

# Corporate information

## Managing Director :

Mr. T. Sudhakar Pai

## Director :

Mrs. Jaya S. Pai

## Independent Director :

Mr. Santhosh Kamath

## Independent Director :

Mr. K. Venugopal Shetty

## Director :

Mrs. Jyothi Ashish Pradhan

## Director :

Mrs. Deepa Pai

## Additional Director :

Mr. Narendra Kudva

## Additional Director :

Mr. Jamsheed Minoo Panday

## Additional Director :

Mr. ASPI Nariman Katgara

## Chief Financial Officer :

Mr. N. Srinivasa Ulloor

## Company Secretary :

Mrs. Neha Lakhera

## Registered and Corporate Office :

N-301, III Floor, North Block, Front Wing, Manipal Centre,  
47, Dickenson Road, Bangalore - 560 042.

## Bankers And Financial Institution :

Development Credit Bank Limited

## Statutory Auditors :

Mohan & Venkataraman  
Chartered Accountants  
12, HSR-BDA Complex Road, Jakkasandra,  
Koramangala 1st Block, Bangalore - 560 034.

## Registrar and Share Transfer Agent :

Purva Sharegistry (India) Private Limited  
(Unit: Kurlon Enterprise Limited)  
9, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Lower Parel  
(E), Mumbai - 400 011. 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 : INR0Q00001112

## Factory :

Plot No. 4, Part of GAE - 1, Ghirongi (Malanpur)  
Industrial Area, Gohad Tahsil, Bhind Dist., Gwalior - 477 116.

## Event of 59th Annual General Meeting

Day : Monday  
Date : 29th November, 2021  
Time : 11.30 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

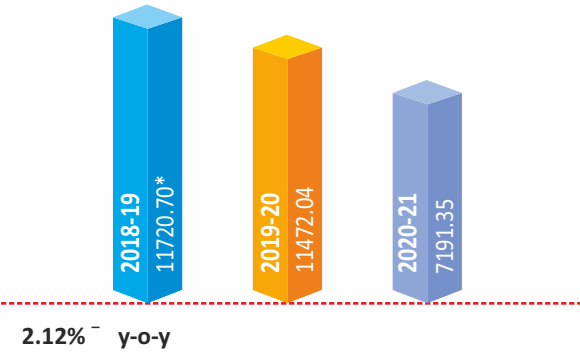
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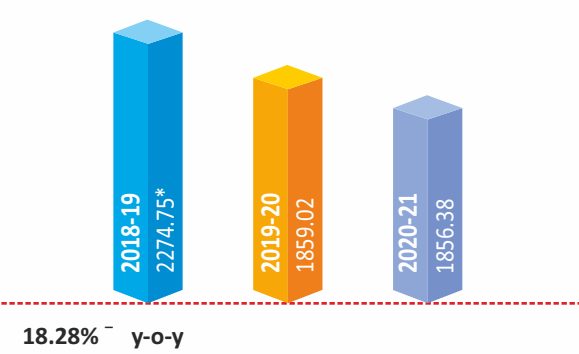
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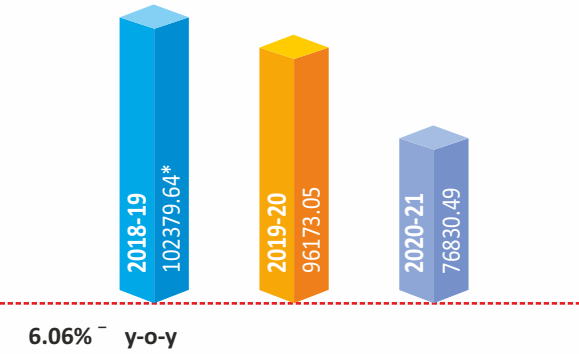
### Operating Revenue (Rs. In Lakhs)



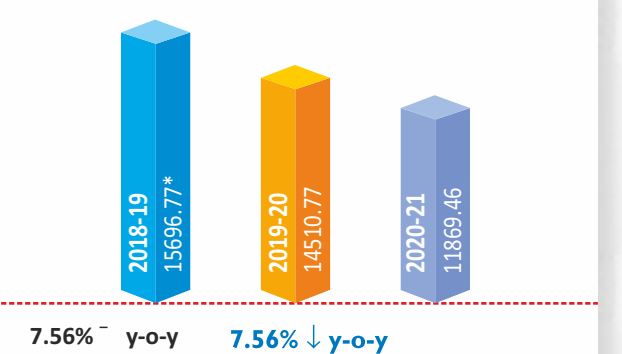
### EBITA (Rs. In Lakhs)



