85/- each	25,000	23.75	25,000	23.75	25,000	23.75
Jitendra Harjivandas Securities Pvt Limited						
Equity Shares of 10/- at a premium of Rs 15/- each	5,95,000	148.75	5,95,000	148.75	5,95,000	148.75
Commercial Corporation of India Limited						
Equity Shares of 1/- at a premium of Rs 3.10 each	10,00,000	41.00	10,00,000	41.00	10,00,000	41.00
Madish Style Bar Pvt Ltd						
Equity shares of ₹10/- each	60,000	6.00	60,000	6.00	60,000	6.00
The Zoroastrain Co operative Bank Mumbai						
Equity shares of ₹25/- each	100	0.03	100	0.03	100	0.03
Alapasara Finvest Care Advisory Private Limited						
Equity shares of ₹100/- each	5,000	5.00	5,000	5.00	5,000	5.00
Spring Air Bedding Company (India) Limited***						
Equity shares of ₹10/- each	86,99,000	299.25	86,99,000	299.25	-	-
Sirar Solar (shares of ₹100/- each fully paid up)	50	0.05	-	-	-	-
Sevalal Solar P Ltd (shares of ₹100/- each fully paid up)	50	0.05	-	-	-	-
Sirar Dhotre (shares of ₹100/- each fully paid up)	50	0.05	-	-	-	-
b. Investment in Bonds - Unquoted						
Maharashtra Apex Corporation Ltd.						
	1,65,104	336.80	1,65,104	336.80	1,65,104	535.85
c. Investment in Preference Shares - Unquoted						
Maharashtra Apex Corporation Ltd.						
Redeemable Cumulative Preference Shares of ₹10/- each	80,100	12.75	80,100	12.75	7,000	0.70
Total Unquoted Investments	4,15,76,209	4,415.91	4,15,76,059	4,415.77	1,54,29,865	4,387.61
TOTAL NON-CURRENT INVESTMENTS	4,15,79,569	4,416.56	4,15,79,419	4,417.34	1,54,33,225	4,390.34
Other disclosures						
Aggregate amount of Quoted Investments, Market Value thereon	-	0.65	-	1.57	-	2.73
Aggregate amount of Unquoted Investments	-	4,415.91	-	4,415.77	-	4,387.61
Aggregate amount of impairment in value of investments	-	-	-	-	-	-

* Refer Schedule No. for disclosure of Measurement Requirements as per IND AS 107, 109, 113

** During Previous Year, 511698 Shares have been transferred to ESOP Trust & Employees of Kurlon Enterprises Ltd as per the Board Resolution for an agreed Consideration.

*** There is a scheme of Amalgamation between Kurlon Enterprises Limited, subsidiary and Spring Air Bedding Company (India) Limited (SABCIL). The NCLT Mumbai and NCLT Delhi vide their orders dated March 12, 2020 and May 05, 2020, respectively, have approved the Scheme and the aforesaid orders were filed with the Registrar of Companies on June 18, 2020.

In Pursuant of the Scheme, Kurlon Limited are to be issued 1 equity share of ₹5 each fully paid up, for every 331 equity shares of ₹10 each fully paid up which were held in Spring Air Bedding Company (India) Limited (SABCIL). Accordingly 26,281 equity shares of ₹5 each fully paid up (aggregating to ₹86.99 Lakhs) are issued and which are pending for allotment.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 5. Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Current	Current	Current
Trade Receivables (Unsecured)			
(a) Considered good	6.50	125.24	21.63
Less: Allowance for bad and doubtful loans	-	-	-
TOTAL	6.50	125.24	21.63

Note No. 6. Loans and Advances

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Non-Current	Total	Non-Current	Total	Non-Current	Total
a) Loans to Related Parties						
- Unsecured, considered good						
Manipal Stock & Shares Broker Limited	-	-	19.22	19.22	273.46	273.46
General Investment & Commercial Corporation Limited	159.85	159.85	-	-	506.67	506.67
Alapasara Finvest Care Advisory Private Limited	103.04	103.04	-	-	-	-
TOTAL (A)	262.89	262.89	19.22	19.22	780.13	780.13
b) Loans to other than Related Parties*						
- Secured, considered good						
Corporate	441.71	441.71	982.78	982.78	903.14	903.14
Other	-	-	267.53	267.53	567.96	567.96
- Unsecured, considered good						
Other	151.84	151.84	92.27	92.27	36.16	36.16
- Doubtful						
Less : Allowance for bad and doubtful loans	31.30	31.30	-	-	-	-
TOTAL (B)	562.25	562.25	1,342.58	1,342.58	1,507.26	1,507.26
c) Other Loans & Advances						
- Unsecured, considered good						
Employees	2.49	2.49	5.09	5.09	8.19	8.19
TOTAL (C)	2.49	2.49	5.09	5.09	8.19	8.19
GRAND TOTAL	827.63	827.63	1,366.89	1,366.89	2,295.58	2,295.58

* Company supported loan of Rs 5 Crs to Great Town India Private Limited in Aug 2017. Company has initiated the recovery process, as per Mumbai Tenancy & Property laws, and company has taken possession over the premises.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
Note No. 7. Other Non-Current Financial Assets

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Security Deposits*	183.42	137.58	146.12
TOTAL	183.42	137.58	146.12

* Security Deposits includes the deposits paid for the leased premises which has been used by the ultimate Subsidiary Company.

Note No. 8. Other Non-current and Current Assets

₹ in Lakhs

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
(a) Capital Advances									
(i) For Land*	-	3,349.59	3,349.59	-	3,237.25	3,237.25	-	5,671.40	5,671.40
(ii) For Building**	-	35.50	35.50	-	35.50	35.50	-	35.50	35.50
(iii) For Plant & Machinery	-	-	-	-	-	-	-	14.66	14.66
(iv) For Others	-	9.43	9.43	-	-	-	-	148.11	148.11
(b) Advances to Suppliers/Contractor	20.75	-	20.75	39.18	-	39.18	91.60	-	91.60
(c) Balances with Government Authorities	-	388.48	388.48	-	366.06	366.06	99.27	400.55	499.82
(d) Others									
(i) Prepaid Expenses	17.52	-	17.52	19.02	-	19.02	17.58	-	17.58
(ii) Insurance Receivable	126.46	-	126.46	-	-	-	-	-	-
(iii) Leave Encashment Fund	6.23	-	6.23	12.53	-	12.53	7.79	-	7.79
(iv) Rent Receivable	67.91	-	67.91	-	-	-	-	-	-
TOTAL	238.87	3,783.00	4,021.87	70.73	3,638.81	3,709.54	216.24	6,270.22	6,486.46

* Capital advance to Maha Rashtra Apex Corporation Ltd (Related Party) includes:

(a) amount of ₹20.77 Crs. paid for purchase of Land at Jalahalli Campus, Yeshwanthapur, Bangalore through Court Auction dated on 20.04.2012 and amount of ₹12.72 Crs paid for purchase of Immoveable property at Udupi subject to the approval of the Court and other legal formalities.

** (b) Amount of ₹0.36 Crs paid for purchase of property at Jaipur. The property is yet to be registered in the name of the Company even after lapse of substantial time

Note No. 9. Inventories

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Raw materials	694.32	853.66	967.88
(b) Work-in-progress	424.84	420.92	220.29
(c) Finished goods*	217.25	268.93	242.33
(d) Stores and spares	149.20	135.13	71.21
Total Inventories at the Lower of Cost and Net Realisable Value	1,485.61	1,678.64	1,501.71

* Inventory of Finished Goods indicates net of provision of damaged goods amounting to ₹21.01 lakhs as on 31st March 2020 (₹188.08 Lakhs as on 31st March 2019).

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 10. Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current Cash and Bank Balances			
A. Balance with Banks			
(a) Unrestricted	43.87	45.35	202.25
(b) Restricted*	0.06	313.84	32.79
(c) Margin Deposits**	241.47	270.29	-
B. Cash in Hand	0.60	0.41	0.56
Total Cash and Cash Equivalent	286.00	629.89	235.60

* Includes deposit of ₹Nil (March 31, 2019: ₹312.39 lakhs) pledged as collateral security in favour of Federal Bank against the facility availed by GICC Ltd in the PY.

** Includes cash margin of ₹241.47 lakhs in favour of Axis Bank for LC Facility

Note No. 11. Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance Income Tax (Net of Provision)	460.78	549.90	402.79
Provision for Tax	(359.78)	(416.01)	-
MAT Credit Entitlement	696.88	643.45	559.32
Total Cash and Cash Equivalent	797.88	777.34	962.11

The Company has book profit u/s 115JB of the Income Tax Act 1961 (the "Act") and the minimum alternate tax (MAT) thereon is higher than the tax liability under the normal provisions of the Act. Thus, the provision towards tax liabilities has been made based on MAT. Correspondingly, the Company had also recognized credit for MAT as on March-20, ₹60.74 Lakhs (March-19, ₹45.24 Lakhs) under Section 115JAA of the said Act, which is disclosed as MAT credit entitlement.

Note No. 11a. Deferred Tax Liability

Tax Balances

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a) Current Income Tax			
In respect of Current Year	47.81	184.63	71.26
b) Deferred Tax			
In respect of Current Year	171.17	134.15	258.67
Total	218.98	318.78	329.93

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Deferred Tax Assets	1,190.73	1,190.73	1,190.73
Deferred Tax Liabilities	(1,944.03)	(1,772.86)	(1,638.71)
Deferred Tax Liabilities (Net)	(753.30)	(582.13)	(447.98)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 12. Equity Share Capital

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No of shares	Value in Lakhs	No of shares	Value in Lakhs	No of shares	Value in Lakhs
Authorised:						
Equity Shares of ₹10/- each with voting rights	3,50,00,000	3,500.00	3,50,00,000	3,500.00	3,50,00,000	3,500.00
Issued:						
Equity Shares of ₹10/- each with voting rights	1,48,82,605	1,488.26	1,48,82,605	1,488.26	1,48,82,605	1,488.26
Issued, Subscribed and Fully Paid:						
Equity Shares of ₹10/- each with voting rights	1,48,82,605	1,488.26	1,48,82,605	1,488.26	1,48,82,605	1,488.26

Note No. 12. Equity Share Capital (Contd.)

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

₹ in Lakhs

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
(a) Equity Shares with Voting Rights						
Year Ended March 31, 2020						
No. of Shares	1,48,82,605	-	-	-	-	1,48,82,605
Amount	1,488.26	-	-	-	-	1,488.26
Year Ended March 31, 2019						
No. of Shares	1,48,82,605	-	-	-	-	1,48,82,605
Amount	1,488.26	-	-	-	-	1,488.26
Year Ended April 1, 2018						
No. of Shares	1,48,82,605	-	-	-	-	1,48,82,605
Amount	1,488.26	-	-	-	-	1,488.26

(ii) Terms/ Rights attached to Equity Shares

- i. The company has only one class of equity shares having a par value of Rs 10/- each per share. Each holder of equity share is entitled to one vote per share.
- ii. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of Shares held by each Shareholder holding more than 5% Shares:

Class of Shares / Name of Shareholder	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number of Shares held	% holding in that class of Shares	Number of Shares held	% holding in that class of Shares	Number of Shares held	% holding in that class of Shares
Equity Shares of ₹10/- each with Voting Rights						
Manipal Holding Private Ltd.	71,83,919	48.20	71,83,919	48.20	71,83,919	48.20
Maharashtra Apex Corporation Ltd.	56,93,020	38.25	56,93,020	38.25	56,93,020	38.25

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 13. Other Equity

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Capital Reserve			
Balance at the beginning of the year	970.81	970.81	970.81
Add: Transfer from the Statement of Profit & Loss	-	-	-
Less : Utilised during the year for issuing	-	-	-
Closing balance	970.81	970.81	970.81
Securities Premium	293.81	293.81	293.81
Amounts received (on issue of shares) excl the par value has been classified as securities premium.			
General Reserve			
Balance at the beginning of the year	3,464.43	3,464.43	3,464.43
Add: Transfer from the Statement of Profit & Loss	-	-	-
Less : Utilised during the year for issuing bonus shares	-	-	-
Closing balance	3,464.43	3,464.43	3,464.43
This represents appropriation of profit by the Company.			
Retained Earnings			
Balance at the beginning of the year	12,057.11	10,599.93	9,966.19
Add: Transfer from the Statement of Profit & Loss	976.23	32,761.52	633.57
Add: Transfer from Other Comprehensive Income (OCI)	(9.32)	(31,304.34)	-
Less: Transfer to general reserve	-	-	-
Less: Dividend Paid	-	-	-
Less: Tax on dividend	-	-	-
Add: Transfer of retained earnings	-	-	-
Closing balance	13,024.02	12,057.11	10,599.93
Total	17,753.07	16,786.16	15,328.98

Note: The investment in Subsidiaries as at March 31st 2019 was disclosed as Fair value Through Other Comprehensive Income, which is not in accordance with the accounting policy adopted by the company and is disclosed appropriately in these statements. There is no impact in the Retained earnings as at March 31st 2019 due to the change in disclosure.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 14. Non Current Borrowings

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
A. Secured Borrowings:			
(a) Term Loans	266.67	666.71	1406.89
(b) Foreign Currency Loans	-	-	294.49
(c) Vehicle Loans	77.28	114.64	148.96
Total Secured Borrowings	343.95	781.35	1850.34
Total Non Current Borrowings	343.95	781.35	1850.34

Note: The term loan are secured by first charge on Specific Fixed assets. Vehicle loans are secured by hypothecation of specific vehicles.

Reconciliation of liabilities arising from financing activities

₹ in Lakhs

Particulars	As at April 1, 2019	Financing Cash Flow	Foreign exchange movement	As at March 31, 2020
Repayments to bank				
Term Loans	666.71	400.00	-	266.71
Vehicle Loans	114.64	37.40	-	77.24
Total Borrowings	781.35	437.40	-	343.95

Note No. 15. Trade payables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
	Current	Current	Current
Dues to Enterprises covered under MSMED Act, 2006	66.83	15.08	34.42
Dues of Creditors other than MSMED	601.06	568.86	722.70
Trade Payable for Goods & Services	102.01	187.36	206.24
Trade Payable for Salaries and Wages	82.58	73.80	79.46
Total Trade Payables	852.48	845.10	1,042.82

Note No. 16. Other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Non Current	Current	Non Current	Current	Non Current	Current
Other Financial Liabilities Measured at Amortised Cost						
(a) Security Deposits for Operating Leases	55.74	-	29.70	-	33.95	-
(b) Current Maturities of Vehicle Loans*	-	37.40	-	34.31	-	31.44
(c) Current Maturities of Term Loans*	-	400.00	-	399.96	-	412.79
(d) Interest on Trade Payable	-	2.79	-	2.50	-	1.52
(e) Others	-	1.67	-	-	-	-
Total Other Financial Liabilities	55.74	441.86	29.70	436.77	33.95	445.75

* Reflects the installments falling due up to 31/03/2021.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 17. Other Non Current and Current Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Current	Non-Current	Total	Current	Non-Current	Total	Current	Non-Current	Total
a. Advance Received from Related Parties									
- Kurlon Enterprise Limited	-	4,758.21	4,758.21	-	4,632.90	4,632.90	-	3,559.69	3,559.69
b. Advances Received from Customers	7.59	-	7.59	7.28	-	7.28	14.95	-	14.95
c. Unpaid Dividend	-	-	-	1.45	-	1.45	2.09	-	2.09
d. Statutory Dues									
- Taxes Payable (other than Income Tax)	33.73	-	33.73	55.26	-	55.26	18.01	-	18.01
e. Gratuity Fund	10.50	-	10.50	(1.47)	-	(1.47)	1.80	-	1.80
f. Other Current Liabilities	176.82	-	176.82	-	-	-	-	-	-
TOTAL	228.64	4,758.21	4,986.85	62.52	4,632.90	4,695.42	36.85	3,559.69	3,594.74

Note No. 18. Revenue from Operations

The following is an analysis of the company's revenue for the year from continuing operations.

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Revenue from Sale of Manufactured Goods	11,405.34	13,290.11
b. Other Operating Revenue	663.14	233.07
Less: Schemes & Discount	(596.44)	(1,802.48)
TOTAL	11,472.04	11,720.70

(i) Details of Sale of Manufactured Goods :

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Finished Goods		
Rubberized Coir Mattresses, Cushions	3,791.26	5,692.05
Foam and Foam Products	5,963.08	5,493.07
EPE Sheet	527.68	612.19
Spring Mattresses	1,123.32	1,492.80
TOTAL	11,405.34	13,290.11

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(ii) Details of Other Operating Revenue :

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Scrap	70.05	108.33
Others - Raw Materials	593.09	124.74
TOTAL	663.14	233.07

(iii) Revenue Information

As per Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

(iv) Trade receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Company transfers control over the product to the customer.

Trade receivables are presented net of impairment in the Balance Sheet.