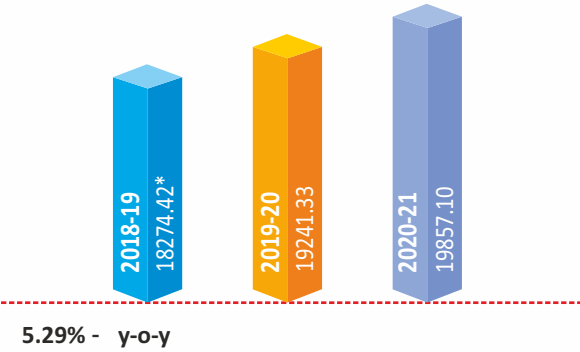
### Operating Revenue (Rs. In Lakhs)



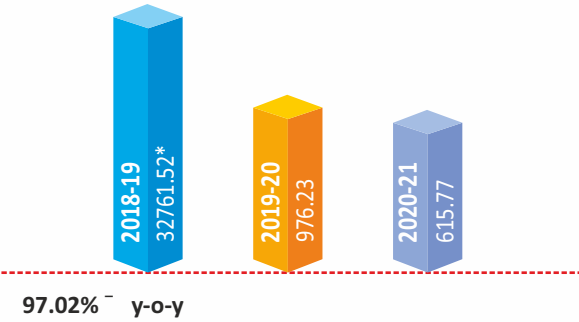
### EBITA (Rs. In Lakhs)



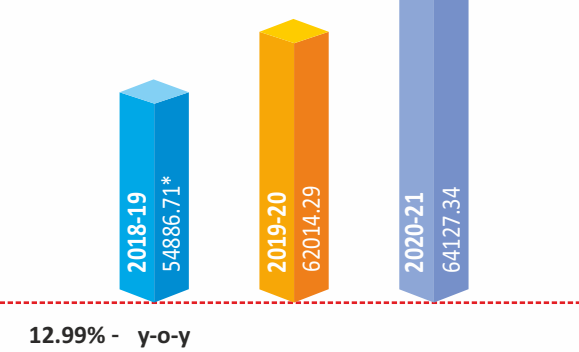
### Networth (Rs. In Lakhs)



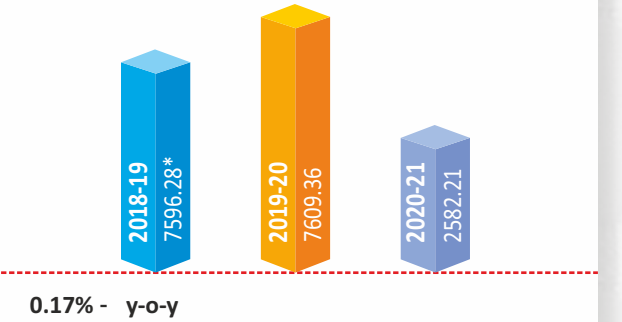
### Profit after Tax (After Other Comprehensive Income) (Rs. In Lakhs)



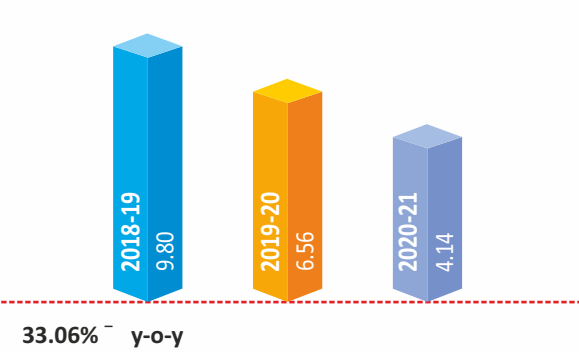
### Networth (Rs. In Lakhs)



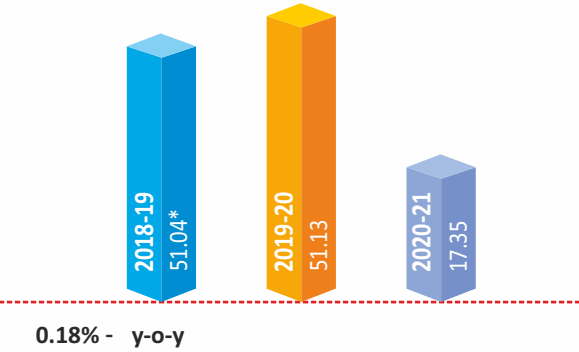
### Profit after Tax (After Other Comprehensive Income) (Rs. In Lakhs)



### Earning per share (In Rs.)



### Earning per share (In Rs.)



Note: \*figures of the previous year have been regrouped/reclassified whenever necessary to confirm to the current year grouping/classifications.

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# DIRECTOR'S Report

## Dear Members,

The Board of Directors are pleased to present the Company's 59th Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2021.

### 1. 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.

Particulars	(Rs. in Lakh)			
	Standalone		Consolidated	
	2020-2021	2019-2020	2020-2021	2019-2020
Revenue from operations	7,191.35	11,472.04	76,830.49	96,173.05
Profit Before Financial charges, tax and Depreciation	1,856.38	1,859.02	11,867.46	14,510.75
Less: Finance Charges	83.85	112.48	597.84	1,053.85
Gross Profit	1,772.53	1,746.55	11,269.62	13,456.90
Less: Provision for Depreciation	553.26	557.92	3,731.82	3,888.17
Profit Before Tax and Exceptional Items	1,219.27	1,188.62	7,537.80	9,568.73
Less Exceptional items	-	-	2,018.68	-
<b>Profit before Tax</b>	<b>1,219.27</b>	<b>1,188.62</b>	<b>5,519.12</b>	<b>9,568.73</b>
Add/Less: Current Income Tax	208.70	47.81	1,837.95	2,713.06
Less: (Excess)/Short Provision for Income Tax of earlier year	(3.45)	47.44	(3.34)	(196.95)
Less: MAT Credit	43.31	(44.71)	41.00	(52.13)
Add/Less: Deferred tax	360.48	171.17	1,123.18	(461.14)
Profit after tax	610.23	966.91	2,520.34	7,565.89
Other comprehensive income	5.54	9.32	61.87	43.46
<b>Total comprehensive income for the year</b>	<b>615.77</b>	<b>976.23</b>	<b>2,582.21</b>	<b>7,609.35</b>
Transfer to General reserve	-	-	-	-
Proposed Dividend on Equity Shares	-	-	-	1,279.33
Tax on proposed Dividend	-	-	-	-
Surplus in statement of P & L carried to Balance Sheet	13,639.79	13,024.02	36,910.18	35,270.93
Earnings per share (EPS).	4.14	6.56	17.35	51.13

\* 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 37.31% from Rs. 11,472.04 Lakhs to Rs. 7,191.35 Lakhs. The Profit after tax, for the current year decreased to Rs. 610.23 Lakhs as against the profit after tax of Rs. 966.91 Lakhs of last year (before Other Comprehensive Income). The decreases in revenue from operations are due to impact of COVID-19 during Mar/May' 2020 and the subsequent lockdown during the month of April/May'21.

On consolidated basis, the Group has achieved revenue of Rs. 76,830.49 Lakhs as compared to Rs. 96,173.05 Lakhs previous year and its Profit after tax reduced by 66.69% to Rs. 2,520.34 Lakhs as compared to Rs. 7,565.89 Lakhs previous year (Before Other Comprehensive Income) and decreased by 66.07% to Rs. 2,582.21 Lakhs from Rs. 7,609.35 Lakhs (After Other Comprehensive Income). From April 1, 2020 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, 2021 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

The novel Coronavirus (COVID-19) pandemic created unprecedented situation across the globe. In view of the same, the management of your Company took a critical oversight role to play in helping the Company navigate through this time. The company has broadly faced challenges at an operational level since March 2020, such as temporary shutdown of the plants, supply-chain disruption, force majeure clauses triggered in the material contracts to justify non-performance etc. Probable measures to overcome these challenges were taken at appropriate times and will be continued going forward. Wherever possible, Employees and other stakeholders have practiced 'Work from home/working from remote locations to maintain social distancing and self-quarantine. The management in consultation with Board of Directors is taking proactive measures to deal with this crisis while ensuring compliance of directives issued by Governmental authorities.

### 3. Dividend

Your Directors are pleased to recommend a dividend of Rs. 2/- per Equity Share of the face value of Rs. 10/- each, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date.

### 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 Accountant 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 June 2021. Subsequently, the operations recommenced in accordance with the guidelines laid down by the government.

b) The Board of Directors of the Company at their meeting held on June 22, 2021 approved to Grant Loan to M/s Alpasara Finvest Care Advisory Private Limited, aggregating to up to Rs. 1.50 Crores subject to the limit as envisaged in the Section 186 of the Companies Act, 2013.

c) The Industry's situation is bad as a result of COVID-19 and group Companies are having financial difficulties paying interest and principal. As a result, the Company has decreased the interest rate on loans given to its group Companies for their short-term funding needs from 12% to 8%.