Note No. 19. Other Income

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest Income		
Interest from Bank Deposits	20.04	31.80
Interest on Loans and Advances and Other Interest	98.64	556.04
(b) Rent Receipts	123.12	297.79
(c) Sales Tax Subsidy	243.18	251.11
(d) Fair Value Gain on Investments (Net) - Shares *	-	1,236.02
(e) Fair Value Gain on Investments (Net) - Mutual Fund	-	19.49
(f) Dividend Income - Shares	928.40	568.86
(g) Sale of Agriculture Products	20.88	17.25
(h) Miscellaneous Income	4.25	8.50
(i) Insurance Claims	-	-
(j) Profit on Sale of Assets	29.59	-
Total Other Income	1,468.11	2,986.86

* Fair Value Gain on Investments - Nil for the year ended March 31, 2020. (March 31, 2019 - Shares represents the profit on transfer of 511698 Shares to ESOP Trust & Employees of Kurlon Enterprise Ltd as per the Board Resolution for an agreed consideration)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 20. Cost of Materials Consumed

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock	853.66	967.88
Add: Purchases	8,393.31	9,951.58
	9,246.97	10,919.46
Less: Closing Stock	694.32	853.66
Cost of Materials Consumed	8,552.65	10,065.80
Material Consumed Comprises:		
Latex	399.36	581.75
Coir	377.97	622.94
Upholstery	1,390.91	1,497.59
Finishing Material and Others	917.40	845.21
Foam Chemicals	2,051.40	2,429.51
RC chemicals	59.89	83.51
Springs and Related Products	151.82	265.96
Packing Materials	664.18	746.65
Others	2,539.72	2,992.68
Total Cost of Materials Consumed	8,552.65	10,065.80

Note No. 20(a). Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the year:		
Finished Goods	217.25	268.93
Work-In-Progress	424.84	420.92
	642.09	689.85
Inventories at the beginning of the year:		
Finished Goods	268.93	242.33
Work-In-Progress	420.92	220.29
	689.85	462.62
Net (Increase) / Decrease	47.76	(227.23)

Note No. 21. Employee Benefits Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries and Wages, including Bonus	397.52	374.70
(b) Remuneration to Managing Director	36.68	12.87
(c) Contribution to Provident and Other Funds	52.82	23.75
(d) Staff Welfare Expenses	73.23	81.18
TOTAL	560.25	492.50

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 22. Finance Cost

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest Expense	100.96	159.06
(b) Other Borrowing Cost	11.52	6.05
(c) Processing Charges	-	3.27
TOTAL	112.48	168.38

Note No. 23 Other Expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Stores and Spares Consumed	128.49	138.90
(b) Power & Fuel Consumed	285.26	330.05
(c) Freight and Handling Charges	0.14	0.50
(d) Rent including Lease Rentals*	66.14	278.92
(e) Repairs and Maintenance - Buildings	7.55	7.72
- Machinery	32.45	22.41
- Others	113.78	43.77
(f) Water Charges	5.51	3.89
(g) Tailoring & Fabrication Charges	789.78	828.04
(h) Rates and Taxes	59.39	42.75
(i) Insurance Charges	26.78	18.24
(j) Watch and Ward Charges	44.55	48.11
(k) Postage & Telephone	15.48	16.17
(l) Payment to Auditors**	12.75	8.04
(m) Other Expenses		
(i) Advertisement, Promotion & Selling Expenses	6.80	0.80
(ii) Travelling Expenses	28.76	45.25
(iii) Contribution towards CSR	18.77	11.40
(iv) Printing and Stationery	23.72	28.15
(v) Legal and Professional	153.90	141.79
(vi) Loss on Fixed Assets Sold/ Scrapped / Written off	1.88	-
(vii) Bad Trade Receivables/Advance Written off	31.30	1.00
(viii) Forex (Gain)/Loss	13.38	16.41
(ix) Fair Value of Investments	0.92	1.16
(x) Miscellaneous Expenses	52.98	68.27
TOTAL	1,920.47	2,101.74

* Rent includes the Lease Rents paid for the building and stores used by the Company and its Ultimate Subsidiary Company.

** Payment to Auditors

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As Auditor :		
- For Statutory Audit	10.50	7.00
- For Certification Work	1.00	1.00
- For Reimbursement of Expenses	1.25	0.04
Total	12.75	8.04

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 24. Earnings per Share has been computed as under:

Earnings Per Share

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit After Tax (₹ in Lakhs)	976.23	1,459.01
Weighted average number of Equity Shares outstanding -Basic (Nos.in Lakhs) (Refer note below)	148.83	148.83
Weighted average number of Equity Shares outstanding- Diluted (Nos. in Lakhs) (Refer note below)	148.83	148.83
Earnings Per Share – Basic (₹)	6.56	9.80
Earnings Per Share – Diluted (₹)	6.56	9.80
Face Value of Equity Shares (₹)	10/-	10/-

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of Equity Shares for Basic EPS (Nos. in Lakhs)	148.83	148.83
Add: Effect of ESOPs which are Dilutive (Nos. in Lakhs)	-	-
Weighted average number of Equity Shares for Diluted EPS (Nos. in Lakhs)	148.83	148.83

Note No. 25. Leases

Operating Lease Arrangements

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach. As a result, the comparative information has not been restated.

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Company has not applied the requirements of Ind AS 116 for leases of low value assets.

The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

The company's leases have options to extend the lease or terminate the lease.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

ROUA Schedule

₹ in Lakhs

Particulars	Total
Additions for the Year Ended 31 March 2020	4,352.08
Net Carrying Amount as at 31 March 2020	4,305.17
Depreciation for the Year Ended 31 March 2020	46.92

Amounts recognized in profit and loss were as follows

₹ in Lakhs

Particulars	Year Ended March 31, 2020
Depreciation Expenditure (Amount In INR)	46.92
Finance Cost on Lease Liabilities (Amount In INR)	-
Impact on the statement of profit and loss for the year ended March 31, 2020	46.92

Note No. 26. Contingents Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a) Claims against the Company not acknowledged as debt			
(i) Disputed demands under appeal not provided	-	-	-
Disputed Sales Tax/VAT *	2,553.09	4,879.46	4,925.19
Total	2,553.09	4,879.46	4,925.19

* These cases are pending at various forums in the respective departments. Outflows, if any, arising out of these claims would depend upon the outcome of the decision of the appellate authorities and the Company's right for the future appeals before the judiciary. No reimbursements are expected.

Note No. 27. Commitments

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	62.80	-	80.48
Total	62.80	-	80.48

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note.28: Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 and March 31, 2019 has been made in the financial statements based on information received and available with the Company.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	66.83	15.08	34.42
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	2.79	5.32	4.34
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

Note.29: Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, need to spend at least 2% of average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environments sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per requirement of the companies act, 2013.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross amount required to be spent by the Company as per Section 135 of the Act	12.93	11.10
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) on purpose other than (i) above	18.77	11.40

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 30. Related party disclosures

The Company has identified material related party transactions and their respective outstanding balances along with the Transactions with Key Managerial Personnel and Directors are as under:-

A) Related Parties and Nature of Relationship

a) List of Related Parties and Relationship

Relationship	Related Parties
Subsidiary	Kurlon Enterprise Limited Kurlon Retail Limited
Enterprises owned or significantly influenced by Key Management Personnel /Directors and their relatives	Maha Rashtra Apex Corporation Ltd General Investment & Commercial Corporation Ltd Manipal Stock & Share Brokers Ltd Manipal Holdings Pvt. Ltd Manipal Home Finance Ltd Jayamahar Trade and Investments Pvt. Ltd Manipal Advertising Services Pvt Ltd. Metropolis Builders Private Limited Sevalal Solar Pvt Ltd Sirar Solar Energies Pvt Ltd Sirar Dhotre Solar Pvt Ltd
Key Management Personnel and their relatives	Mr.T. Sudhakar Pai, Managing Director Ms. Jaya S Pai, Director Mr. Monu Kumar, Company Secretary Mr. Shambhu Kumar Bhotika, Chief Financial Officer (Upto 31.07.2019) Mr. Ritesh Shroff, Chief Financial Officer (w.e.f 01.08.2019)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(b) Related Party transactions

₹ in Lakhs

Particulars	Key Management personnel and their Relatives		Subsidiary Companies		Enterprises owned or significantly influenced by key Management Personnel/Directors and their relatives		Total	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019	31.3.2020	31.3.2019
Transactions during the year:								
Remuneration :								
T. Sudhakar Pai	36.68	12.87	-	-	-	-	36.68	12.87
Rental Income :								
Kurlon Enterprise Limited	-	-	18.00	18.00	-	-	18.00	18.00
Manipal Home Finance	-	-	-	-	0.30	0.60	0.30	0.60
Kurlon Retail Ltd	-	-	54.87	52.00	-	-	54.87	52.00
Interest Received / (Paid)								
General Investment & Commercial Corporation Ltd	-	-	-	-	-	75.54	-	75.54
Manipal Stock & Shares Brokers Ltd	-	-	-	-	-	(14.49)	-	(14.49)
Advance Paid :								
Maharashtra Apex Corporation Ltd	-	-	-	-	70.46	869.85	70.46	869.85
Rent Paid:								
Jaya S Pai	-	7.07	-	-	-	-	-	7.07
Kurlon Retail Ltd	-	-	54.87	-	-	-	54.87	-
Advance Received/Repaid :								
General Investment & Commercial Corporation Ltd	-	-	-	-	-	588.87	-	588.87
Maharashtra Apex Corporation Ltd	-	-	-	-	(15.00)	-	(15.00)	-
Manipal Stock & Shares Brokers Ltd	-	-	-	-	-	239.76	-	239.76
Sales :								
Kurlon Enterprise Limited*	-	-	11,928.56	13,404.65	-	-	11,928.56	13,404.65
Purchases :								
Kurlon Enterprise Limited	-	-	2,730.01	2,919.70	-	-	2,730.01	2,919.70
Maintenance Charges :								
Kurlon Retail Ltd	-	-	0.72	-	-	-	0.72	-
Outstanding as at Year end								
Amounts recoverable :								
Maharashtra Apex Corporation Ltd	-	-	-	-	3,349.59	3,237.25	3,349.59	3,237.25
Manipal Stock & Shares Brokers Ltd	-	-	-	-	-	19.22	-	19.22
Kurlon Retail Limited	-	-	66.09	56.16	-	-	66.09	56.16
Sirar Solar Energies Private Limited	-	-	-	-	0.05	-	0.05	-
Sevalal Solar P Ltd	-	-	-	-	0.05	-	0.05	-
Sirar Dhotre Solar Private Limited	-	-	-	-	0.05	-	0.05	-
Alapasara Finvest Care Advisory Private Ltd	-	-	-	-	108.04	5.00	108.04	5.00
General Investment & Commercial Corporation Ltd	-	-	-	-	159.85	-	159.85	-
Amounts Payable :								
Kurlon Enterprise Limited	-	-	4,758.21	4,632.90	-	-	4,758.21	4,632.90
Dividend Received :								
Kurlon Enterprise Limited	-	-	928.40	567.98	-	-	928.40	567.98
General Investment & Commercial Corporation Ltd	-	-	-	-	-	0.87	-	0.87

The management are of the view and represented that all the transactions with the Related Parties are at arms length basis & this has been relied upon by the auditors.

* Sales to Kurlon Enterprise Limited shown Gross Value

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
Note No. 30. Related party disclosures (Contd.)

Category	Date of Loan/ investment/ security/ guarantee	Details of loan/ security and guarantee(s)	Name of company in whose such investment, loan and guarantee is made/ given	Purpose	Date of Board/ members resolution	Amount outstanding as at 31.03.2020 (Rs In Lakhs)
Loan	25.11.2019	Advance against working capital	General Investment and Commercial Corporate Ltd	Advance against working capital	29.03.2019	159.85
Loan	01.05.2019	Advance against working capital	Alpasara Finvest Care Advisory Pvt Ltd	Advance against working capital	16.03.2019 & 29.03.2019	103.04
Loan	28.07.2017	Loan against security	Great Town Reality Limited	Loan against security	12.05.2016	441.71
Loan	31.03.2018	Loan against Personal gurantee	PRANAV SANGHAVI	Loan against Personal gurantee	12.05.2016	1.29
Loan	13.12.2019	Loan against Personal gurantee	TARULATA ARUN ZAVERI	Loan against Personal gurantee	29.03.2019	17.50
Loan	29.02.2020	Loan against Property	ARUN LAXMIKANT DESAI	Loan against Property	29.03.2019	101.75
Investment	-	Acquisition of Shares	Industrial Development Bank of India	Investment in Equity shares	-	0.65
Investment	2014 onwards	Acquisition of Shares	Kurlon Enterprise Ltd	Investment in Equity shares	-	3,542.44
Investment	03.03.2016	Acquisition of Shares	General Investment and Commercial Corporate Ltd	Investment in Equity shares	12.05.2016	23.75
Investment	2016 onwards	Acquisition of Shares	Jitendra Harjivandas Securities Pvt Limited	Investment in Equity shares	12.05.2016	148.75
Investment	30.03.2016	Acquisition of Shares	Commercial Corporation of India Limited	Investment in Equity shares	12.05.2016	41.00
Investment	20.03.2018	Acquisition of Shares	Madish Style Bar Pvt Ltd	Investment in Equity shares	12.05.2016	6.00
Investment	20.03.2018	Acquisition of Shares	The Zoroastrain Co operative Bank Mumbai	Investment in Equity shares	12.05.2016 & 20.07.2017	0.03
Investment	2017 onwards	Acquisition of Shares	Alapasara Finvest Care Advisory Private Limited	Investment in Equity shares	12.05.2016	5.00
Investment	28.03.2019	Acquisition of Shares	Spring Air Bedding Company (India) Limited	Investment in Equity shares	16.03.2019	299.25
Investment	26.12.2019	Acquisition of Shares	Sirar Solar Energies Pvt Ltd	Investment in Equity shares	12.11.2019	0.05
Investment	26.12.2019	Acquisition of Shares	Sirar Dhotre Solar Pvt Ltd	Investment in Equity shares	12.11.2019	0.05
Investment	26.12.2019	Acquisition of Shares	Sevalal Solar Pvt Ltd	Investment in Equity shares	12.11.2019	0.05
Investment	-	Acquisition of bonds		Investment in Bonds - Un quoted	-	336.80
Investment	2017 onwards	Acquisition of Shares	Maharashtra Apex Corporation Ltd	Investment in Preference shares	12.05.2016	12.75

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Note No. 31. Financial Instruments

A) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total equity attributable to the equity shareholders of the company	19,241.33	18,274.42	16,817.24
As a percentage of total capital	98%	96%	90%
Current borrowings	-	-	-
Non-current borrowings	343.95	781.35	1,850.34
Total borrowings	343.95	781.35	1,850.34
As a percentage of total capital	2%	4%	10%
Total Capital	19,585.28	19,055.77	18,667.58

The Company is predominantly equity financed which is evident from the capital structure table. Further, the Company has always been a net cash Company with cash and bank balances along with investments in being in excess of debt.

B) Categories of financial instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

₹ in Lakhs

Particulars	Carrying amount			Fair value		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial assets						
a) Measured at fair value through Profit and Loss						
Quoted						
- Investments in equity instruments	0.65	1.57	2.73	0.65	1.57	2.73
Unquoted						
- Investments in equity instruments	4,066.36	4,066.22	3,851.06	4,066.36	4,066.22	3,851.06
- Investments in preference shares	12.75	12.75	0.70	12.75	12.75	0.70
- Investments in bonds	336.80	336.80	535.85	336.80	336.80	535.85
b) Measured at Amortised Cost						
Non-current assets						
- Loans	827.63	1,366.89	2,295.58	827.63	1,366.89	2,295.58
- Other Financial Assets	183.42	137.58	146.12	183.42	137.58	146.12
Current assets						
- Trade receivables	6.50	125.24	21.63	6.50	125.24	21.63
- Cash and cash equivalents	286.00	629.89	235.60	286.00	629.89	235.60
Total	5,720.11	6,676.94	7,089.27	5,720.11	6,676.94	7,089.27

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Particulars	Carrying amount			Fair value		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial Liabilities						
a) Measured at Amortised Cost						
Non Current liabilities						
- Borrowings	343.95	781.35	1,850.34	343.95	781.35	1,850.34
- Other financial liabilities	55.74	29.70	33.95	55.74	29.70	33.95
Current liabilities						
- Trade payables	852.48	845.10	1,042.82	852.48	845.10	1,042.82
- Other financial liabilities	441.86	436.77	445.75	441.86	436.77	445.75
Total	1,694.03	2,092.92	3,372.86	1,694.03	2,092.92	3,372.86

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 comprise of borrowings, deposits, trade and other payables, investments, loans, trade and other receivables, cash and cash equivalents and other bank balances at carrying value because their carrying 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.

C) Financial Risk Management

The Company's principal financial liabilities, comprise of borrowings, deposits, trade and other payables.

The main purpose of these financial liabilities is to finance the Company's operations. 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. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analysis in

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

the following sections relate to the position as at March 31, 2020. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020.

- i) **Foreign Currency Risk:** Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity: The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

₹ in Lakhs

Foreign Currency (FC)	Currency Symbol	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
		FC	INR	FC	INR	FC	INR
Liabilities							
Trade Payables							
United States Dollar	\$	1,67,201.58	127.68	3,14,537.94	226.78	1,76,311.00	115.99
Buyer's Credit							
United States Dollar	\$	-	-	-	-	451.84	294.49
Assets							
Trade Receivables							
United States Dollar	\$	-	-	-	-	-	-
Advance to Vendor							
United States Dollar	\$	12,761.35	9.53	-	-	-	-
Euro	€	254.02	0.21	-	-	-	-
Net Liability (in INR)		1,54,440.23	118.15	3,14,537.94	226.78	1,76,762.84	410.48

Sensitivity

₹ in Lakhs

Particulars	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity
	31-Mar-20	31-Mar-19	01-Apr-18	31-Mar-20	31-Mar-19	01-Apr-18
5% Increase in all the foreign currencies	5.91	11.34	20.52	4.42	7.38	13.42
5% Decrease in all the foreign currencies	(5.91)	(11.34)	(20.52)	(4.42)	(7.38)	(13.42)

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

ii) Interest Rate Risk: Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's financial liabilities comprises of loans and advances from related parties and security deposits; however these are not exposed to risk of fluctuation in market interest rates as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Interest rate risk management: Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. Debt issued at fixed rate exposes the company to fair value risk. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Fixed-rate instruments			
<i>Financial liabilities</i>			
Borrowings from bank & other parties	666.67	1,066.67	1,406.89
Borrowings from related parties	-	-	-
<i>Financial assets</i>			
Balance with banks held in deposit account	-	-	-
Variable-rate instruments			
<i>Financial liabilities</i>			
Borrowings from bank & other parties	-	-	-
Borrowings from related parties	-	-	-

Interest rate sensitivity analysis: Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others and Secured Short term loans from banks. The impact of a 1% change in interest rates on the profit will be ₹0.34 Lakhs (Previous year: ₹0.34 Lakhs) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

(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.