### 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 Rs. 35,00,00,000/- (Rupees Thirty Five Crores Only) divided into 3,50,00,000 (Three Crores Fifty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each and The Paid up share capital of the Company as on date of balance sheet is Rs. 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 Rs. 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	Mr. T. Sudhakar Pai	Managing Director
00030515	Mrs. Jaya S. Pai	Director
02825199	Mrs. Deepa S. Pai	Director
06733156	Mrs. Jyothi Ashish Pradhan	Director
00232768	Mr. Jamsheed Minoos Panday	Additional Director
00632775	Mr. K. Venugopal Shetty	Independent Director
03268717	Mr. Santhosh Kamath	Independent Director
06946494	Mrs. ASPI Nariman Katgara	Additional Director
07459916	Mr. Narendra Kudva	Additional Director
AKCPL0780E	Mrs. Neha Lakhera	Company Secretary
AANPU4192N	Mr. N. Srinivasa Ulloor	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. Jaya Sudhakar 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. Ritesh Shroff has tendered his resignation from the post of Chief Financial Officer (CFO) of the Company with effect from June 1, 2020. Further Mr. Monu Kumar also resigned w.e.f January 4, 2021 from the post of Company Secretary (CS). The Board places on record its appreciation towards valuable contribution made them during their tenure.

Mr. K Venugopal Shetty and Mr. Santhosh Kamath, have been appointed as Independent Directors w.e.f. June 22, 2021.

Mr. A Narayanan Subramanian and Dr. Nitin G Khot have been resigned as Independent Directors w.e.f. June 23, 2021.

Mr. Narendra Kudva, an Alternate Director, resigned. However, the Board of Directors has appointed him as an Additional Director with effect from June 22, 2021, due to his knowledge, acumen, competence, and experience in his respective sectors, as well as the significant contribution he made during his service.

With effect from June 22, 2021, Mr. Jamsheed Minoos Panday and ASPI Nariman Katgara have been appointed as Additional Directors.

With effect from June 1, 2020, Mr. N Srinivasa Ulloor has been appointed as the Company's Chief Financial Officer (CFO).

Mrs. Veena Hulloli was appointed to the position of Company Secretary on February 8, 2021, and resigned on April 19, 2021. As a result of her resignation, Mrs. Neha Lakhera has been appointed as Company Secretary, effective June 22, 2021.

Ms. Deepa S Pai (DIN: 02825199) was reappointed as Non-Executive Director of the Company in previous Annual General Meeting of the Company, liable to be retire by rotation.

### 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.

### 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 8 (Eight) Meetings of the Board of Directors were held on 07.05.2020, 12.06.2020, 19.08.2020, 24.09.2020, 22.10.2020, 20.11.2020, 08.02.2021 and 20.03.2021 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 "B" 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.

### 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, Step down Subsidiaries.

Sl. No.	Name and address of the Company	CIN/GLN	Subsidiary / Associate / Joint Venture
1	Kurlon Enterprise Limited	U36101MH2011PLC222657	Subsidiary
2	Manipal Software & e-Commerce Private Limited	U72200KA2011PTC059084	Subsidiary
3	Manipal Natural Private Limited (formerly known as Manipal Natural Extracts Private Limited)	U24290KA2019PTC130068	Subsidiary
4	Kurlon Retail Limited*	U36104KA2012PLC065664	Step-down Subsidiary
5	Sirar Solar Energies (P) Limited**	U40106KA2016PTC097367	Step-down Subsidiary
6	Sevalal Solar (P) Limited**	U40106KA2016PTC094328	Step-down Subsidiary
7	Sirar Dhotre Solar (P) Limited**	U40300KA2016PTC097314	Step-down Subsidiary
8	Kanvas Concepts (P) Limited*	U74999KA2020PTC138867	Step-down Subsidiary
9	Komfort Universe Products and Services Limited*	U52520KA2021PLC143244	Step-down Subsidiary
10	Belvedere International Limited*	U52520KA2020PLC142418	Step-down Subsidiary
11	Starship Value Chain and Manufacturing (P) Limited* (formerly known as Starship Manufacturing and Services Private Limited)	U36900KA2020PTC139535	Step-down Subsidiary

\* Kurlon Enterprise Limited holds 100% stakes in the Company

\*\* Kurlon Enterprise Limited holds 93.80% shares of each Company during the year

As required under the provisions of Section 129 of the Companies Act, 2013, read with Companies (Accounts) Rule, 2013, a statement containing salient features of the financial statements of subsidiaries is provided in the prescribed format AOC-1 as Annexure-A of the Board Report 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:-

- a. that in the preparation of the annual accounts for the Financial Year ended March 31, 2021, 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, 2021 and of the Profit of your Company for the Financial Year ended March 31, 2021.
- 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, 2021 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. 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 "B" forming part of this Report.

#### 21. Auditors and Auditors' report

##### Statutory Auditors

M/s. Mohan & Venkataraman, Chartered Accountants (Firm Registration Number 007321S) vide their letter dated October 29, 2021 has resigned from the position of Statutory Auditors resulting into a casual vacancy in the office of the Statutory Auditors of the Company as envisaged in section 139(8) of the Companies Act, 2013.

Based on the recommendation of the Audit Committee, The Board of Directors at its meeting held on October 29, 2021 have appointed M/s S. R. Batliboi & Associates LLP having their Firm's Registration Number: 101049W/E300004 as the Statutory Auditors of the Company to fill the casual vacancy caused due to resignation of M/s Mohan & Venkataraman, Chartered Accountants (Firm Registration Number 007321S), to hold office till the conclusion of this Annual General Meeting subject to the approval of the members in pursuant to the provisions of section 139(8) of the Act.

Further, pursuant to recommendation of Audit Committee, Board also approved appointment of M/s S. R. Batliboi & Associates LLP having their Firm's Registration Number: 101049W/E300004, as Statutory Auditors of the Company to hold office for a period of five consecutive years, from the conclusion of this AGM till the conclusion of the 64th Annual General Meeting to be held in the year 2026 subject to your approval in the AGM.

As required under Section 139 of the Companies Act, 2013, the Company has received a written consent from M/s S. R. Batliboi & Associates LLP having their Firm's Registration Number: 101049W/E300004, for such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made thereunder.

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.

##### 22. 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.

##### 23. 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.

#### 24. 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 2020-21.

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

#### 25. 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 to the IEPF Authority. 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.

#### 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 during the year under review are as follows :-

Category	Date of Loan/ Investment/ Security/ Guarantee	Details of Loan/ investment/ 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)
Investment	12.06.2020	Investment in the Equity shares	Manipal Natural Private Limited	Acquisition of shares	1.00
Loan	12.06.2020	Loan granted	Manipal Natural Private Limited	Commercial purpose	2500.00
Loan	12.06.2020	Loan granted	Manipal International School	Commercial purpose	1500.00
Loan	12.06.2020	Loan granted	Alpasara Finvest Care Advisory Private Limited	Advance against working capital	20.00
Loan	19.08.2020	Loan granted	Sevalal Solar Private Limited	Working Capital and Construction	50.00
Loan	19.08.2020	Loan granted	Sirar Solar Energies Private Limited	Working Capital and Construction	50.00
Loan	19.08.2020	Loan granted	Sirar Dhotre Solar Private Limited	Working Capital and Construction	50.00
Loan	19.08.2020	Loan granted	Manipal Academy of Health and Education Private Limited	Commercial purpose	500.00
Loan	24.09.2020	Loan granted	Manipal Nutraceutical and Agro Tech Private Limited	Working capital towards new agricultural business	40.00



Category	Date of Loan/ Investment/ Security/ Guarantee	Details of Loan/ investment/ 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	24.09.2020	Loan granted	Innovative Foam Limited	Commercial purpose	70.00
Investment	22.10.2020	Investment in the Equity shares	Manipal Software & E-Com Private Limited	Acquisition of shares	1.00
Loan	20.11.2020	Loan granted	Kanvas Concepts Private Limited	Commercial purpose	50.00
Security & Guarantee	08.02.2021	Corporate Guarantee for loan sanctioned by Canara Bank	Manipal Natural Private Limited	Working capital loan	1450.00
Security & Guarantee	08.02.2021	Corporate Guarantee for loan sanctioned by Canara Bank	Manipal Education Foundation	Commercial purpose	880.00
Loan	08.02.2021	Loan granted	Manipal Education Foundation	Commercial purpose	500.00
Loan	20.03.2020	Loan granted	Innovative Foam Limited	Commercial purpose	45.00
Investment	20.03.2021	Investment in the Equity shares	Manipal Software & E-Com Private Limited	Acquisition of shares	4.00

### 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 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.

For Related party transaction please refer to Note No.30 to the Standalone Financial Statement.