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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

ii) **Financial instruments and cash & bank deposits:** Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds 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, 2020 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the company.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-current assets			
- Investments	4,416.56	4,417.34	4,390.34
- Loans	827.63	1,366.89	2,295.58
- Other Financial Assets	183.42	137.58	146.12
Current assets			
- Trade receivables	6.50	125.24	21.63
- Cash and cash equivalents	286.00	629.89	235.60
Total	5,720.11	6,676.94	7,089.27

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Not Due	-	-	-
Due from 0 to 180 days	-	152.53	21.00
Due for more than 180 days	6.50	125.24	0.63
Total	6.50	277.77	21.63

(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.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Maturity profile of financial liabilities: The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

₹ in Lakhs

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at March 31, 2020			
Borrowings	781.35	437.40	781.35
Trade payables	852.48	852.48	-
Other non-current financial liabilities	55.74	-	55.74
Other current financial liabilities	4.46	4.46	-
Total	1,694.03	1,294.34	837.09
As at March 31, 2019			
Borrowings	1,215.62	434.27	1,215.62
Trade payables	845.10	845.10	-
Other non-current financial liabilities	29.70	-	29.70
Other current financial liabilities	2.50	2.50	-
Total	2,092.92	1,281.87	1,245.32
As at April 1, 2018			
Borrowings	2,294.57	444.23	1,850.34
Trade payables	1,042.82	1,042.82	-
Other non-current financial liabilities	33.95	-	33.95
Other current financial liabilities	1.52	1.52	-

D) 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 FORMING PART OF STANDALONE FINANCIAL STATEMENTS

Disclosures of fair value measurement hierarchy for financial instruments are given below:

₹ in Lakhs

Particulars	Carrying amount/Fair value								
	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
Financial assets									
Carrying amounts/fair value:									
Measured at Fair Value through Profit and Loss									
Non-Current Assets									
- Investments	0.65	-	4,415.91	1.57	-	4,415.77	2.73	-	4,390.34
Measured at Amortised Cost									
- Loans	-	-	827.63	-	-	1,366.89	-	-	2,295.58
- Other Financial Assets	-	-	183.42	-	-	137.58	-	-	146.12
Current assets									
- Trade receivables	-	-	6.50	-	-	125.24	-	-	21.63
- Cash and cash equivalents	-	-	286.00	-	-	629.89	-	-	235.60
Total	0.65	-	5,719.46	1.57	-	6,675.37	2.73	-	7,089.27
Financial liabilities									
Measured at Amortised Cost									
Non-Current Liabilities									
- Borrowings	-	-	781.35	-	-	1,215.62	-	-	1,416.07
- Other Non-Current Financial Liabilities	-	-	55.74	-	-	29.70	-	-	33.95
Current liabilities									
- Borrowings	-	-	852.48	-	-	845.10	-	-	1,042.82
- Other current financial liabilities	-	-	4.46	-	-	2.50	-	-	11.48
Total	-	-	1,694.03	-	-	2,092.92	-	-	2,504.32

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required): The management assessed that the carrying value of loans to employees and security deposits approximates the fair value in both of the years presented. The carrying amounts of other financial assets and financial liabilities (except borrowings) are considered to be the same as their fair values due to their short-term nature.

The below table summarises the borrowings which are measured at amortised cost and for which fair values are disclosed, with corresponding carrying values:

₹ in Lakhs

Particulars	31-Mar-20		31-Mar-19		01-Apr-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:						
Borrowings	781.35	781.35	1,215.62	1,215.62	1,416.07	1,416.07

Note No. 32. Employee Benefits

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

Leave Encashment : Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 180 days which is payable/ encashable as per the policy on their separation.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

- (b) **Defined Contribution plan:** Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹27.73 lakhs (Previous Year: ₹31.60 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

₹ in Lakhs

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Employer's contribution towards Provident Fund (PF)	21.51	19.73
Employer's contribution towards Employees State Insurance (ESI)	6.22	11.87

- (c) **Other disclosures of Defined Benefit plans as required under Ind AS-19 are as under**

- (i) **Reconciliation of the opening and closing balances of Defined Benefit Obligation:**

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present Value of Defined Benefit Obligation at the beginning of year	44.55	38.25	44.03	41.68
Interest cost	3.01	2.95	2.94	3.18
Current Service Cost	6.22	4.78	7.79	7.75
Past Service Cost	-	-	-	-
Benefit Paid	(1.25)	(0.59)	(2.43)	(1.50)
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	(2.18)	-	(0.52)	-
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	14.40	(0.63)	10.24	(0.58)
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	0.03	(0.21)	(10.24)	(6.50)
Present value of the Defined Benefit Obligation at the end of year	64.78	44.55	51.79	44.03

- (ii) **Net Defined Benefit recognized in the Statement of Profit and Loss.**

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Current Service Cost	6.22	4.78	7.79	7.75
Past Service Cost	-	-	-	-
Interest cost	3.01	2.95	2.94	3.18
Interest income on plan asset	(3.35)	(3.09)	(3.80)	(3.97)
Net Defined Benefit recognized in Statement of Profit and Loss	5.88	4.64	6.93	6.96

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(iii) Recognized in Other Comprehensive Income.

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	(2.18)	-	(0.52)	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	14.40	(0.63)	10.24	(0.58)
Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments	0.03	(0.21)	(10.24)	(6.50)
Return on plan assets	0.74	0.18	(0.04)	0.39
Net actuarial Loss	12.99	(0.66)	(0.56)	(6.69)

(iv) Sensitivity Analysis*

(a) Impact of the change in the discount rate

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit Obligation at the end of year	64.78	44.55	51.79	44.02
a) Impact due to increase of 0.50%	61.61	41.97	49.19	41.89
b) Impact due to decrease of 0.50%	68.22	47.83	54.63	46.32

(b) Impact of the change in the salary increase

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit Obligation at the end of year	64.78	44.55	51.79	44.02
a) Impact due to increase of 0.50%	68.05	47.85	54.44	46.20
b) Impact due to decrease of 0.50%	61.75	40.32	49.34	41.99

* Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase in pension for payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
(v) Maturity Profile.

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
0 to 1 year	4.86	1.98	21.88	2.39
1 to 2 Year	4.48	1.85	3.64	2.26
2 to 3 Year	4.00	1.72	3.23	2.14
3 to 4 Year	3.61	1.97	2.94	2.81
4 to 5 Year	3.82	1.44	3.78	1.87
5 to 6 Year	2.88	1.44	2.31	1.67
6 Year onwards	41.13	7.43	14.02	10.26

(vi) Expected contribution for the next Annual reporting period
₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Service Cost	6.22	4.78	7.79	7.75
Net Interest Cost	(0.34)	(0.14)	(0.86)	(0.80)
Expected Expense for the next annual reporting period	6.10	5.80	21.88	7.30

(vii) Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Method used	Projected unit credit method	Projected unit credit method	Projected unit credit method	Projected unit credit method
Discount rate	6.86%	7.76%	6.86%	7.76%
Salary Escalation	10.00%TA & 7.00%	7.00%	10.00%TA & 7.00%	7.00%
Mortality Rate	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)
Withdrawal rate up to 30/44 and above 44 years	10%	5%	10%	5%
Rate of return on plan assets	6.86%	7.76%	6.86%	7.76%

33. During April 2019, there was a fire accident in Gwalior factory where the inventory, plant and machinery and the building amounting to ₹314.17 lakhs (being the book value) was destroyed. The company has insured the plant and machineries on the replacement cost basis and the inventories on the book value basis and accordingly has sufficient insurance coverage. The company has lodged the claim with the insurer on 21.04.2019 for an amount of ₹126.46 lakhs (for plant and machineries), ₹83.22 lakhs (for inventories) and ₹102.51 lakhs (for buildings). On a conservative basis, the company has accounted for an insurance claim receivable of ₹126.46 lakhs being the WDV of the plant and machinery. As the Company believes that it is certain of recovering this amount as on

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

March 31, 2020. Insurance surveyor assess the loss of ₹314.17 lacs and submitted to insurance company, now Insurance company process the application and recommended for settlement of claim.

34. From 1 April 2019 onwards, the company has opted to pay income taxes under the concessional tax regime as prescribed under Section 115BAA of the Income Tax Act, 1961. Accordingly, Current tax Liability for the year ended March 31, 2020 has been determined and recognized at the concessional rate. The impact arising from restating the deferred tax balances at the reduced rate has been recognised during the year.
35. In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment and goodwill. The Company has also made an assessment of its liquidity position for the next year and has assessed the recoverability status of its current assets based on the internal and external information available to the Company up to the date of approval of these financial statements. The Company does not anticipate any material impact on the recoverability of the carrying value of its assets. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions. The Company has resumed its business activities by reopening its factories on a gradual basis in line with the guidelines issued by the Government authorities.
36. Previous year figures have been regrouped / reclassified, wherever necessary, to confirm to the current year groupings / classifications.

In terms of our report attached

For and on behalf of the Board of Directors

For Mohan & Venkataraman

Chartered Accountants

Firm's Registration No. 007321S

S.K Subramanian

Partner

Membership No. 205737

UDIN : 20205737AAAAO8106

T. Sudhakar Pai

Managing Director

DIN-00043298

N. Srinivasa Ulloor

Chief Financial Officer

Dr. Nitin G Khot

Director

DIN-00030613

Monu Kumar

Company Secretary

Place : Bengaluru

Date: 19.08.2020

Place : Bengaluru

Date : 19.08.2020

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF KURON LIMITED

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Kurlon Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and 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, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, referred to in the Other Matters section below, except for the possible effects of the matter described in the Basis for Qualified Opinion section below, 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to Note No. 5(i) of the Financial Statements regarding current investment of Rs. 2,000 lakhs in Commercial paper made by one of the subsidiaries in a company, which as at date has been outstanding for more than one year. Although an insolvency petition has been filed against the aforesaid investee company in National Company Law Tribunal, Mumbai, a write down in the value of the investment is presently not considered necessary by the management of the subsidiary company, for the reasons stated in the said Note. However in the absence of any recoveries made so far, and continuing uncertainty in recovering the monies, we are unable to comment on the carrying value of the investment.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Emphasis of Matter

- i) We draw attention to Note No.1 of the financial statements which describes the Scheme of Arrangement ("Scheme") between the subsidiary company Kurlon Enterprises Limited and Spring Air Bedding Company (India) Limited, and the accounting for the resultant business combination as at April 01, 2018, ("the appointed date") in accordance with the Scheme, as approved by an order of National Company Law Tribunal ('NCLT'), Mumbai dated March 12, 2020.
- ii) We draw attention to Note no.8 other non-current assets of the accompanying financial statements with respect to the advance paid towards purchase of properties. The property for which the advance paid is not yet registered in the name of company even though the advance is pending for a long period of time.

- iii) We draw attention to Note 2 to the Financial Statements, which describes that the potential impact of the COVID-19 pandemic on the Group's financial performance and financial position are dependent on future developments, which are uncertain.

Our opinion is not modified in respect of the above matters.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and annexures to the Director's Report, but does not include the consolidated financial statements, standalone 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, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, is traced from their financial statements audited by the other auditors.
- 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.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Parent, 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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities 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 also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we 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 financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 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 the 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.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent 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.

Other Matters

- (a) We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of Rs.74,682 Lakhs as at March 31, 2020, total revenues of Rs.98,763 Lakhs and net cash inflows/ (outflows) amounting to (Rs.1,644) Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (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.
- (b) The comparative financial information of erstwhile amalgamating Company (SABCIL) as at 31st March 2018 along with Kurlon Enterprises Limited and for the year ended 31st March 2019, included in these Consolidated financial statements, have been prepared after adjusting previously issued the standalone financial statements of SABCIL prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued standalone financial statements of SABCIL were audited by the auditors of SABCIL (prior to amalgamation) and their reports for the year ended 31st March 2019 and 31st March 2018 dated 5th September 2019 and 31st August 2018 respectively, expressed an unmodified opinion on those standalone financial statements. Adjustments made to the previously issued standalone financial statements to comply with Ind AS as at 1st April 2018, and as at and for the year ended 31st March 2019, have been audited by subsidiary company Auditors.
- (c) In respect of the Parent, due to the COVID-19 related lock-down, we were not able to physically observe physical verification of inventory that was carried out by the management of the parent, subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence — Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Consolidated Financial Statements. Our opinion is not modified in respect of this matter.
- (d) Corresponding figures for the year ended 31st March 2019 were audited by the predecessor auditor who have expressed an unmodified opinion on the financial statements for the year ended 31st March 2019, vide their report dated 19th July 2019.

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

Report on Other Legal and Regulatory Requirements

- I. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and except for the matter described in paragraph of the Basis for Qualified Opinion section above 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section above, 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, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section above, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of the Group.
- f) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
- h) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent and subsidiary companies. Our report expresses qualified opinion on the operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- i) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies.

For Mohan & Venkataraman
Chartered Accountants
Firm’s Registration No. 007321S

Place of Signature : Bangalore
Date : 19.08.2020
UDIN: 20205737AAAAAP4027

S. K. Subramanian
Partner
M. No. 205737

ANNEXURE 'A' **TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Kurlon Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary companies, 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 Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary companies which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and

that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified opinion

With respect to the one of the subsidiaries, according to the information and explanations given to us and based on their audit, the following material weakness has been identified in the operating effectiveness of Company's internal financial controls over financial reporting as at March 31, 2020:

The subsidiary's internal control system over assessment of impairment in the carrying value of its Current Investments, did not operate effectively which could potentially result in the Parent not recognising an impairment provision, in the carrying value of its Current Investments.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies which are companies incorporated in India have, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2020, based on the criteria for internal financial control over financial reporting 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, and except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Parent's and its subsidiary companies internal financial controls over financial reporting were operating effectively as of March 31, 2020.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Company for the year ended March 31, 2020, and the material weakness. This has affected our opinion on the said consolidated financial statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 5 subsidiary companies, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For Mohan & Venkataraman
Chartered Accountants
Firm's Registration No. 007321S

Place of Signature : Bangalore
Date : 19.08.2020
UDIN: 20205737AAAAAP4027

S. K. Subramanian
Partner
M. No. 205737

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipment	3a	32,206.86	31,154.42	25,979.77
(b) Right to Use assets		10,260.24	-	-
(c) Capital work-in-progress	4	705.86	2,312.26	1,174.33
(d) Goodwill on amalgamation	3b	2,103.16	2,103.16	2,103.16
(e) Other Intangible assets	3c	543.93	640.00	563.74
(f) Financial Assets				
(i) Trade Receivables	6	-	1.50	-
(ii) Investments		574.73	575.65	768.74
(iii) Loans	7	827.63	1,366.89	2,295.58
(iv) Security Deposits	7a	1,204.98	1,152.63	850.82
(v) Other financial assets	7b	462.10	137.58	152.15
(g) Other Non Current Assets	8	5,294.85	6,439.62	7,692.95
Total Non - Current Assets		54,184.34	45,883.71	41,581.24
Current assets				
(a) Inventories	9	13,775.53	13,407.88	12,021.08
(b) Financial Assets				
(i) Investments	5	11,475.60	3,726.71	1,889.53
(ii) Trade Receivables	6	6,645.77	12,030.26	12,841.44
(iii) Cash and Cash equivalents	10	1,575.53	3,563.12	4,408.86
(iv) Bank balances other than (iii) above	10	141.29	132.65	210.29
(v) Security Deposits	7a	36.18	56.97	-
(c) Current Tax Assets (Net)	18b	1,917.67	1,216.21	-
(d) Other Current Assets	8	2,945.66	2,918.54	2,419.96
Total Current Assets		38,513.23	37,052.34	33,791.16
Total Assets		92,697.57	82,936.05	75,372.40
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	11	1,488.26	1,488.26	1,488.26
(b) Other Equity	12	56,382.04	49,262.40	41,756.23
(c) Non-controlling Interest	18	4,143.99	4,136.04	2,917.14
Total Equity		62,014.29	54,886.70	46,161.63
LIABILITIES				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	343.95	781.35	1,850.34
(ii) Lease Liabilities	15	4,533.28	-	-
(iii) Other Financial Liabilities	15	5,858.01	6,123.33	5,727.11
(b) Provisions	14.1	409.42	409.42	424.92
(c) Deferred tax liabilities (Net)	18a	2,373.10	2,834.23	551.70
(d) Other non-current liabilities	17	(0.00)	0.01	0.01
Total Non - Current Liabilities		13,517.76	10,148.34	8,554.08
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	2,389.01	2,238.05	2,417.25
(ii) Lease Liabilities	15	662.62	-	-
(iii) Trade payables	14			
(A) Total outstanding dues of micro enterprises and small enterprises		649.57	546.16	1,249.75
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		12,085.14	13,154.05	14,644.05
(iv) Other financial Liabilities	15	510.73	486.22	499.57
(b) Provisions	14.1	413.80	409.42	409.42
(c) Current Tax Liabilities (Net)	18b	-	-	696.76
(d) Other Current Liabilities	17	454.65	1,067.11	739.89
Total Current Liabilities		17,165.52	17,901.01	20,656.69
Total Equity and Liabilities		92,697.57	82,936.05	75,372.40

See accompanying notes to these consolidated financial statements
As per our report of even date attached

For Mohan & Venkataraman

Chartered Accountants
Firm's Registration No. 007321S

S.K Subramanian

Partner
Membership No. 205737

UDIN: 20205737AAAAAP4027

Place : Bengaluru
Date: 19.08.2020

For and on behalf of the Board of Director

T. Sudhakar Pai

Managing Director
DIN-00043298

N Srinivasa Ulloor

Chief Financial Officer

Dr. Nitin G Khot

Director
DIN-00030613

Monu Kumar

Company Secretary

Place : Bengaluru
Date: 19.08.2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from operations	19	96,173.05	1,02,379.64
II Other Income	20	1,259.49	3,310.51
III Total Income (I+II)		97,432.54	1,05,690.15
IV Expenses			
Cost of materials consumed	21a	46,914.48	54,022.12
Purchases of stock in trade	21b	688.86	3,083.26
Changes in inventories of finished goods, stock in trade and work-in-progress	21c	(484.79)	(1,687.87)
Employee benefits expense	22	8,871.54	7,384.84
Finance costs	23	1,053.85	766.71
Depreciation and amortisation expense	24	3,888.17	2,349.99
Other expenses	25	26,931.69	27,191.02
Total Expenses (IV)		87,863.80	93,110.07
V Profit before tax (III-IV)		9,568.75	12,580.07
Exceptional Items			
Depreciation of Earlier Years		-	(21.65)
		9,568.75	12,558.42
VI Tax Expense			
Current tax	26	2,713.06	2,949.76
Tax credit of earlier years		(196.95)	(169.82)
Deferred tax	26	(461.14)	2,282.52
Mat Credit		(52.13)	-
		2,002.84	5,062.46
VII Profit for the year (V+VI)		7,565.91	7,495.96
Profit/(Loss) from continuing operations for the period attributable to:			
Owners of the Company	36	7,578.65	7,517.61
Non controlling interests	36	(12.74)	-
		7,565.91	7,517.61
Other comprehensive income			
- Equity Instruments through other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
(a) Re-measurements of the defined benefit plans [gain/ (loss)]		58.07	183.54
(ii) Income tax relating to items that will not be reclassified to profit or loss		(14.62)	(67.91)
		(14.62)	(67.91)
VIII Total other comprehensive income		43.46	100.32
IX Total comprehensive income for the year (VII+VIII)		7,609.36	7,596.28
Total comprehensive income for the period attributable to:			
Owners of the Company		7,622.10	-
Non controlling interests		(12.74)	-
		7,609.36	-
Earnings per equity share :			
Equity shares of par value Rs 5 each			
(1) Basic (Rs)	27	51.13	51.04
(2) Diluted (Rs)	27	48.37	48.29