Form AOC-2, containing the note on the aforesaid related party transactions is annexed as Annexure – D.

### 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. 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.

### 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.

### 31. 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. Mrs. Jyothi A Pradhan, Director and Mr. Kuthethoor Venugopal Shetty, Independent Directors of the Company, are members of the Committee. The Committee manages and oversees 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 "C" an integral part of this report.

### 32. Audit Committee

The Board has constituted an Audit Committee with Mr. Santhosh Kamath, Independent Director of the Company as Chairperson, Mr. Kuthethoor Venugopal Shetty, Independent Director and Mr. ASPI Nariman Katgara, 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.

### 33. Nomination and Remuneration Committee ("NRC")

The Board has constituted a Nomination and Remuneration Committee with Mr. K. Venugopal Shetty, Independent Director of the Company as Chairperson, Mr. Santhosh Kamath, Independent Director, Mrs. Jaya S. Pai, Non-Executive Director and Mr. Narendra Kudva, Non- Executive Director of the Company as Members.

### 34. Shareholders / Investors Grievance Committee ("SRC")

The Board has constituted a Shareholders / Investors Grievance Committee (SRC) with Mr. Narendra Kudva, Non - Executive Director of the Company as Chairperson, Mrs. Jyothi A. Pradhan, Non - Executive Director and Mr. K. Venugopal Shetty, Independent Director of the Company as Members.

### 35. 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.

### 36. Extract of Annual Return

Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the requirement to annex form MGT-9 to this report is no longer required.

### 37. 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.

### 38. 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.

### 39. 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.

### 40. 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.

#### 41. 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"> <li>Modified the cutting machine which is used to cut STR8 pads.</li> <li>Replaced MH sealing lights around 250 no's by LED 100 watt -40 no's saving up to 40kw</li> <li>Provided the centralized UPS of 5KVA for LT-1 and Solar PV modules. Eliminating the small UPS.</li> </ul>
(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	<ul style="list-style-type: none"> <li>Automatic timer introduce in the E block to avoid manual operation and energy conservation.</li> </ul>
(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

	(Amount in Rs. Lacs)	
	2020-2021	2019-2020
Total foreign exchange inflow	-	-
<b>Total foreign exchange outflow</b>	<b>462.39</b>	<b>928.48</b>

##### 42. 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.

##### 43. 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

Place : Bangalore  
Date : October 29, 2021

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

Sd/-  
**(Santhosh Kamath)**  
Independent Director  
DIN : 03268717

## Annexure - A

### Form AOC - 1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures.

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

(Amount 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	Bangalore
Issued & Subscribed Capital	1,827.61	763.33	5.00	5.00	5.00
Reporting period for the subsidiary concerned, if different from the holding company's reporting period***	NA	NA	NA	NA	NA
Share capital	1,827.61	763.33	5.00	5.00	5.00
Reserves & Surplus	49,103.31	(1361.52)	14.63	16.53	(28.48)
Total Assets	70,668.82	4723.72	304.79	300.90	53.81
Total Liabilities (Excluding Share capital & Reserve & Surplus)	19737.90	5321.91	285.16	279.37	77.29
Investments	12917.28	-	-	-	-
Turnover / Income from operations	76,851.42	2390.33	47.51	46.55	-
Profit / (Loss) before Tax	6,123.29	(787.12)	(7.73)	(5.14)	(26.18)
Provision for Taxation	2,396.28	(12.80)	-	-	-
Profit / (Loss) After Tax	3,727.01	(774.32)	(7.73)	(5.14)	(26.18)
Proposed Dividend	1827.61	-	-	-	-
% of shareholding	84.67	*Nil	**1%	**1%	**1%

\* Wholly Owned Subsidiary (WOS) of M/s Kurlon Enterprise Limited.

\*\* 93.80% held by M/s Kurlon Enterprise Limited in each Company.

Figures as at 31.03.2021 is presented of each Subsidiaries.

II.

(Amount in Lakhs)

Name of Subsidiary/ Step down Subsidiaries	Manipal Software & E-Commerce (P) Limited	Manipal Natural (P) Limited	Kanvas Concepts (P) Limited	Komfort Universe Products and Services Limited	Belvedere International Limited	Starship Value Chain and Manufacturing (P) Limited
Date of Incorporation / acquisition	09/06/2011	26/11/2019	22/09/2020	18/01/2021	21/12/2020	09/10/2020
Place of Incorporation	Bangalore	Bangalore	Bangalore	Bangalore	Bangalore	Bangalore
Issued & Subscribed Capital	5.00	1.00	1.00	5.00	5.00	0.50
Reporting period for the subsidiary concerned, if different from the holding company's reporting period***	NA	NA	22/09/2020 to 31/03/2021	NA	21/12/2020 to 31/03/2021	04/10/2020 to 31/03/2021
Share capital	5.00	1.00	1.00	5.00	5.00	0.50
Reserves & Surplus	68.84	(35.69)	(20.52)	(0.15)	(0.14)	(0.17)
Total Assets	87.96	812.38	100.94	5.02	5.03	0.43
Total Liabilities (Excluding Share capital & Reserve & Surplus)	14.12	847.07	120.46	0.17	0.17	0.10
Investments	-	-	-	-	-	-
Turnover/ Income from operations	200.62	-	15.62	-	-	-
Profit / (Loss) before Tax	46.46	(35.20)	(19.82)	(0.15)	(0.15)	(0.17)
Provision for Taxation	7.25	.42	0.70	-	-	-
Profit / (Loss) After Tax	41.31	(35.62)	(20.52)	(0.15)	(0.15)	(0.17)
Proposed Dividend	-	-	-	-	-	-
% of shareholding	80%	100%	*Nil	*Nil	*Nil	*Nil

\* Wholly Owned Subsidiary (WOS) of M/s Kurlon Enterprise Limited.

\*\* 93.80% held by M/s Kurlon Enterprise Limited in each Company.

Figures as at 31.03.2021 is presented of each Subsidiaries.

For and on Behalf of the Board  
For Kurlon Limited

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

Sd/-  
(Santhosh Kamath)  
Independent Director  
DIN : 03268717

Place : Bangalore  
Date : October 29, 2021

KURLON LIMITED



## Report On Corporate Governance

## 1. 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 stakeholders' 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

Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2020-21	Attendance at the Last AGM	As on 31-03-2021		
				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	15	5	2
Mrs. Jaya S. Pai Director DIN: 00030515	Non-Executive Promoter	7	Yes	7	2	1

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 &amp; 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, 2021, 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, 2021 are as follows :-

Name of Director	Category	Attendance at the Board Meeting during the F.Y. 2020-21	Attendance at the Last AGM	As on 31-03-2021		
				No. of Directorship in other Co.	Committee membership in other Companies	Chairman in Committees in which they are members
Dr. Nitin G. Khot Director DIN: 00030613	Non-Executive Independent	6	Yes	1	5	2
Sri. S. Ananthnarayanan Director DIN: 00025505	Non-Executive Independent	8	Yes	1	6	1
Mrs. T. Deepa Pai Director DIN: 02825199	Non-executive	2	Yes	-	-	-
Mrs. Jyothi A. Pradhan, Director DIN: 06733156	Non-executive	7	Yes	6	-	-
Mr. Narendra Kudva Alternate Director to Mrs. T. Deepa Pai. DIN: 07459916	Non-executive alternate	6	Yes	1	-	-

## III. Meetings

During the financial year under review the Board of Directors of your Company met 8 (eight) times as at 07.05.2020, 12.06.2020, 19.08.2020, 24.09.2020, 22.10.2020, 20.11.2020, 08.02.2021 and 20.03.2021 respectively and the gap between two meetings did not exceed 120 days.

## IV. Disclosure Regarding Appointment &amp; 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.

## Annexure - B

- 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,

Name of the Member	Category	No. of Meetings	
		Held during the Year	Attended
Mr. S. Ananthanarayanan	Independent, Non-Executive	5	5
Dr. Nitin G. Khot	Independent, Non-Executive	5	4
Mrs. Jaya S. Pai	Non-Executive	5	5

The Committee met 5 (five) times during the Financial Year 2020-2021 as at 07.05.2020, 19.08.2020, 12.11.2020, 08.02.2021 and 20.03.2021. 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. 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.

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:

- 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.

Name of the Member	Category	No. of Meetings	
		Held during the Year	Attended
Mr. Ananthanarayanan	Independent, Non-Executive	3	3
Dr. Nitin G. Khot	Independent, Non-Executive	3	1
Mrs. Jaya S. Pai	Non-Executive	3	3

The Committee met 3 (three) times during the FY 2020-2021 as at 07.05.2020, 21.10.2020 and 03.02.2021 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. 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

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

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.

- To approve request for transfer and transmission of shares of the Company.
- Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
- Issue of duplicate / split / consolidated share certificates.
- Allotment of shares.
- Review of cases for refusal of transfer / transmission of shares and debentures.
- To approve the dematerialization and re-materialization of shares.