See accompanying notes to these consolidated financial statements

As per our report of even date attached

For and on behalf of the Board of Directors

For Mohan & Venkataraman

Chartered Accountants
Firm's Registration No. 007321S

S.K Subramanian

Partner
Membership No. 205737

UDIN: 20205737AAAAAP4027

Place : Bengaluru

Date: 19.08.2020

T. Sudhakar Pai

Managing Director
DIN-00043298

N Srinivasa Ulloor

Chief Financial Officer

Dr. Nitin G Khot

Director
DIN-00030613

Monu Kumar

Company Secretary

Place : Bengaluru

Date: 19.08.2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

₹ in Lakhs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from Operating Activities		
Profit for the year	7,578.65	7,495.96
Adjustments for:		
Income tax expense recognised in profit or loss	2,002.84	5,062.46
Net (Gain)/ Loss on disposal of Property, Plant and Equipment	(29.59)	(1.19)
Insurance claim received on Property, Plant and Equipment	(56.71)	(42.60)
Advance written back	-	(500.33)
Liability written back	(36.44)	(84.68)
Bad debts written off	36.38	8.94
Depreciation and amortisation expense	3,888.17	2,349.99
Interest Income recognised in profit or loss	(305.07)	(737.13)
Dividend Income recognised in profit or loss	(292.84)	(312.13)
Schemes and Discount	(596.44)	-
Finance costs recognised in profit or loss	1,053.85	766.71
Allowance for expected Credit losses	568.86	145.27
Net foreign exchange (gain)/loss	-	-
	13,811.66	14,151.29
Movements in working capital:		
(Increase)/Decrease in Loans	(52.35)	(301.81)
(Increase)/Decrease in Trade Receivables	4,850.23	655.47
(Increase)/Decrease in Inventories	(367.65)	(1,386.81)
(Increase)/Decrease in Other Current Assets	51.74	128.32
(Increase)/Decrease in Other Non-Current Assets	(9,287.65)	(2,182.02)
Increase/(Decrease) in Trade Payables	(973.40)	(2,193.59)
Increase/(Decrease) in Other Current Financial Liabilities	687.13	(13.35)
Increase/(Decrease) in Non-Current Provisions	-	(15.50)
Increase/(Decrease) in Other Non-Current Financial Liabilities	3,943.44	(658.20)
Increase/(Decrease) in Other Current Liabilities	(576.02)	411.90
Increase/(Decrease) in Current Provisions	4.38	-
	(1,720.15)	(1,191.55)
Cash Flows generated from Operating Activities	12,091.50	12,959.73
Income tax paid	(2,478.59)	(4,760.81)
Net cash flow from operating activities (A)	9,612.92	(8,198.92)
B. Cash flows from Investing Activities		
Proceeds on sale of Property, Plant and Equipment	47.14	29.29
Insurance claim received	56.71	42.60
Interest received	305.07	737.13
Other Dividends Received	292.84	312.13
(Purchase)/Sale of Investments	(7,747.95)	(1,451.01)
Placed in Bank Deposits not considered as Cash and Cash Equivalents	(8.63)	77.64
Capital Expenditure on Property, Plant & Equipment including capital advance	(3,255.69)	(9,173.37)
Net cash flow from / (used in) Investing Activities (B)	(10,310.51)	(9,425.59)
C. Cash flows from Financing Activities		
Proceeds/ (Repayment) of Short term borrowings	150.96	(179.20)
Adjustment on account of Consolidation/Non Controlling Interest	0.32	-
Proceeds from Share Issue(From SABCIL)	-	1,593.00
Tax on Distributed Profits	(224.36)	(141.42)
Dividends paid to owners of the Company	(163.06)	(124.75)
Interest paid	(1,053.85)	(766.71)
Net cash flow from / (used in) financing activities (C)	(1,289.99)	380.93
Net increase / decrease in cash and cash equivalents (A+B+C)	(1,987.58)	(845.75)
Cash and cash equivalents at the beginning of the year	3,563.12	(4,408.86)
Cash and cash equivalents at the end of the year	1,575.54	(3,563.11)
Reconciliation of Cash & cash equivalents with the Balance Sheet		
Add-Bank Balance held as margin money or security against borrowing, guarantees and other commitments*	141.29	132.65
Cash and cash equivalents as per the Balance Sheet (Refer Note 10)	1,716.82	(3,695.77)

Notes:

* These earmarked account balances with banks can be utilised only for the specific identified purposes.
See accompanying notes to the consolidated financial statements

For and on behalf of the Board of Directors

For Mohan & Venkataraman
Chartered Accountants
Firm's Registration No. 007321S

T. Sudhakar Pai
Managing Director
DIN-00043298

Dr. Nitin G Khot
Director
DIN-00030613

S.K Subramanian
Partner
Membership No. 205737
UDIN: 20205737AAAAAP4027

N Srinivasa Ulloor
Chief Financial Officer

Monu Kumar
Company Secretary

Place : Bengaluru
Date: 19.08.2020

Place : Bengaluru
Date: 19.08.2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

a. Equity Share Capital

₹ in Lakhs

Particulars	Amount
Balance as at April 1, 2018	1,488.26
Changes in equity share capital during the year	-
Issue of Bonus Equity Shares	-
Balance as at March 31, 2019	1,488.26
Changes in equity share capital during the year	-
Balance as at March 31, 2020	1,488.26

b. Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus							Total
	Share Capital Suspense account (Refer Note 1)	Capital Reserve arising on consolidation	Capital Reserve	Securities premium	Share option outstanding account	General reserve	Retained earnings	
Balance as at April 1, 2018	-	-	970.81	9,154.21	435.58	5,180.29	24,358.94	40,099.83
Spring Air Adjustment on April 1, 2018	1,656.40	-	-	2,759.18	-	-	(2,759.18)	1,656.40
	1,656.40	-	970.81	11,913.39	435.58	5,180.29	21,599.76	41,756.23
Transferred to general reserve								
Profit for the year	-	-	-	-	-	-	7,596.28	7,596.28
Remeasurement of Defined Benefits Plan (net of tax)	-	-	-	-	-	-	100.32	100.32
Dividends	-	-	-	-	-	-	(124.75)	(124.75)
Tax on dividends	-	-	-	-	-	-	(141.42)	(141.42)
Other adjustment in share premium	-	-	-	469.07	-	-	-	469.07
Other comprehensive Income for the year	-	-	-	-	-	-	-	-
Shares in profit of Non Controlling Interest	-	-	-	-	-	-	(1,257.34)	(1,257.34)
Shares to be issued pursuant to approved Scheme (Refer Note 1)	1,593.00	-	-	-	-	-	-	1,593.00
Utilized during the year for issue of bonus share	-	-	-	-	-	(429.75)	-	(429.75)
Share application suspense a/c	(299.25)	-	-	-	-	-	-	(299.25)
Balance as at March 31, 2019	2,950.15	-	970.81	12,382.46	435.58	4,750.54	27,772.86	49,262.40
Profit for the period	-	-	-	-	-	-	7,578.65	7,578.65
Remeasurement of Defined Benefits Plan (net of tax)	-	-	-	-	-	-	43.46	43.46
Retained earnings on RTU of previous year	-	-	-	-	-	-	(172.19)	(172.19)
Securities Premium on issue of shares during the year	-	-	-	-	-	-	-	-
Capital reserve arising on consolidation	-	57.14	-	-	-	-	-	57.14
Dividends	-	-	-	-	-	-	(163.06)	(163.06)
Tax on dividends	-	-	-	-	-	-	(224.36)	(224.36)
Transfer of retained earnings *	-	-	-	-	(435.58)	-	435.58	-
Balance as at March 31, 2020	2,950.15	57.14	970.81	12,382.46	-	4,750.54	35,270.93	56,382.04

* The company has recognized the cost (difference between the fair price of the equity share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense aggregating to ₹435.58 Lakhs was accounted in the Statement of Profit and Loss of financial year 2015-16. However since the Holding company has issued shares to the said employees, the options of the company cannot be exercised. Hence the above amount has been transferred to Retained Earnings.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report attached
For Mohan & Venkataraman
 Chartered Accountants
 Firm's Registration No. 007321S

S.K Subramanian
 Partner
 Membership No. 205737
 UDIN: 20205737AAAAAP4027

Place : Bengaluru
 Date: 19.08.2020

For and on behalf of the Board of Directors

T. Sudhakar Pai
 Managing Director
 DIN-00043298

N Srinivasa Ulloor
 Chief Financial Officer

Dr. Nitin G Khot
 Director
 DIN-00030613

Monu Kumar
 Company Secretary

Place : Bengaluru
 Date: 19.08.2020

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Significant accounting policies

Note	Particulars
I	<p>Corporate information</p> <p>Kurlon Limited was incorporated under the name and style of “Karnataka Coir Products Limited” on 09-02-1962 and commenced commercial operations during October 1965. The name of the Company was changed to “Karnataka Consumer Products Limited” with effect from 09-10-1980. On 08-12-1995 the name of the company was changed from Karnataka Consumer Products Limited to “KURLON LIMITED”, to fully reflect all its business activities in diverse areas such as Rubberized coir, Latex Foam, Polyurethane foam, Spring Mattresses, Furniture, Furnishings etc.</p> <p>Business Combination and restatement of financial information of prior years</p> <p>There is a scheme of Amalgamation between subsidiary company Kurlon Enterprises Limited and Spring Air Bedding Company (India) Limited (“SABCIL” of “Transferor Company”). The Board of Directors, at their meeting held on August 5, 2019 approved a scheme of amalgamation (“the Scheme”) of Spring Air Bedding Company (India) Limited (“SABCIL” of “Transferor Company”) with Kurlon Enterprise Limited (“the Company” or “Transferee Company”) with an appointed date of April 01, 2018. During the prior year, the Company had filed an application of the Scheme with the National Company Law Tribunal (“NCLT”), Mumbai and NCLT Delhi. The Scheme has been approved by the NCLT Mumbai and NCLT Delhi, vide their orders dated March 12, 2020 and May 05, 2020, respectively, and the aforesaid orders were filed with the Registrar of Companies on June 18, 2020.</p> <p>In consideration of the Ministry of Corporate Affairs (“MCA”) General Circular Ref.09/2019 dated August 21, 2019 as regards the treatment of ‘appointed date’ as the ‘acquisition date’ under Indian Accounting Standard 103 (“Ind AS 103”) – Business Combinations, the Management has considered the approvals of the NCLT’s and filing of the same with the Registrar of Companies to represent adjusting events and has given the effect of the amalgamation in these financial statements from the appointed date of April 01, 2018, which is also the earliest date of the periods presented in these financial statements.</p> <p>In accordance with the scheme sanctioned, all assets and liabilities of SABCIL, as at the appointed date April 1, 2018, stands transferred to, and vested with the Company at their respective fair values.</p> <p>“Pursuant to the Scheme, in consideration for the transfer and vesting of all the assets and liabilities:</p> <ol style="list-style-type: none"> The equity Shareholders of erstwhile SABCIL are to be issued 1 equity share of the Company of Rs. 5 each fully paid up, for every 331 equity shares of Rs. 10 each fully paid up, held by them in SABCIL. Accordingly 121,735 equity shares of Rs. 5 each fully paid up (aggregating to Rs.6.09 Lakhs) will be issued to the shareholders of the erstwhile SABCIL.” Further, the erstwhile SABCIL during 2018-19 issued 15,930,000 equity shares of Rs.10 each fully paid up to its shareholders. Accordingly, 48,127 equity shares of the Company of Rs.5 each fully paid up (aggregating to Rs.2.41 Lakhs) will be issued to the shareholders of erstwhile SABCIL. All the above mentioned Shares are yet to be allotted. Pending allotment of these shares as at March 31, 2019, the amount of Rs.3,249.40 Lakhs has been disclosed as Monies pending allotment in Note 12 to the financial statements. Pursuant to the Scheme, the authorised share capital of the Company stands increased to Rs. 7,530 Lakhs (being 15,06,00,000 equity shares of Rs. 5 each) (Also refer Note 11). The amalgamation has been accounted under the “Acquisition Method” as specified in Ind AS 103 and other accounting principles generally accepted in India in line with the approved Scheme. Accordingly the assets and liabilities as at April 1, 2018, of SABCIL have been taken over at their respective fair values. <p>The difference, aggregating to Rs. 2,103.16 Lakhs, between the fair values of net identifiable assets acquired as at the appointed date April 1, 2018, and the consideration for the acquisition has been recognized as goodwill, in accordance with the Scheme.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Note 2 Significant accounting policies (Contd.)

Note	Particulars	
	The goodwill on acquisition of SABCIL has been arrived as below:	
	Particulars	Rs. In Lakhs
	Property, Plant & Equipment	306.26
	Intangibles - Gross block	6.29
	Deferred Tax Assets	1,846.38
	Inventories	470.23
	Trade Receivables	825.54
	Cash and Cash equivalents	5.00
	Current Financial assets - Loans	53.37
	Other Current assets	137.84
	Total Assets taken over on Amalgamation (A)	3,650.91
	Short term Borrowings	914.61
	Trade Payables	2,622.38
	Current Provisions	15.50
	Other current liabilities	545.19
	Total Liabilities Taken over on Amalgamation (B)	4,097.68
	Less: Consideration in respect of shares outstanding in SABCIL as at April 1, 2018 (C)	1,656.39
	Goodwill on Amalgamation (D) = (C) + (B) - (A)	2,103.16

SABCIL is engaged in manufacturing/ trading in diverse area such as Rubberized coir, Latex Foam, Polyurethane foam, Pillows, Spring Mattresses, Furniture, Furnishing etc.

The Company has prepared the restated financial statements (including consequential tax impacts) for the year ended March 31, 2019 to give effect to the Scheme as approved by the NCLT.

2 Significant accounting policies
Basis of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:-

Basis of Accounting:

- i) The financial statements of the Subsidiary Companies are drawn up to the same reporting date as of the Holding Company.
- ii) The consolidated financial statements have been prepared in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements".

Principles of Consolidation:

- i) The financial statements of the Holding Company and its Subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating the intra-group balances and intra-group transactions and unrealized profits or losses in accordance with Indian Accounting Standard - 110 on "Consolidated Financial Statements".

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements except as otherwise stated in the Significant Accounting Policies.</p> <p>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.</p> <p>iv) Non-controlling interests in the results and equity of subsidiary are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively."</p>

The Consolidated Financial Statements of the Holding Company includes the results of following entities

Name of Company	Country of Incorporation	Proportion (%) of Shareholding as on 31.03.2020	Proportion (%) of Shareholding as on 31.03.2019
Subsidiary Companies			
Kurlon Enterprises Limited	India	85.06%	85.06%
Kurlon Retail Limited (wholly owned subsidiary of Kurlon Enterprises Limited)	India	100%	100%
Sevalal Solar Private Limited* (subsidiary of Kurlon Enterprises Limited)	India	69%	0%
Sirar Solar Energies Private Limited*(subsidiary of Kurlon Enterprises Limited)	India	69%	0%
Sirar Solar Private Limited*(subsidiary of Kurlon Enterprises Limited)	India	69%	0%

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India.

- i) Except for the changes below, the Group has consistently applied accounting policies to all periods: The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.
- ii) Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates' : On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Group has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>iii) Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.</p> <p>iv) Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact."</p>

2.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are measured at fair values. Further Defined Benefit Plans and Plan Assets are measured at fair value at the end of each reporting period, as explained in the accounting policies below:-

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability and the assumptions the market participants would consider when pricing the asset or liability at the measurement date, assuming that market participants act in their best economic interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 2, 1, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 Inputs are unobservable for the asset or liability.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
2.3	<p>Use of estimates and judgement</p> <p>In preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS, management of the Group has made estimates, judgements and assumptions that affect the application of Accounting policies and reported amounts of assets, liabilities, income, expenses and disclosures relating to contingent liabilities as at the date of the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Judgements are made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis</p> <p>Key source of estimation uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year in respect of useful lives of property, plant and equipment, provision for income tax and valuation of deferred tax assets/liabilities, provision for warranty and other provisions and contingent liabilities.</p> <p>Useful lives of property, plant and equipment</p> <p>The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense prospectively.</p> <p>Provisions and Contingent Liabilities</p> <p>A provision is recognized when the Group has a present obligation arising out of past events and it is probable that an outflow of economic resources would be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimates required to settle the obligation as at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements but are disclosed appropriately. A contingent asset is neither recognized nor disclosed in the financial statements.</p>
2.4	<p>Revenue recognition</p> <p>Effective 01 April 2018, the Group adopted IND AS 115, 'Revenue from Contracts with Customers' using the modified retrospective method. In accordance with this, the comparatives have not been retrospectively adjusted and no material impact was recognised.</p> <p>Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue is reduced for estimated customer returns, rebates and other similar allowances.</p> <p>Sale of goods</p> <p>Revenue from the sale of goods is recognised when (i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods, (ii) effective control over the goods sold, (iii) the amount of revenue can be measured reliably; (iv) it is probable that the economic benefits associated with the transaction will flow to the Group and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably. Sales returns are recognized as and when ascertained and are reduced from the sales turnover of the year. Amounts disclosed as revenue are net of Sales Tax, Goods & Service Tax, trade allowances, rebates and value added items.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>Other income</p> <p>Interest income- Interest Income is recognised and accounted on the basis of the effective Interest rate method.</p> <p>Dividend Income- Dividend income is accounted for when the right to receive is established.</p>
2.5	<p>Foreign currencies</p> <p>The functional currency of the Group is Indian Rupees.</p> <p>Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognised in the Statement of Profit and Loss. Non-monetary items of the Group are carried at historical cost.</p>
2.6	<p>Leases</p> <p>The Group's lease asset classes primarily consist of leases for land and buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.</p> <p>The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.</p> <p>The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.</p> <p>The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.</p> <p>The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.</p> <p>In the comparative period, leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments and receipts under operating leases are recognised as an expense and income respectively, on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
2.7	<p>Employee benefits</p> <p>Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences and employee state insurance scheme.</p> <p>Retirement benefit cost and termination benefits</p> <p>Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.</p> <p>Liabilities for gratuity funded in terms of a scheme administered by the life insurance corporation of India are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:</p> <ul style="list-style-type: none"> - service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); - net interest expense or income; and - Remeasurement <p>The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.</p> <p>The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.</p> <p>A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.</p> <p>Defined contribution plan</p> <p>Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.</p> <p>Compensated absences</p> <p>Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized at an actuarially determined liability at the present value of the defined benefit obligation as at the balance sheet date. Liabilities for gratuity funded in terms of a scheme administered by the life insurance corporation of India are determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognized in the statement of profit and loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.</p>
2.8	<p>Taxation</p> <p>Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.</p> <p>Current tax</p> <p>The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years (Temporary Differences) and items that are never taxable or deductible (Permanent Differences). The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.</p> <p>Deferred tax</p> <p>Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.</p> <p>The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.</p> <p>Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.</p> <p>The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.</p> <p>Deferred tax assets include Minimum Alternate Tax ("MAT") paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
2.9	<p>Property, Plant and Equipment</p> <p>Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.</p> <p>The cost includes purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying property, plant and equipment up to the date the asset is ready for its intended use. Subsequent expenditure on property, plant and equipment after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance</p> <p>Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.</p> <p>Lease rentals and premium for lease hold are amortized over the primary lease period.</p> <p>Depreciation is provided for property, plant and equipment on the straight-line method over the estimated useful life from the date the assets are ready for intended use. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.</p> <p>An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss</p> <p>Capital work in progress</p> <p>Amount paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.</p> <p>The capital work- in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
2.10	<p>Intangible assets</p> <p>Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.</p> <p>Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.</p> <p>The estimated useful lives of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.</p> <p>An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gain or loss arising from Derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised/disposed.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
2.11	<p>Impairment</p> <p>Financial assets (other than at Fair Value)</p> <p>The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.</p> <p>Non-Financial assets</p> <p>Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.</p> <p>If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.</p>
2.12	<p>Inventory</p> <p>Items of inventory are valued at lower of cost and net realizable value. Cost of raw materials, stores and spares, packing material and traded goods is determined on weighted average basis. In case of work-in-process and finished goods, cost includes an appropriate proportion of cost of conversion to bring the goods to its present condition. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale.</p>
2.13	<p>Provisions</p> <p>Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.</p> <p>The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).</p> <p>When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.</p> <p>Provision for warranty is estimated on the basis of past technical experience.</p>
2.14	<p>Financial Instruments</p> <p>Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.</p> <p>A) Financial assets</p> <p>Cash and Cash equivalents</p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p> <p>Financial assets at amortized cost</p> <p>Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p>Financial assets at fair value through other comprehensive income (FVTOCI)</p> <p>Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.</p> <p>Financial assets at fair value through profit and loss (FVTPL)</p> <p>Financial assets are measured at fair value through profit and loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognized in statement of profit and loss.</p> <p>Foreign exchange gains and losses</p> <p>The fair value of foreign assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For the foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in statement of profit and loss.</p> <p>B) Financial liabilities and Equity</p> <p>Financial liabilities at amortized cost</p> <p>Financial liabilities are measured at amortized cost using effective interest method.</p> <p>Equity instruments</p> <p>An equity instrument is contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue costs.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
	<p>Foreign exchange gains and losses</p> <p>For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in “Other income”</p> <p>The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in the profit and loss.</p>
2.15	<p>Earnings per share (EPS)</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.</p> <p>Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p> <p>Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.</p>
2.16	<p>Segment Reporting</p> <p>The chief operating decision maker (CODM) identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management reporting structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.</p> <p>The Group has only one reportable business segment as per Ind AS, which is manufacture, purchase and sale of coir, foam and related products which constitutes a single business segment. Accordingly, the amounts appearing in the financial statements relate to the Group’s single business segment. The Group has acquired 3 Solar Companies by way of invocation of pledge during the year and the Solar Companies are into the business of generation and Sale of Solar Power.</p>
2.17	<p>Research and development</p> <p>All revenue expenditure related to research and development are charged to the respective heads on the Statement of Profit and Loss. Capital expenditure incurred on research and development is capitalised as property, plant and equipment and depreciated in accordance with the depreciation policy of the Group.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2 Significant accounting policies (Contd.)

Note	Particulars
2.18	<p>Insurance Claims</p> <p>Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.</p>
2.19	<p>Impact on COVID</p> <p>In March 2020, the World Health Organization declared COVID - 19 to be a pandemic. Consequent to this, Government of India declared a national lock down on 24 March 2020 which has impacted the business activities of the Company. The Group has been taking various precautionary measures to protect employees and their families from COVID - 19. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment and goodwill. The Group has also made an assessment of its liquidity position for the next year and has assessed the recoverability status of its current assets based on the internal and external information available to the Group up to the date of approval of these financial statements. The Group does not anticipate any material impact on the recoverability of the carrying value of its assets. The impact of COVID - 19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Group's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions. The Group has resumed its business activities by reopening its factories on a gradual basis in line with the guidelines issued by the Government authorities.</p>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ in Lakhs

Particulars	a) Tangible Assets											b) Intangible Assets		
	Freehold land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Vehicles Financed	Computer Owned	Total	Computer software	Goodwill		
Gross carrying value														
As at April 01, 2018	1,693.15	1,764.66	8,943.84	20,121.76	2,856.86	463.92	364.78	132.36	445.82	36,787.15	834.83	-		
Acquisitions through business combinations (Refer Note No.1)	-	-	-	235.65	17.80	14.50	31.11	-	7.20	306.26	6.29	2,103.16		
As at April 1, 2018 after business combinations	1,693.15	1,764.66	8,943.84	20,357.41	2,874.66	478.42	395.89	132.36	453.02	37,093.41	841.12	2,103.16		
Additions	-	3,575.81	1,220.49	1,414.58	880.32	77.00	185.13	-	84.28	7,437.59	198.48	-		
Disposals	-	-	-	-	6.70	0.89	23.67	-	-	31.26	-	-		
As at March 31, 2019	1,693.15	5,340.47	10,164.33	21,771.98	3,748.28	554.52	557.34	132.36	537.30	44,499.74	1,039.60	2,103.16		
Additions	767.24	302.77	5,928.64	1,490.66	577.03	55.31	171.76	-	63.49	9,356.90	45.06	-		
Disposals	-	-	0.41	917.29	35.49	0.64	187.30	-	7.67	1,148.80	-	-		
Transferred to Right to Use Assets	-	5,497.35	-	-	-	-	-	-	-	5,497.35	-	-		
As at March 31, 2020	2,460.39	145.89	16,092.56	22,345.36	4,289.82	609.20	541.80	132.36	593.12	47,210.50	1,084.66	2,103.16		
Accumulated Depreciation														
As at April 01, 2018	-	49.44	1,888.57	7,380.49	1,087.02	238.09	161.00	18.13	290.90	11,113.64	277.38	-		
Additions	-	4.07	285.86	1,422.43	272.31	82.24	77.34	-	83.52	2,227.77	122.22	-		
Disposals	-	-	-	-	0.58	0.71	1.87	-	-	3.16	-	-		
Disposals	-	-	-	-	-	-	(14.58)	-	-	(14.58)	-	-		
Reclassification	-	(2.28)	13.46	-	1.96	1.64	0.68	-	6.19	21.65	-	-		
As at March 31, 2019	-	51.23	2,187.89	8,802.92	1,360.71	321.27	222.57	18.13	380.61	13,345.32	399.60	-		
Additions	-	4.07	378.62	1,420.13	327.36	81.11	81.34	-	86.72	2,379.34	141.14	-		
Disposals	-	-	0.17	584.51	33.56	0.21	97.42	-	5.16	721.04	-	-		
As at March 31, 2020	-	55.30	2,566.35	9,638.53	1,654.50	402.17	206.49	18.13	462.16	15,003.63	540.74	-		
Net carrying value														
Balance as at March 31, 2020	2,460.39	90.59	13,526.22	12,706.83	2,635.31	207.03	335.31	114.23	130.95	32,206.86	543.93	2,103.16		
Balance as at March 31, 2019	1,693.15	5,289.24	7,976.44	12,969.07	2,387.57	233.26	334.78	114.23	156.69	31,154.42	640.00	2,103.16		
Balance as at April 1, 2018	1,693.15	1,715.22	7,055.27	12,976.92	1,787.64	240.33	234.89	114.23	162.12	25,979.77	563.74	2,103.16		

Note

- Property which was secured by borrower for loan of Rs 7.50 Crs has been registered by way of Deed of conveyance in favour of the company with an option of retransfer of the said property back to the borrower on total discharge of the outstanding loan amount as per the lending agreement. The borrower repaid the loan of Rs 3.75 Crs and rest of the loan amount of Rs 3.75 Crs is outstanding for more than 3 years, now the borrower is in loan repayment default. In lieu of default, the company has capitalised the property as against the loan of Rs 7.50 Crs during the year and loan recovery action has been initiated by the company through NCLT for an amount aggregating to Rs. 5.94 Crs (including interest amount).
Interest receivable for 2 years and other charges supposed to be born by borrower are adjusted as against Rs. 3.75 Crs outstanding amount payable to borrower.
- Loan outstanding from Rakesh Saigal as on 31.03.2020 is Rs 1.95 Crs. The borrower is in loan repayment default. In lieu of default, company has capitalised this property during the year and loan recovery action has been initiated by the company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 4. Capital work in progress

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Land	-	-	0.86
Building	332.65	1,367.63	474.15
Plant & Machinery	283.30	743.80	661.02
Others	89.90	200.83	38.30
Total	705.86	2,312.26	1,174.33

Note No. 5 - Investments

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Nos.	Amount in Lakhs	Amount in Lakhs	Nos.	Amount in Lakhs	Amount in Lakhs	Nos.	Amount in Lakhs	Amount in Lakhs
		Current	Non- Current		Current	Non- Current		Current	Non- Current
A. Cost									
I. Investment in Commercial Papers (at amortised cost)(Unquoted)									
Cox and Kings Limited (refer note 5(i) below)	400	2,000.00	-	500	2,500.00	-	-	-	-
Total Unquoted Investments	400	2,000.00	0.00	500	2,500.00	-	-	-	-
B. Fair Value Through Profit and Loss									
I. Investments in Equity Instruments									
Industrial Development Bank of India Equity share of Rs.10/- each	3,360	-	0.65	3,360	-	1.57	3,360	-	2.73
Total Unquoted Investments	3,360	-	0.65	3,360	-	1.57	3,360	-	2.73
Manipal E-Commerce limited Equity shares of Rs.10/- each	-	-	-	-	-	-	49,400	-	4.94
General Investment & Commercial Corporation Ltd Equity Shares of 10/- at a premium of Rs 85/- each	25,000	-	23.75	25,000	-	23.75	25,000	-	23.75
Jitendra Harjivandas Securities Pvt Limited Equity Shares of 10/- at a premium of Rs 15/- each	5,95,000	-	148.75	5,95,000	-	148.75	5,95,000	-	148.75
Commercial Corporation of India Limited Equity Shares of 1/- at a premium of Rs 3.10 each	10,00,000	-	41.00	10,00,000	-	41.00	10,00,000	-	41.00
Madish Style Bar Pvt Ltd Equity shares of Rs.10/- each	60,000	-	6.00	60,000	-	6.00	60,000	-	6.00
The Zoroastrain Co operative Bank Mumbai Equity shares of Rs.25/- each	100	-	0.03	100	-	0.03	100	-	0.03
Alapasara Finvest Care Advisory Private Limited Equity shares of Rs.100/- each	5,000	-	5.00	5,000	-	5.00	5,000	-	5.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Nos.	Amount in Lakhs	Amount in Lakhs	Nos.	Amount in Lakhs	Amount in Lakhs	Nos.	Amount in Lakhs	Amount in Lakhs
		Current	Non-Current		Current	Non-Current		Current	Non-Current
B. Designated at cost									
a. Investment in Bonds - Unquoted	1,65,104		336.80	1,65,104		336.80	1,65,104		535.85
b. Maharashtra Apex Corporation Ltd. Redeemable Cumulative Preference Shares of Rs. 10/- each	80,100		12.75	80,100		12.75	7,000		0.70
I. Investments in Equity Instruments (Quoted)									
Franklin India Short Term Income Plan-Retail Plan-Direct-Growth	-	-	-	29,238	1,226.71	-	-	-	-
Franklin India Banking & PSU Fund-Direct- Growth	1,94,79,860	3,295.78	-	-	-	-	-	-	-
HSBC Ultra Short Duration Fund Direct Growth	30,833	311.20	-	-	-	-	-	-	-
Tata Banking & PSU Debt Fund Direct Growth	49,59,639	515.44	-	-	-	-	-	-	-
ABSL Floating Rate Fund-Direct-Growth	2,03,278	512.86	-	-	-	-	-	-	-
AXIS Short Term Fund-Direct-Growth	39,42,706	921.62	-	-	-	-	-	-	-
Axis Banking & PSU Debt Fund-Direct Growth	26,104	506.68	-	-	-	-	-	-	-
Canara Robeco Short Duration Fund - Direct Growth	12,78,301	255.61	-	-	-	-	-	-	-
Kotak Savings Fund-Regular-Growth	6,39,002	205.08	-	-	-	-	-	-	-
Kotak Bond Fund Short Term-Direct-Growth	10,30,669	413.44	-	-	-	-	-	-	-
Kotak Corporate Bond Fund-Direct-Growth	7,456	205.80	-	-	-	-	-	-	-
Kotak BANKING AND PSU DEBT FUND- Direct-Growth	8,53,190	406.52	-	-	-	-	-	-	-
L & T Banking & PSU Fund-Growth	22,84,679	410.89	-	-	-	-	-	-	-
Sundaram Money Market Fund-Direct-Growth	54,87,966	614.77	-	-	-	-	-	-	-
ICICI Prudential Banking & PSU Debt Fund- Direct-Growth	16,88,533	399.23	-	-	-	-	-	-	-
LICMF Banking & PSU Debt Fund-Direct- Growth	11,14,132	300.56	-	-	-	-	-	-	-
LICMF Banking & PSU Debt Fund-Regular- Growth	7,78,062	200.12	-	-	-	-	-	-	-
SBI Savings fund - Direct Plan-Growth	-	-	-	-	-	-	2,72,037	75.61	-
IDBI liquid fund- Direct Plan-Growth	-	-	-	-	-	-	19,022	353.90	-
Franklin India Low Duration Fund Direct Monthly Dividend Plan	-	-	-	-	-	-	2,94,671	31.71	-
Franklin India Low Duration Fund - Direct Growth	-	-	-	-	-	-	70,36,927	1,428.31	-
Total Aggregate Quoted Investments	8,53,80,618.13	9,475.60	574.73	4,16,05,296.50	1,226.71	575.65	2,30,52,522.00	1,889.53	768.74
TOTAL INVESTMENTS CARRYING VALUE (A)	8,53,84,378.13	11,475.60	574.73	4,16,09,156.50	3,726.71	575.65	2,30,55,882.00	1,889.53	768.74
Other Disclosures									
Aggregate amount of Quoted Investments & market value thereof	-	9,475.60	574.73	-	1,226.71	-	-	1,889.53	-
Aggregate amount of Unquoted Investments	-	2,000.00	574.73	-	2,500.00	575.65	-	-	768.74

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 5(I) should read as follows

The Company had made an investment of Rs. 2,000 Lakhs in Commercial Paper (CP) issued by COX and Kings Limited (“C&K”) in four equal tranches between June 14, 2019 and June 26, 2019. The amounts were due for maturity/redemption in 30-45 days from date of investment. The maturity dates for the four tranches commenced on 29 July 2019 and ended on August 6, 2019.

At the time of making the investment, the CP was rated as A1+ by Credit Rating agency ‘CARE’. This rating indicating highest level of safety. Subsequent to making the investment, C&K defaulted in repayment of borrowings to its bankers from June 28, 2019 onwards, till date.

On October 22, 2019, the National Company Law Tribunal, Mumbai (NCLT) admitted an insolvency petition against C&K, after which it imposed a moratorium on “transferring, encumbering, alienating or disposing off” of any assets belonging to Cox & Kings effective from October 22, 2019. The bench has appointed an interim resolution professional (IRP) who is overseeing the affairs of the entity.

The company is however hopeful of recovering the amount, despite the above unfavorable developments, for the following reasons:

- i) The Company earlier had already invested two tranches of Rs. 2,500 Lakhs each, in March 2019 and May 2019, which were repaid in full, without any default, on the due dates.
- ii) In respect of the outstanding as at date, the company is a Financial Creditor and is part of the proceedings in the Resolution Process of C&K. The claim of the company has been accepted by the Resolution Professional.
- iii) The company has filed 2 petitions under Section 138 of the NI Act (One for Principal & One for Interest) against C&K, its directors & Authorized signatories in the Mayo Hall Court, Bangalore which is a criminal proceeding that has been initiated
- iv) Court Summons have been issued to the directors of C&K which has since paused due to COVID lockdown.
- v) The company has obtained Personal Guarantee from the promoter of C&K, for Rs. 2,000 Lakhs, which can be invoked by the company.
- vi) The company has also received commitment from Promoter’s family that they would repay the borrowings by raising monies through sale of certain Hotel Property in Mumbai. Accordingly, the management is of the opinion that a write down in the carrying of investment is presently not required.

Note No. 6. Trade Receivables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current			
Trade Receivables (Unsecured)			
(a) Considered good	6,645.77	12,030.26	12,841.44
(b) which have significant increase in Credit Risk	997.08	688.89	543.67
	7,642.84	12,719.14	13,385.11
Less: Allowance for Doubtful trade receivables	997.08	688.89	543.67
TOTAL	6,645.77	12,030.26	12,841.44
Non - Current			
a) Considered good - Unsecured	-	1.50	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Note No. 6a. Movement in the Allowance for Doubtful Trade Receivables

₹ in Lakhs

Particulars	FY 2019-20	FY 2018-19	FY 2017-18
Balance at beginning of the year	688.89	543.67	489.85
Impairment losses recognised in the year based on 12 Month Expected Credit Loss			
On Receivables originated in the year	569.54	314.90	230.40
Amounts written off during the year as uncollectible	-	-	(55.47)
Amounts Recovered/Written Off During the year	(261.35)	(169.68)	(121.11)
Balance at end of the year	997.08	688.89	543.67

Note No. 7a. Security Deposits

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-Current (Carried at amortised cost)			
a) Security Deposits- Unsecured, considered good	906.67	868.46	801.22
b) Security Deposits- Secured, considered good			
(i) Related Parties	15.00	15.00	-
- Maha Rashtra Apex Corporation Limited			
(ii) Others	283.31	269.17	49.60
	1,204.98	1,152.63	850.82
Current (Carried at amortised cost)			
a) Security Deposits- Secured, considered good	36.18	56.97	-
TOTAL	36.18	56.97	-

Note No. 7b. Other financial assets

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
a) Other Loans - unsecured, considered good			
Loans to Employees	-	-	6.03
Security Deposits	183.42	137.58	146.12
b) Loans to Others	278.68	-	-
	462.10	137.58	152.15

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 7. Loans and Advances

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Non-Current	Total	Non-Current	Total	Non-Current	Total
a) Loans to Related Parties						
- Unsecured, considered good						
Manipal Stock & Shares Broker Limited	(0.00)	(0.00)	19.22	19.22	273.46	273.46
General Investment & Commercial Corporation Limited	159.85	159.85	-	-	506.67	506.67
Alapasara Finvest Care Advisory Private Limited	103.04	103.04	-	-	-	-
TOTAL (A)	262.89	262.89	19.22	19.22	780.13	780.13
b) Loans to other than Related Parties*						
- Secured, considered good						
Corporate	441.71	441.71	982.78	982.78	903.14	903.14
Other	0.00	0.00	267.53	267.53	567.96	567.96
- Unsecured, considered good						
Other	151.84	151.84	92.27	92.27	36.16	36.16
- Doubtful						
Less : Allowance for bad and doubtful loans	31.30	31.30	-	-	-	-
TOTAL (B)	562.25	562.25	1,342.58	1,342.58	1,507.26	1,507.26
c) Other Loans & Advances						
- Unsecured, considered good						
Employees	2.49	2.49	5.09	5.09	8.19	8.19
TOTAL (C)	2.49	2.49	5.09	5.09	8.19	8.19
GRAND TOTAL	827.63	827.63	1,366.89	1,366.89	2,295.58	2,295.58

* Company supported loan of Rs 5 Crs to Great Town India Private Limited in Aug 2017. Company has initiated the recovery process, as per Mumbai Tenancy & Property laws, and company has taken possession over the premises.

Note No. 8. Other Non-Current and Current Assets

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-Current			
(a) Capital Advances			
(i) For land	4,859.82	5,515.69	7,068.86
(ii) For Building	35.50	338.50	57.83
(iii) For Plant & Machinery	-	217.91	14.66
(iv) For Others	9.43	-	148.11
(b) Balances with government authorities	390.10	367.53	402.49
(c) Prepaid expenses	-	-	1.00
TOTAL	5,294.85	6,439.62	7,692.95

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current			
(a) Advances to suppliers	699.60	599.28	614.41
(b) Capital advance			
(i) For Interior	-	41.94	52.76
(ii) For Software	-	15.00	-
(c) Advances to Related Parties			
Kurlon Limited	(0.00)	0.00	-
Kurlon Retail Limited	(0.00)	-	-
Metropolis Builders Limited	30.00	30.00	27.95
General Investment & Commercial Corporation Ltd	582.82	650.82	-
Manipal Advertising Services Private Limited	348.32	427.82	-
(d) Advances to employees	36.51	69.89	135.09
(e) Balances with government authorities	477.57	308.79	1,063.49
(f) Others			
Balance With Revenue Authorities	30.50	61.09	-
Other Loans and Advances	16.29	17.88	-
Prepaid expenses	343.05	287.79	288.75
Prepaid rent	-	83.54	110.15
Insurance Claim	155.10	-	-
Gratuity fund	85.22	8.79	53.52
Leave Encashment Fund	72.75	315.90	73.85
Rent Receivable	67.91	-	-
TOTAL	2,945.66	2,918.54	2,419.97

* Capital advance to Maha Rashtra Apex Corporation Ltd (Related Party) includes:

- amount of Rs. 20.77 Crs. paid for purchase of Land at Jalahalli Campus, Yeshwanthapur, Bangalore through Court Auction dated on 20.04.2012 and amount of Rs. 12.72 Crs paid for purchase of Immovable property at Udupi subject to the approval of the Court and other legal formalities.
- Amount of Rs. 0.36 Crs paid for purchase of property at Jaipur. The property is yet to be registered in the name of the Company even after lapse of substantial time.

Note No. 9. Inventories

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Raw materials	4,429.89	4,623.76	4,958.62
- Goods in transit	10.75	-	-
(b) Work-in-progress	2,026.40	1,742.13	1,583.02
(c) Finished goods (net of provision)*	4,655.47	4,474.93	3,585.60
- Goods in transit	61.44	40.12	-
(d) Stock-in-trade	1,872.26	1,873.59	1,274.29
- Goods in transit	-	9.91	116.91
(e) Stores and spares	719.33	643.45	502.65
Total Inventories at lower of Cost and Net Realisable Value (NRV)	13,775.53	13,407.88	12,021.08

* The cost of Inventories as an expense includes Rs 533.70 Lakhs (Rs. 664.58 Lakhs during FY 18-19) in respect of provision for inventory

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 10. Cash and Bank Balances

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Cash and Cash Equivalents			
(a) Balances with Banks	403.89	759.46	2,428.01
(b) Cheques, Drafts on hand	140.09	1,506.77	1,951.21
(c) Cash on Hand	45.65	37.69	19.26
(d) Others In deposit Accounts	985.90	1,259.20	10.37
TOTAL	1,575.53	3,563.12	4,408.86
Other Bank Balance			
(a) Earmarked balances with banks (refer note below)	140.49	131.85	210.13
(b) Unpaid dividend	0.80	0.80	0.16
TOTAL	141.29	132.65	210.29

Note -

- 1) Deposits receipts pledged with banks for obtaining Letter of Credit & Bank guarantee facilities.
- 2) Deposits of ₹Nil (March 31, 2019: Rs. 312.39 lakhs pledged as collateral security in favour of Federal Bank against the facility availed by GICC Ltd in the PY).
- 3) Cash margin of Rs. 241.47 lakhs in favour of Axis Bank for LC Facility.

Note No. 11. Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)
Authorised: Equity shares of ₹5/- each with voting rights	3,50,00,000	3,500.00	3,50,00,000	3,500.00	3,50,00,000	3,500.00
Issued, Subscribed and fully Paid: Equity shares of ₹5/- each with voting rights	1,48,82,605	1,488.26	1,48,82,605	1,488.26	1,48,82,605	1,488.26

- (i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period/year.

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)
Equity Shares At the beginning of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26	1,48,82,605	1,488.26
Fully paid shares allotted during the year						
Bonus issue (refer note : v)	-	-	-	-	-	-
Outstanding at the end of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26	1,48,82,605	1,488.26

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Terms/Rights attached to Equity Shares

- The company has only one class of equity shares having a par value of ₹10/- each (March 31,2019- ₹10/- each) per share. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Group, the holders of equity shares would be entitled to receive remaining assets of the Group after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Equity shares of ₹5/- each with voting rights						
Manipal Holding Private Limited	71,83,919	48.20	71,83,919	48.20	71,83,919	48.20
Maharashtra Apex Corporation Limited	56,93,020	38.25	56,93,020	38.25	56,93,020	38.25

Note No. 12. Other Equity

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Securities Premium			
Balance at the beginning of the year	12,382.46	11,913.39	9,154.21
Amounts received (on issue of shares) excl the par value has been classified as securities premium.			
Spring Air Adjustment on April 1, 2018	-	-	2,759.18
Other adjustment in share premium	-	469.07	-
Closing balance	12,382.46	12,382.46	11,913.39
Share Suspense account			
Balance at the beginning of the year	2,950.15	1,656.40	-
Shares to be issued pursuant to approved Scheme	-	1,593.00	-
Share Application Suspense account	-	(299.25)	-
121,735 equity shares and 48,127 equity shares of Rs.5 each fully paid up to be issued to erstwhile SABCIL, pursuant to a scheme of a business combination (more fully described in Note 1), without payment being received in cash.			
Spring Air Adjustment on April 1, 2018	-	-	1,656.40
Closing balance	2,950.15	2,950.15	1,656.40
Shares option outstanding Account			
Balance at the beginning of the year	435.58	435.58	435.58
Any profit or loss arising on difference between fair value and exercise price on Employee Stock options is transferred to Share option outstanding account.			
Transfer of retained earnings	(435.58)	-	-
Closing balance	-	435.58	435.58

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
General Reserve			
Balance at the beginning of the year	4,750.54	5,180.29	4,605.57
Add: Transfer from the Statement of Profit & Loss	-	-	840.18
Less: Utilised during the year for issuing bonus shares	-	429.75	265.46
Closing balance	4,750.54	4,750.54	5,180.29
This represents appropriation of profit by the Company.			
Retained Earnings		16,146.75	
Balance at the beginning of the year	27,772.86	21,599.76	17,841.56
Add: Transfer from the Statement of Profit & Loss	7,578.65	7,596.28	8,912.70
Add: Transfer from Other Comprehensive Income (OCI)	43.46	100.32	-
Add: Profit on Acquisition (KRL)	-	-	1.50
Less: Transfer to general reserve	-	-	840.18
Less: Share in profit of Non Controlling Interests	-	(1,257.34)	1,442.25
Less: Dividend Paid	163.07	124.75	-
Less: Tax on dividend	224.36	141.42	114.40
Less: Reversal of tax liability (consequent to scheme of amalgamation, more fully described in Note No. 1)			
Add: Transfer of retained earnings	435.58	-	-
Less: Retained earnings on RTU of previous year	172.19	-	-
Spring Air Adjustment on April 1, 2018	-	-	(2,759.18)
Closing balance	35,270.92	27,772.86	21,599.76
Capital Reserve	970.81	970.81	970.81
Capital Reserve arising on Consolidation	57.14	-	-
TOTAL	56,382.02	49,262.40	41,756.23

Note No. 13. Non-Current Borrowings

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Measured at FVTPL			
Term Loans, Secured:			
(a) Term Loans	266.67	666.71	1406.89
(b) Foreign Currency Loans	-	-	294.49
(c) Vehicle Loans	77.28	114.64	148.96
TOTAL	343.95	781.35	1,850.34

Note: The term loan are secured by first charge on Specific Fixed assets. Vehicle loans are secured by hypothecation of specific vehicles.

Reconciliation of liabilities arising from financing activities

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Repayments to bank			
(a) Term Loans	666.71	400.00	266.71
(b) Vehicle Loans	114.64	37.40	77.24
TOTAL	781.35	437.40	343.95

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 14. Trade Payables

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total outstanding dues of micro enterprises and small enterprises (Refer Note 32)	649.57	546.16	1,249.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,085.14	13,154.05	14,644.05
TOTAL	12,734.71	13,700.21	15,893.80

Note No. 14.1 Provisions

₹ in Lakhs

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Provisions for Warranty (refer note (i) below)	409.42	409.42	409.42	409.42	409.42	409.42
Provision for Employee Benefits	-	-	-	-	-	15.50
Provision others	4.38	-	-	-	-	-
TOTAL	413.80	409.42	409.42	409.42	409.42	424.92

(i) Movement in Provisions for warranty

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balance as at Beginning of the year	818.84	818.84	818.84
Additional provisions recognised	353.91	175.56	-
Amounts utilised during the year	353.91	175.56	-
Balance as at end of the year	818.84	818.84	818.84

Note No. 15. Lease Liabilities & Other Financial Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-Current			
Lease Liabilities	4,533.28	-	-
TOTAL	4,533.28	-	-
Current			
Lease Liabilities	662.62	-	-
TOTAL	662.62	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other Financial Liabilities Measured at Amortised Cost			
Non-Current			
Deposits received from Dealers	5,733.02	5,898.36	5,573.49
Deposits received from C & F Agent	57.00	59.00	64.00
Deposits-Transporters	12.25	-	-
Payables for capital supplies/services	-	136.27	55.67
Security Deposits for Operating Leases	55.74	29.70	33.95
TOTAL	5,858.01	6,123.33	5,727.11
Current			
Interest accrued on micro enterprises and small enterprises (Refer Note 32)	7.02	3.49	2.05
Unpaid dividend account	0.80	0.80	0.16
Current Maturities of Vehicle Loans*	37.40	34.31	31.44
Current Maturities of Term Loans*	400.00	399.96	412.79
Others	65.51	47.66	53.13
TOTAL	510.73	486.22	499.57

* Reflects the installments for borrowings falling due up to 31/03/2021.

Note No. 16. Current Borrowings

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
A. Secured Borrowings			
Loans repayable on demand			
From Banks	1,216.90	1,046.05	914.61
From Other	495.82	496.00	-
From other party - Buyer's credit	-	-	377.75
Total Secured Borrowings	1,712.72	1,542.05	1,292.36
B. Unsecured Borrowings			
Loans from related parties	676.30	696.00	1,124.89
Total Current Borrowings	2,389.01	2,238.05	2,417.25

Note: Loans repayable on demand are secured by Pari passu first charge on current assets and movable assets of the Company.

Reconciliation of liabilities arising from financing activities

Particulars	As at April 1, 2019	Financing Cash Flow	Non-cash changes Foreign exchange movement	As at March 31, 2020
Repayments to bank	1,046.05	170.85	-	1,216.90
Borrowings from Other Financial Institutions	496.00	-	-	495.82
Loans from related parties	696.00	(19.70)	-	676.30
Total Borrowings	2,238.05	151.14	-	2,389.01

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 17. Other Liabilities

₹ in Lakhs

Particulars	As at	As at	As at
	March 31, 2020	March 31, 2019	April 1, 2018
	Current	Current	Current
a. Advances received from customers	71.66	489.46	191.57
b. Advances received from Related Parties	-	-	-
c. Unpaid Dividend	-	1.45	2.09
d. Statutory dues	-	428.24	299.90
- taxes payable (other than income taxes)	85.62	149.09	244.53
e. Gratuity Fund	10.50	(1.47)	1.80
f. Other payable	286.88	0.35	-
TOTAL OTHER LIABILITIES	454.65	1,067.11	739.89

Note No. 17. Other Liabilities

₹ in Lakhs

Particulars	As at	As at	As at
	March 31, 2020	March 31, 2019	April 1, 2018
	Non-Current	Non-Current	Non-Current
a. Advances received from Related Parties	-	-	-
Kurlon Enterprise Limited	(0.00)	0.01	0.01
TOTAL OTHER LIABILITIES	(0.00)	0.01	0.01

Note No. 18a. Deferred Tax Liabilities

₹ in Lakhs

Particulars	As at	As at	As at
	March 31, 2020	March 31, 2019	April 1, 2018
Deferred tax assets	822.44	569.76	2,364.12
Deferred tax liabilities	(3,195.53)	(3,403.99)	(2,915.82)
Deferred tax liabilities (net)	(2,373.09)	(2,834.23)	(551.70)

Deferred tax liabilities (net)	As at	As at	As at
	March 31, 2020	March 31, 2019	April 1, 2018
Deferred tax liability			
Depreciation and amortisation	(2,867.66)	(3,403.99)	(2,915.82)
Right to Use Asset	(327.87)		
Gross deferred tax liability	(3,195.53)	(3,403.99)	(2,915.82)
Deferred tax asset			
a) Employee benefits	-	-	-
b) Provision for doubtful debts	250.97	240.73	188.15
c) Provision for Warranty	206.10	286.14	283.39
d) 43B Disallowance	21.65	13.38	-
e) 35DD Income Tax Disallowance on Amalgamation expenses	20.99	29.51	-
f) Lease Liability-Ind AS-116	322.73	-	-
g) Unabsorbed losses	-	-	1,892.58
Gross deferred tax asset	822.44	569.76	2,364.12
Net deferred tax liability	(2,373.09)	(2,834.23)	(551.70)

Note: Deferred Tax Charge for the previous year have been restated in the Statement of Profit & Loss, Consequent to amalgamation of Spring Air Bedding Company India Limited, with the Company as of April 1, 2018 (Also Refer Note 1B)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 18b. Current Tax Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Provision for Taxation	11,709.37	10,555.84	10,217.46
Less: Advance tax	12,922.74	11,128.60	8,961.38
MAT Credit Entitlement	(704.30)	(643.45)	(559.32)
Total Current Tax Liabilities	(1,917.67)	(1,216.21)	696.76

Note No. 19. Revenue from operations

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Current	Current
Sale of products (refer note (i) & (iii))	1,02,254.59	1,10,887.77
Other operating revenue (refer note (ii))	2,271.20	962.92
Less: Schemes & Rebates	(8,352.75)	(9,471.05)
Total Revenue from Operations	96,173.05	1,02,379.64

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Sale of products		
<u>Manufactured goods</u>		
Rubberized Coir Mattresses, Cushions	31,200.80	33,439.02
Customised Foam	1,620.82	1,852.22
Foam and Foam Products	27,145.38	33,676.80
EPE Sheet	527.68	612.19
Sofa	2,370.08	1,989.58
Polyfibre Goods	2,645.09	3,391.69
Furniture	860.87	652.57
Foam Mattresses	24,838.41	20,811.51
Spring Mattresses	12,227.66	13,923.45
Total - Sale of manufactured goods	1,03,436.79	1,10,349.04
<u>Traded goods</u>		
Polyfibre Goods	744.55	539.71
Mattresses & Cushions	10,326.15	11,239.75
EPE Sheet & Foam, others	353.79	383.90
Soft Furnishing	1,090.86	1,339.08
Others	961.02	3,371.23
Total - Sale of Traded Goods	13,476.37	16,873.67
Total - Sale of Products	1,16,913.16	1,27,222.71

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(ii) Other operating revenues:		
Sale of scrap	283.63	342.48
Others - Raw Materials	1,899.35	462.84
Other Operating Income	49.79	157.61
Revenue From Supply of Electricity	38.43	-
Total - Other Operating Revenues	2,271.21	962.92

iii) Disaggregate revenue information

The Group disaggregated the revenue based on geographical locations and it is disclosed under note 32 "Segment Reporting". Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or less.

iv) Trade receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as a trade receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for revenue contracts are recognized at a point in time when the Group transfers control over the product to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

- v) As required under Ind AS – 115, "Revenue from Contracts with Customers", during the year, the Company has adjusted the rebates provided to customers post sale against Revenue from operations. (Refer Note No. 19 to the financial statements). Hitherto, the Company was disclosing such expenses under 'Advertisement, Promotion and Selling Expenses' (under "Other Expenses").

Note No. 20. Other income

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest Income, On Financial Assets at Amortised Cost		
Interest from banks on deposits	135.54	90.59
Interest on loans and advances to employees	66.29	41.71
Interest Others	103.23	604.83
(b) Dividend/Interest & FV on Mutual Fund Investments	292.84	312.13
(c) Sales Tax Subsidy	243.18	251.11
(d) Fair Value Gain on Investments (Net) - Shares *	-	1,236.02
(e) Fair Value Gain on Investments (Net) - Mutual Fund	-	19.49
(f) Dividend Income - Shares	-	0.88
(g) Sale of Agriculture Products	20.88	17.25
(h) Other non operating income		
Profit on sale of assets	29.59	1.19
Rental income	62.72	2.19
Miscellaneous Income	212.07	105.52
Advances no longer repayable written back	-	500.33
Liabilities no longer required, written back	36.44	84.68
Insurance claims	56.71	42.60
Total Other Income	1,259.49	3,310.51

* Fair Value Gain on Investments - Nil for the year ended March 31, 2020. (March 31, 2019 - Shares represents the profit on transfer of 511698 Shares to ESOP Trust & Employees of Kurlon Enterprise Ltd as per the Board Resolution for an agreed consideration)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 21a. Cost of Materials Consumed

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock	4,623.76	4,752.49
Add: Purchases	46,720.60	53,039.73
	51,344.36	58,645.88
Less: Closing stock	4,429.89	4,623.76
Cost of Materials Consumed	46,914.48	54,022.12
Material consumed comprises:		
Latex	4,103.04	4,604.20
Coir	1,699.36	2,503.93
Spring chasis, foam, cloth	956.11	1,237.34
Upholstery	6,795.92	6,941.17
Chemical & Clay	603.22	954.31
Foam Chemicals	22,266.83	25,479.95
RC Chemicals	59.89	83.51
Springs and Related Products	2,975.62	2,960.75
Furniture & Sofa	1,858.30	1,904.30
Packing Materials	3,413.98	3,790.83
Others	2,182.21	3,561.83
	46,194.48	54,022.12

Note No. 21b. Purchase of Stock-in-trade

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Furnishing Textiles & others	552.62	2,365.34
Furniture	136.24	717.92
Total	688.86	3,083.26

Note No. 21c. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the beginning of the year:		
Finished goods	4515.05	3,585.59
Work-in-progress	1742.13	1,583.02
Stock-in-trade	1873.59	1,274.29
	8,130.77	6,442.90
Inventories at the end of the year:		
Finished goods	4716.91	4,515.05
Work-in-progress	2026.40	1,742.13
Stock-in-trade	1872.26	1,873.59
	8,615.57	8,130.76
Net (increase) / decrease	(484.79)	(1,687.86)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 22. Employee Benefits Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Salaries and wages	7,823.40	6548.64
(b) Contribution to provident and other funds	561.26	328.19
(c) Staff welfare expenses	486.87	508.01
Total	8,871.54	7,384.84

Note No. 23. Finance Cost

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Interest expense	251.35	487.32
(b) Interest under IND AS 116	460.97	-
(c) Customer Financing Cost	187.52	149.43
(d) Other borrowing cost	154.00	126.69
(e) Processing Charges	-	3.27
Total	1,053.85	766.71

Note No. 24. Depreciation and Amortisation Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation for the year on property, plant and equipment	2,379.34	2,227.77
Amortization for the year on intangible assets	141.14	122.22
Depreciation on RTU Asset	1,367.69	-
Total	3,888.17	2,349.99

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 25. Other Expenses

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Stores and spares consumed	612.70	645.63
Power & Fuel oil consumed	1,570.62	1,621.97
Freight and handling charges	7,269.87	7,022.22
Rent including lease rentals	1,187.84	2,284.08
Repairs and maintenance - Buildings	60.41	88.25
Repairs and maintenance - Machinery	156.97	183.62
Repairs and maintenance - Others	352.64	247.53
Water charges	28.63	25.82
Tailoring & Fabrication	4,529.28	4,636.08
Rates and taxes	296.92	232.95
Expenditure on corporate social responsibility (CSR) (refer note 33)	260.11	206.39
Insurance charges	317.16	273.12
Forex loss (net)	72.16	147.51
Watch and ward Charges	660.18	615.03
Donation Expenses	2.48	5.37
Postage & Telephone	197.14	177.92
Payment to Auditor (Refer note below)	81.52	73.03
Advertisement, Promotion & Selling Expenses	4,014.66	4,683.26
Travelling Expenses	1,253.60	1,116.61
Printing and stationery	112.69	122.09
Legal and professional	2,500.45	1,887.72
Director Sitting Fees	2.99	1.17
Loss on Fixed Assets Sold	38.76	-
Deputation of Staff & Reimbursement of Expenses	-	1.09
Bad debts written off	36.38	8.94
Provision for doubtful trade receivables (net)	568.86	145.27
Provision for Inventory	(167.07)	188.08
Fair Value of Investments	0.92	1.16
Provision for Warranty	353.91	175.56
Miscellaneous Expenses	558.91	373.54
Total Other Expenses	26,931.70	27,191.02

Note: Payment to Auditor

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As Auditor:		
- For Statutory audit	73.89	68.53
- For Tax audit	4.70	3.00
- For Reimbursement of expenses	2.02	1.45
- Other Expenses	0.91	0.05
	81.52	73.03

* Includes fees of ₹10.00 Lakhs relating to earlier year

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 26. Tax Expense

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Current income tax In respect of current year	2,713.06	2,949.76
b) Deferred tax In respect of current year	(461.14)	2,282.52
Total	2,251.92	5,232.28

Note No. 27. Earnings per share has been computed as under:

₹ in Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Earnings per share		
Profit after Tax (₹ in Lakhs)	7,609.36	7,596.27
Weighted average number of Equity shares outstanding -Basic (Nos. in Lakhs) (Refer note below)	148.83	148.83
Weighted average number of Equity shares outstanding- Diluted (Nos. in Lakhs) (Refer note below)	157.32	157.32
Earnings per share – Basic (₹)	51.13	51.04
Earnings per share – Diluted (₹)	48.37	48.29
Face Value of Equity Shares (₹)	10/-	10/-

Note:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of equity shares for Basic EPS (Nos. in Lakhs)	148.83	148.83
Add: Effect of Share Suspense account (Refer Note 1) which are dilutive (Nos. in Lakhs)	8.49	8.49
Weighted average number of equity shares for Diluted EPS (Nos. in Lakhs)	157.32	157.32

Note No. 28. Leases

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated.

The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Group has not applied the requirements of Ind AS 116 for leases of low value assets (assets of less than Rs. NA in value)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Group has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition

The Group has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

The Group has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.25% for measuring the lease liability

The Group's leases have remaining lease terms of 0 to 12 years, some of which include options to extend the lease or terminate the lease.

Reconciliation of operating lease commitments as at March 31, 2019 with the lease liabilities recognized in the Balance Sheet as at April 1, 2019:

₹ in Lakhs

Particulars	Amount
Operating lease commitment at March 31, 2019	2873.01
Discounted using the incremental borrowing rate at April 1, 2019	8.25%
Recognition exemption for:	
Short term leases	1304.37
Leases of low value assets	-
Extension and termination options reasonably certain to be exercised	NA
Lease liabilities recognised at April 1, 2019	6218.90

ROUA Schedule

₹ in Lakhs

Particulars	Total
Additions for the Year Ended 31 March 2020	6,130.60
Net Carrying Amount as at 31 March 2020	10,260.24
Depreciation for the Year Ended 31 March 2020	(4,129.64)

Amounts recognized in profit and loss were as follows

₹ in Lakhs

Particulars	For the year ended March 31, 2020
Depreciation Expenditure (Amount In INR)	1,367.69
Finance Cost on Lease Liabilities (Amount In INR)	460.97
Impact on the statement of profit and loss for the year ended March 31, 2020	1,828.66

Supplemental cash flow information related to leases was as follows :

₹ in Lakhs

Particulars	For the year ended March 31, 2020
Total cash outflow for leases (Amount In INR)	1,536.51
Additions to right-of-use assets (Amount In INR)	6,130.60

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Maturities of lease liabilities were as follows (Undiscounted lease payments to be paid) ₹ in Lakhs

Particulars	Total
Not later than 1 year (Amount In INR)	1,124.43
Later than 1 year and not later than 5 years (Amount In INR)	3,345.67
Later than 5 years (Amount In INR)	725.80
Total Lease Payments (Amount In INR)	(5,195.90)

As a lessor

The company has sublet certain office premises on a cancellable basis which are further renewable at the option of the Company. The total lease income in respect of such leases recognized in the statement of profit and loss for the period is ₹12.47 lakhs. (March-19 ₹9.00 lakhs).

The company does not have any non-cancellable leases as at March 31, 2021, hence the disclosure of the non-cancellable leases is not provided.

Note No. 29. Contingent Liabilities

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
a) Claims against the Company not acknowledged as debt		
i. Disputed demands under appeal not provided - Sales Tax matter	3,270.03	5,050.64
Total	3,270.03	5,050.64

- i. These cases are pending at various forums in the respective departments. Outflows, if any, arising out of these claims would depend upon the outcome of the decision of the appellate authorities and the Company's right for the future appeals before the judiciary. No reimbursements are expected.
- ii. One of the Subsidiary's has received a demand on 09 December 2014 for ₹2212.12 lakhs, against which ₹771.94 Lakhs (PY ₹771.94 Lakhs) has been paid under protest, and Personal Penalty of ₹200.00 lakhs on Mr. T Sudhakar Pai, Mr. Khushroo F Engineer and Mr. M S Kamath from the Commissioner of Central Excise Bangalore vide order No. Original 21/2014-15 dated 05.12.2014, towards differential excise duty liability on the clearance of Coir Mattresses from Yeshwanthpur unit Bangalore for the period March 2011 to March 2013. The Company has filed an appeal against the demand with Appellate Tribunal Bangalore. The Company believes that there may not be any probable outflow in this regard.
- iii. The company is evaluating and assessing the impact on recent decision of the Honourable Supreme Court of India regarding Provident Fund. Subsequently, review petitions have been filed regarding this matter in the Honourable Supreme Court. Since the matter is pending before Honourable Supreme Court, the management is of the view that no provision is presently required. Accordingly, no provision has been considered in the financial statements for the period ended March 31, 2021.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**Note No. 30. Commitments**

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
Capital commitments (net of Advances)	133.80	78.41
Total	133.80	78.41

Note No. 31. Segment Reporting**Operating Segment:**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. Information reported to the chief operating decision maker (CODM) for the assessment of segment performance focuses on the types of products and services delivered or provided. The Group's CODM is the Board of the Company.

The Group is predominantly engaged in the business of manufacture, purchase and sale of coir, foam and related products ('Coir and Foam'). Considering the manner of review by the CODM in respect of i) Resources to be allocated to the segment and ii) Segment financial performance, 'Coir and Foam' has been identified as the single operating segment. Although the Company during the year has acquired stake of 69% each in 3 entities which are engaged in the generation and distribution of Solar Power, separate segment information has not been disclosed, as more than 97% of the revenues is from 'Coir and Foam'.

Entity wide disclosures

- The revenue from major products and services of the Group are as in Note 19(i) to the financial statements.
- Geographical segment information: Separate geographical segment information has not been disclosed as more than 99% of the Revenue is in the domestic market.
- Revenue from none of the customer group exceeds 10% of total revenue arising from sale of products & services.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 32. Dues to micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 and March 31, 2019 has been made in the financial statements based on information received and available with the Group.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
(i) The principal amount remaining unpaid to any supplier at the end of each accounting year;	614.17	546.16
(ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	45.22	3.49
(iii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Note No. 33. Corporate Social Responsibility

As per section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, need to spend at least 2% of average net profit for the immediately preceding three financial years on Corporate Social Responsibility(CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environments sustainability, disaster relief and rural development projects. A CSR committee has been formed by the company as per requirement of the companies act, 2013.

₹ in Lakhs

Particulars	For The Year ended March 31, 2020	For The Year ended March 31, 2019
Gross Amount required to be spent by the company as per Section 135 of the act	251.36	194.71
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) on purpose other than (i) above	260.11	206.39

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 34. Related party disclosures

(a) List of Related Parties and Relationships

Relationship	Related Parties
Subsidiary Company	Kurlon Retail Limited
	Kurlon Enterprise Limited
Enterprises owned or significantly influenced by key management personnel /Directors and their relatives*	Maha Rashtra Apex Corporation Ltd
	General Investment & Commercial Corporation Ltd
	Manipal Stock & Share Brokers Ltd
	Manipal Holdings Pvt. Ltd
	Manipal Home Finance Ltd
	Jayamahal Trade and Investments Pvt. Ltd
	Manipal Advertising Services Pvt Ltd
	Metropolis Builders Private Limited
	Sevalal Solar Pvt Ltd
	Sirar Solar Energies Pvt Ltd
	Sirar Dhotre Solar Pvt Ltd
Key Management Personnel and their relatives	Mr.T. Sudhakar Pai, Managing Director Ms. Jaya S Pai, Director Mr. Monu Kumar, Company Secretary Mr. Shambhu Kumar Bhotika, Chief Financial Officer (Upto 31.07.2019) Mr. Ritesh Shroff, Chief Financial Officer (w.e.f 01.08.2019)

(b) Related Party transactions

₹ in Lakhs

Particulars	Key Management personnel and their Relatives		Ultimate Holding Company		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Transactions during the year:								
Remuneration :								
T. Sudhakar Pai	442.51	497.30	-	-	-	-	442.51	497.30
Shambhu Kumar Bhotika	9.09	25.08	-	-	-	-	9.09	25.08
Ritesh Shroff	37.60	-	-	-	-	-	37.60	-
Monu Kumar	6.54	5.58	-	-	-	-	6.54	5.58
Sitting Fee paid:								
Dr. Nitin G Khot	0.92	0.46	-	-	-	-	0.92	0.46
Mr. S Ananthanarayanan	1.18	0.47	-	-	-	-	1.18	0.47
Mrs. Jaya S Pai	0.89	0.45	-	-	-	-	0.89	0.45
Rent Paid :								
Jaya S Pai	-	7.07	-	-	-	-	-	7.07

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Key Management personnel and their Relatives		Ultimate Holding Company		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Transactions during the year:								
Jayamahal Trade & Investments Pvt. Ltd	-	-	-	-	24.65	18.96	24.65	18.96
Kurlon Limited	-	-	-	-	-	-	-	-
Maharashtra Apex Corporation Ltd	-	-	-	-	5.40	7.80	5.40	7.80
Metropolis Builders Pvt Ltd	-	-	-	-	25.42	23.85	25.42	23.85
Jai Bharath Mills Private Limited	-	-	-	-	6.00	6.00	6.00	6.00
Professional and Other Charges:								
Kurlon Retail Limited	-	-	-	-	-	-	-	-
Metropolis Builders Pvt Ltd	-	-	-	-	-	-	-	-
Jamsheed J Pandey	-	-	-	-	-	-	-	-
Kurlon Limited	-	-	-	-	-	-	-	-
Rental Income								
Manipal Home Finance	-	-	-	-	0.30	0.60	0.30	0.60
Other Income								
Maharashtra Apex Corporation Ltd	-	-	-	-	4.75	29.26	4.75	29.26
Kurlon Retail Limited	-	-	-	-	-	-	-	-
Kurlon Limited	-	-	-	-	-	-	-	-
Others-Repairs & Maintenance								
Manipal Advertising Pvt Ltd	-	-	-	-	-	6.30	-	6.30
Dividend Paid:								
Kurlon Limited	-	-	-	-	-	-	-	-
Advertisement Expenses								
Manipal Advertising Services (P) Ltd	-	-	-	-	1,497.33	1,577.57	1,497.33	1,577.57
Travelling Expenses								
Manipal Travels Private Ltd	-	-	-	-	141.59	168.75	141.59	168.75

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Key Management personnel and their Relatives		Ultimate Holding Company		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Transactions during the year:								
Interest Paid on Unsecured Loan :								
Jaya S Pai	65.37	70.33	-	-	-	-	65.37	70.33
Advances Paid :								
Kurlon Retail Limited	-	-	-	-	-	-	-	-
Sales								
Kurlon Limited	-	-	-	-	-	-	-	-
Kurlon Retail Limited	-	-	-	-	-	-	-	-
Purchases								
Kurlon Limited	-	-	-	-	-	-	-	-
Loan taken								
Jaya S Pai	270.00	-	-	-	-	-	270.00	-
Repayment of Loan								
Metropolis Builders Pvt Ltd	-	-	-	-	-	-	-	-
Jaya S Pai	290.00	428.88	-	-	-	-	290.00	428.88
Amounts recoverable :								
Maharashtra Apex Corporation Ltd	-	-	-	-	1,222.76	1,222.76	1,222.76	1,222.76
Jayamahal Trade & Investments Pvt Ltd	-	-	-	-	-	7.29	-	7.29
Kurlon Limited	-	-	-	-	-	-	-	-
GICC Limited	-	-	-	-	-	650.82	-	650.82
Manipal Advertising Services (P) Ltd	-	-	-	-	348.32	427.82	348.32	427.82

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Key Management personnel and their Relatives		Ultimate Holding Company		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Transactions during the year:								
Amounts Payable :								
Jayamahar Trade & Investments Pvt Ltd	-	-	-	-	1.88	-	1.88	-
Manipal Advertising Services (P) Ltd	-	-	-	-	-	-	-	-
Metropolis Builders Pvt Ltd	-	-	-	-	2.32	2.38	2.32	2.38
T. Sudhakar Pai	-	-	-	-	-	-	-	-
Jai Bharath Mills Private Limited	-	-	-	-	12.90	-	12.90	-
Manipal Travels Private Ltd	-	-	-	-	3.71	0.02	3.71	0.02
Maharashtra Apex Corporation Ltd	-	-	-	-	0.81	0.91	0.81	0.91
Unsecured Loans payable :								
Jaya S Pai	676.30	696.00	-	-	-	-	676.30	696.00
Interest on unsecured Loans Receivable								
Metropolis Builders Pvt Ltd	-	-	-	-	-	-	-	-
Rent Deposit :								
Maharashtra Apex Corporation Ltd	-	-	-	-	15.00	15.00	15.00	15.00
Metropolis Builders Pvt Ltd	-	-	-	-	30.00	30.00	30.00	30.00
Jayamahar Trade & Investments Pvt Ltd	-	-	-	-	9.00	-	9.00	-
Jai Bharath Mills Private Limited	-	-	-	-	30.00	30.00	30.00	30.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No. 35. Financial Instruments

A) Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total equity attributable to the equity shareholders of the company	62,014.28	54,886.70	46,161.63
As a percentage of total capital	96%	95%	92%
Current borrowings	2,389.01	2,238.05	2,417.25
Non-current borrowings	343.95	781.35	1,850.34
Total borrowings	2,732.96	3,019.40	4,267.59
As a percentage of total capital	4%	5%	8%
Total Capital	64,747.24	57,906.11	50,429.22

The Group is predominantly equity financed which is evident from the capital structure table. Further, the Group has always been a net cash Group with cash and bank balances along with investments in liquid securities/liquid mutual funds being in excess of debt.

B) Categories of Financial Instruments

The carrying amounts and fair values of the financial instruments by class are as follows:

₹ in Lakhs

Particulars	Carrying amount			Fair value		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial Assets						
a) Measured at fair value through Profit and Loss						
Current assets						
- Investments	9,475.60	1,226.71	1,889.53	9,475.60	1,226.71	1,889.53
b) Measured at Amortised Cost						
Non-current assets						
- Investments	574.73	575.65	768.74	574.73	575.65	768.74
- Loans	2,032.61	2,519.52	3,146.40	2,032.61	2,519.52	3,146.40
- Other Financial Assets	462.10	-	152.15	462.10	-	152.15
- Trade Receivables	-	1.50	-	-	1.50	-
Current assets						
- Investments	2,000.00	2,500.00	-	2,000.00	2,500.00	-
- Trade receivables	6,645.77	12,030.26	12,841.44	6,645.77	12,030.26	12,841.44
- Cash and cash equivalents	1,575.53	3,563.12	4,408.86	1,575.53	3,563.12	4,408.86
- Other Bank Balances	141.29	132.65	210.29	141.29	132.65	210.29
- Other Financial Assets	36.18	56.97	-	36.18	56.97	-
Total	22,943.81	22,606.40	23,417.41	22,943.81	22,606.40	23,417.41

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Carrying amount			Fair value		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Financial Liabilities						
a) Measured at fair value through Profit and Loss						
Non Current liabilities						
- Lease Liabilities	4,533.28	-	-	4,533.28	-	-
Current liabilities						
- Lease Liabilities	662.62	-	-	662.62	-	-
b) Measured at Amortised Cost						
- Other Financials liabilities	5,858.01	6,123.33	5,727.11	5,858.01	6,123.33	5,727.11
Current liabilities						
- Borrowings	2,389.01	2,238.05	2,417.25	2,389.01	2,238.05	2,417.25
- Lease Liabilities		-				
- Trade payables	12,734.71	13,700.21	15,893.80	12,734.71	13,700.21	15,893.80
- Other financial liabilities	510.73	486.22	499.57	510.73	486.22	499.57
Total	26,688.36	22,547.81	24,537.73	26,688.36	22,547.81	24,537.73

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 comprise of borrowings, deposits, trade and other payables, investments, loans, trade and other receivables, cash and cash equivalents and other bank balances at carrying value because their carrying 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.

C) Financial Risk Management

The Group's principal financial liabilities, comprise of borrowings, deposits, trade and other payables.

The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other bank balances that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The 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's policies and risk objective.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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. Financial instruments affected by market risks include borrowings, security deposits, investments and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at March 31, 2020. The analysis exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2020.
- 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). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from various countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity: The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. Foreign currency exposures recognised by the Group that have not been hedged by a derivative instrument or otherwise are as under:

₹ in Lakhs

Foreign Currency (FC)	Currency Symbol	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
		FC	INR	FC	INR	FC	INR
Liabilities							
Trade Payables							
United States Dollar	\$	5,72,958.48	431.75	10,41,534.70	566.36	17,69,401.59	1,169.71
Euro	€	3,000.00	1.49	6,136.00	4.15	1,848.00	1.50
CHF	CHF	5,555.56	4.37	-	-	-	-
Buyer's Credit	\$	-	-	-	-	5,74,205.00	363.49
Assets							
Advance to Vendor							
United States Dollar	\$	94,335.14	69.23	1,47,222.61	102.98	6,47,448.76	419.43
Euro	€	26,669.62	20.83	51,702.96	41.75	18,339.00	14.71
Trade Receivables- United States Dollar	\$	34,911.54	24.39	-	-	-	-
Net Liability (in INR)			323.15		425.78		1,100.56

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
Sensitivity

₹ in Lakhs

Particulars	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity
	31-Mar-20	31-Mar-19	01-Apr-18	31-Mar-20	31-Mar-19	01-Apr-18
5% Increase in all the foreign currencies	16.16	21.29	55.03	12.09	13.85	35.99
5% Decrease in all the foreign currencies	(16.16)	(21.29)	(55.03)	(12.09)	(13.85)	(35.99)

- ii) **Interest Rate Risk:** Interest rate is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's financial liabilities comprises of loans and advances from related parties and security deposits; however these are not exposed to risk of fluctuation in market interest rates as the rates are fixed at the time of contract/agreement and do not change for any market fluctuation.

Interest rate risk management: Interest rate risk arises from borrowings. Debt issued at variable rates exposes the company to cash flow risk. Debt issued at fixed rate exposes the Group to fair value risk. At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Fixed-rate instruments			
<i>Financial assets</i>			
Balance with banks held in deposit account	1,126.39	1,391.05	220.50
<i>Financial liabilities</i>			
Borrowings from other parties	495.82	496.00	-
Variable-rate instruments			
<i>Financial liabilities</i>			
Borrowings from bank & other parties	1,216.90	1,046.05	1,292.36
Borrowings from related parties	676.30	696.00	1,124.89

Interest rate sensitivity analysis: Financial instruments affected by interest rate changes include Secured Long term loans from banks, Secured Long term loans from others and Secured Short term loans from banks. The impact of a 1% change in interest rates on the profit will be Rs. 0.24 Lakhs (Previous year: Rs.0.34 Lakhs) assuming the loans at each year end remain constant during the respective years. This computation does not involve a revaluation of the fair value of loans as a consequence of changes in interest rates. The computation also assumes that an increase in interest rates on floating rate liabilities will not necessarily involve an increase in interest rates on floating rate financial assets.

- (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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

- i) **Trade Receivables:** Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Group regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

- ii) **Financial instruments and cash & bank deposits:** Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits, bonds 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, 2020 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-current assets			
- Investments	574.73	575.65	768.74
- Loans	2,032.61	2,519.52	3,146.40
- Other Financial Assets	462.10	-	152.15
- Trade Receivables	-	1.50	-
Current assets			
- Investments	11,475.60	3,726.71	1,889.53
- Trade receivables	6,645.77	12,030.26	12,841.44
- Cash and cash equivalents	1,575.53	3,563.12	4,408.86
- Other Bank Balances	141.29	132.65	210.29
- Other Financial Assets	36.18	56.97	-
Total	22,943.81	22,606.40	23,417.41

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis and loss allowance of trade receivables given below has been considered from the date the invoice falls due:

₹ in Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Not Due			
Due from 0 to 180 days	6,453.49	10,493.47	12,014.85
Due for more than 180 days	1,189.35	2,225.67	1,370.26
Less: Loss Allowance	(997.08)	(688.89)	(543.67)
Total	6,645.77	12,030.26	12,841.44

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Liquidity risk: Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be very low.

Maturity profile of financial liabilities: The table below provides the details regarding the remaining contractual maturities of financial liabilities at the reporting date:

₹ in Lakhs

Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at March 31, 2020			
Borrowings	2,732.96	2,732.96	-
Lease Liabilities	5,195.90	662.62	4,533.28
Trade payables	12,734.71	12,734.71	-
Other non-current financial liabilities	5,858.01	-	5,858.01
Other current financial liabilities	510.73	510.73	-
Total	27,032.31	16,641.02	10,391.29
Particulars	Carrying Value	Less than 1 year	1 to 5 years
As at March 31, 2019			
Borrowings	3,019.40	3,019.40	-
Trade payables	13,700.21	13,700.21	-
Other non-current financial liabilities	6,123.33	-	6,123.33
Other current financial liabilities	486.22	486.22	-
Total	23,329.16	17,205.83	6,123.33
As at April 1, 2018			
Borrowings	2,417.24	2,417.24	-
Trade payables	15,893.80	15,893.80	-
Other non-current financial liabilities	5,693.16	-	5,693.16
Other current financial liabilities	53.82	53.82	-
Total	24,058.02	18,364.86	5,693.16

(d) 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Disclosures of fair value measurement hierarchy for financial instruments are given below:

₹ in Lakhs

Particulars	Carrying amount/Fair value								
	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	L-1	L-2	L-3	L-1	L-2	L-3	L-1	L-2	L-3
Financial assets									
Carrying amounts/fair value:									
a) Measured at fair value through Profit and loss/ Other Comprehensive income									
Current assets									
- Investments	9,475.60	-	-	1,226.71	-	-	1,889.53	-	-
b) Measured at Amortised Cost									
Non Current Assets									
- Investments	-	-	574.73	-	-	575.65	-	-	768.74
- Loans	-	-	2,032.61	-	-	2,519.52	-	-	3,146.40
- Other Financial Assets	-	-	462.10	-	-	-	-	-	152.15
- Trade Receivables	-	-	-	-	-	1.50	-	-	-
Current assets									
- Investments	-	-	2,000.00	-	-	2,500.00	-	-	-
- Trade receivables	-	-	6,645.77	-	-	12,030.26	-	-	12,841.44
- Cash and cash equivalents	-	-	1,716.82	-	-	3,695.78	-	-	4,619.15
- Other Financial Assets	-	-	36.18	-	-	56.97	-	-	-
Total	9,475.60	-	13,468.20	1,226.71	-	21,379.68	1,889.53	-	21,527.88
Financial liabilities									
Carrying amounts/fair value:									
a) Measured at amortised cost									
Non Current liabilities									
- Lease Liabilities	-	-	4,533.28	-	-	-	-	-	-
- Other Financials liabilities	-	-	5,858.01	-	-	6,123.33	-	-	5,693.16
Current liabilities									
- Borrowings	-	-	2,389.01	-	-	2,238.05	-	-	2,417.24
- Lease Liabilities	-	-	662.62	-	-	-	-	-	-
- Trade payables	-	-	12,734.69	-	-	13,700.21	-	-	15,893.80
- Other current financial liabilities	-	-	510.73	-	-	486.22	-	-	53.82
Total	-	-	26,688.35	-	-	22,547.81	-	-	24,058.02

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required): “The management assessed that the carrying value of loans to employees and security deposits approximates the fair value in both of the years presented. The carrying amounts of other financial assets and financial liabilities (except borrowings) are considered to be the same as their fair values due to their short-term nature.

The below table summarises the borrowings which are measured at amortised cost and for which fair values are disclosed, with corresponding carrying values:

₹ in Lakhs

Particulars	As at 31-Mar-20		As at 31-Mar-19		As at 01-Apr-18	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial liabilities:						
Borrowings	2,389.01	2,389.01	2,238.05	2,238.05	2,417.24	2,417.24

Note No. 36. Employee Benefits

(a) Defined Benefit plans:

Gratuity : Payable on separation as per the Payment of Gratuity Act, 1972 as amended @ 15 days pay, for each completed year of service to eligible employees who render continuous service of 5 years or more.

Leave Encashment : Leave Encashment : Employees of the Company are entitled to accumulate their earned/privilege leave up to a maximum of 180 days which is payable/ encashable as per the policy on their separation.

(b) Defined Contribution plan: Company’s employees are covered by Provident Fund and Employees State Insurance Scheme/Fund, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹320.62 lakhs (Previous Year: ₹283.61 lakhs) has been charged to the Statement of Profit and Loss towards employer’s contribution to these schemes/funds as under:

₹ in Lakhs

Particulars	For The Year ended March 31, 2020	For The Year ended March 31, 2019
Employer’s contribution towards Provident Fund (PF)	282.33	214.04
Employer’s contribution towards ESIC	38.29	69.56
Employer’s contribution to Superannuation Fund	1.63	39.43

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(c) Other disclosures of Defined Benefit plans as required under Ind AS-19 are as under

(i) Reconciliation of the opening and closing balances of Defined Benefit Obligation:

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present Value of Defined Benefit Obligation at the beginning of year	490.79	375.61	544.76	746.00
Interest cost	31.51	28.21	33.17	54.26
Current Service Cost	62.45	56.81	139.89	86.35
Past Service Cost	-	-	-	-
Benefit Paid	(13.05)	(23.50)	(68.99)	(91.70)
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	9.38	(2.94)	18.37	-
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	14.52	(6.64)	24.40	(9.07)
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	(18.22)	63.24	192.99	(241.08)
Present value of the Defined Benefit Obligation at the end of year	577.39	490.78	884.59	544.76

(ii) Net Defined Benefit recognized in the Statement of Profit and Loss.

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Current Service Cost	62.45	56.81	139.89	85.39
Past Service Cost	-	-	-	-
Interest cost	31.51	28.21	33.17	54.26
Interest income on plan asset	(37.80)	(29.68)	(57.43)	(57.17)
Net Defined Benefit recognized in Statement of Profit and Loss	56.16	55.33	115.63	82.48

(iii) Net asset / (liability) recognized in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of Defined Benefit obligation at the end of the year	577.39	490.79	884.59	544.76
Fair value of plan assets	662.61	499.58	951.12	848.13
Net Defined Benefit recognized in the Balance Sheet	85.21	8.79	66.53	303.37

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
(iv) Recognized in Other Comprehensive Income.
₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	9.38	(2.94)	18.37	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	14.52	(6.64)	24.40	(9.07)
Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments	(18.22)	63.24	192.99	(241.08)
Net actuarial Loss	5.68	53.66	235.76	(250.15)

(v) Sensitivity Analysis*
a) Impact of the change in the discount rate
₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit Obligation at the end of year	577.39	490.79	884.59	544.76
a) Impact due to increase of 0.50%	534.83	470.41	813.45	698.57
b) Impact due to decrease of 0.50%	626.36	512.36	967.93	774.08

b) Impact of the change in the salary increase
₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of the Defined Benefit Obligation at the end of year	577.39	490.79	884.59	544.76
a) Impact due to increase of 0.50%	625.50	512.45	963.59	772.18
b) Impact due to decrease of 0.50%	534.93	470.16	816.16	700.03

* Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

* Sensitivities as to rate of inflation, rate of increase of pension in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(vi) Maturity Profile

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
0 to 1 year	32.55	40.40	133.68	74.44
1 to 2 Year	51.38	28.39	80.80	34.14
2 to 3 Year	38.17	31.91	67.57	29.78
3 to 4 Year	39.56	35.02	64.60	35.13
4 to 5 Year	42.29	38.30	55.74	29.01
5 to 6 Year	43.89	34.99	56.71	31.32
6 Year onwards	329.55	123.61	425.49	280.50

(vii) Expected contribution for the next Annual reporting period

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Service Cost	62.45	56.81	139.89	86.35
Net Interest Cost	(6.29)	(1.47)	(24.26)	(2.91)
Expected Expense for the next annual reporting period	32.55	39.15	133.68	74.44

(viii) Actuarial Assumptions:

Principal assumptions used for actuarial valuation are:

₹ in Lakhs

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Method used	Projected unit credit method	Projected unit credit method	Projected unit credit method	Projected unit credit method
Discount rate	6.50%	7.75%	6.50%	7.75%
Salary Escalation	5.00%	6.00%	5.00%	6.00%
Mortality Rate	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)
Withdrawal rate up to 30/44 and above 44 years	10%	5%	10%	5%
Rate of return on plan assets	6.50%	7.75%	6.50%	7.75%

37. From 1 April 2019 onwards, the Group has opted to pay income taxes under the concessional tax regime as prescribed under Section 115BAA of the Income Tax Act, 1961. Accordingly, Current tax Liability for the year ended March 31, 2020 has been determined and recognized at the concessional rate. The impact arising from restating the deferred tax balances at the reduced rate has been recognised during the year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38. During April 2019, there was a fire accident in Gwalior factory where the inventory, plant and machinery and the building amounting to Rs 314.17 lakhs (being the book value) was destroyed. The company has insured the plant and machineries on the replacement cost basis and the inventories on the book value basis and accordingly has sufficient insurance coverage. The company has lodged the claim with the insurer on 21.04.2019 for an amount of Rs 126.46 lakhs (for plant and machineries), Rs.83.22 lakhs (for inventories) and Rs.102.51 lakhs (for buildings). On a conservative basis, the company has accounted for an insurance claim receivable of Rs.126.46 lakhs being the WDV of the plant and machinery. As the Company believes that it is certain of recovering this amount as on March 31, 2020. Insurance surveyor assess the loss of Rs.314.17 lacs and submitted to insurance company, now Insurance company process the application and recommended for settlement of claim.
39. Previous year figures have been regrouped / reclassified, wherever necessary, to confirm to the current year groupings / classifications.

For and on behalf of the Board of Directors**For Mohan & Venkataraman**

Chartered Accountants
Firm's Registration No. 007321S

T. Sudhakar Pai

Managing Director
DIN-00043298

Dr. Nitin G Khot

Director
DIN-00030613

S.K Subramanian

Partner

N Srinivasa Ulloor

Chief Financial Officer

Monu Kumar

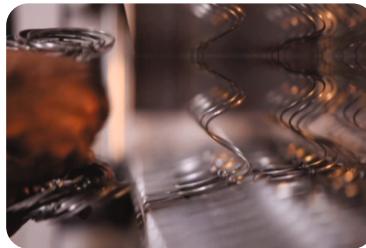
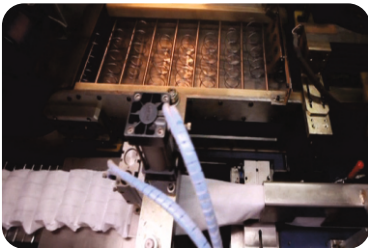
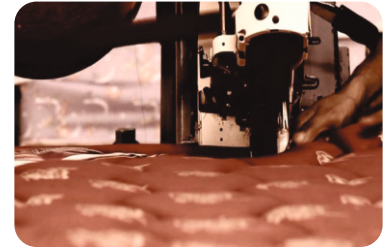
Company Secretary

Membership No. 205737
UDIN: 20205737AAAAAP4027

Place: Bengaluru
Date: 19.08.2020

Place: Bengaluru
Date: 19.08.2020

Our 57 years of journey towards excellence



Our state of the art manufacturing facilities

State-of-art imported machinery in all our manufacturing facilities ensure world class quality, reliability & scalability of production.

Use of virgin raw materials assure product quality, performance and durability. Modern testing facilities ensure that adherence to quality norms is maintained. Adapt R&D makes sure that we are second to none and churns out innovative products.



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