## Annexure - B

- 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.

- Reference to statutory and regulatory authorities regarding investor grievances; and

- 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 07.05.2020, 21.10.2020 and 19.03.2021 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
Mr. S. Ananthnarayanan	Independent, Non-Executive	3	3
Dr. Nitin G. Khot	Independent, Non-Executive	3	1
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, 2021

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	3	3
Dr. Nitin G. Khot	Independent, Non-Executive	3	2
Sri. S. Ananthnarayanan	Independent, Non-Executive	3	3

The CSR Committee met 3 (three) times during the FY 2020-21 as at 07.05.2020, 24.09.2020, and 19.03.2021 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
2020	22.10.2020	Held through Video Conference	To ratify the remuneration of Cost Auditors for the financial year ending March 31, 2021 To appoint Mr. Ashish Pradhan as the President of the Company and to hold office/place of profit in the Company To Increase Borrowing Powers of the Board and authorization limit to secure the borrowings under section 180(1)© and 180(1)(a) of the Companies Act, 2013 To approve issue of unsecured Compulsory Convertible Debentures (CCD) through private placement.	11.30 A.M.
2019	30.09.2019	Kurlon Factory, Jalahally Camp Road, Yeshwantpur, Bangalore - 560 022	Re-appointment of Sri S Ananthnarayanan 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 - 560 022	No Special resolution passed	11.30 A.M.

All resolutions moved at the last Annual General Meeting held on 22.10.2020 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 Extra ordinary General Meeting held during the year.

### 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 2020-21 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

## Annexure - B

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

### 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

Day & Date	Time	Venue
Monday, November 29, 2021	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 November 22, 2021 to November 29, 2021 (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 in their meeting held on October 29, 2021 has recommended final dividend of Rs. 2 (i.e. 20%). The dividend payout is subject to the approval of shareholders in the ensuing Annual General Meeting.

### D. Listing on Stock Exchanges

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

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 - 400 011.
Phone Nos.	+91-022-2301-6761/2518
Email ID	support@purvashare.com

behavior, 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

### Payment of Depository Fees

Annual Custody/Issuer fee for the year 2020-21 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:

## F. Distribution of Shareholding as on 31st March 2021:

Slab of Shareholding (Rs.)	Number	% of Total	In Rs.	% of Total
Up to 5,000	1608	85.53	1805570.00	1.21
5,001 - 10,000	103	5.48	832280.00	0.56
10,001 - 20,000	75	3.99	1085010.00	0.73
20,001 - 30,000	33	1.76	840900.00	0.57
30,001 - 40,000	13	0.69	463400.00	0.31
40,001 - 50,000	6	0.32	279800.00	0.19
50,001 - 1,00,000	24	1.28	1903130.00	1.28
1,00,001 & Above	18	0.96	141615960.00	95.16
<b>TOTAL</b>	<b>1880</b>	<b>100.00</b>	<b>148826050.00</b>	<b>100.00</b>

## G. Categories-wise list of Shareholders

Category	No. of Shareholders	% of Shares	Number of Shares
Resident Individuals	1779	4.84	719924
Corporate Promoter under same Management	10	91.15	13566192
IEPF	1	0.33	48686
NBFCS registered with RBI	1	0.03	5000
Bodies Corporate	27	0.54	80795
Promoter	4	2.82	420190
Employee	16	0.02	3680
N.R.I. (Non-Repatriation)	6	0.03	4980
N.R.I. (Repatriation)	3	0.03	5000
Trust	1	0.05	7450
Hindu Undivided Family	32	0.14	20708
<b>TOTAL</b>	<b>1880</b>	<b>100.00</b>	<b>14882605</b>

## H. Dematerialization of shares and liquidity

Percentage of shares held in physical and dematerialized form as on 31st March, 2021:

Physical form	: 1.74%
Electronic form with NSDL & CDSL	: 98.26%

## 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:

## 1. Secretarial Department

**Kurlon Limited**, N-301, 3rd Floor, Front Wing, North Block, Manipal Centre, 47, Dickenson Road, Bangalore - 560 042. E-mail : secretary@manipal.com

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

### Please refer Board Report.

All the information in this report is provided as on March 31, 2021. After the March 31, 2021 due to the resignation of Independent Directors Composition of Board of Directors had been changed and all the Committees were reconstituted.

For and on Behalf of the Board  
For Kurlon Limited

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

Sd/-  
**(Santhosh Kamath)**  
Independent Director  
DIN : 03268717

Place : Bangalore  
Date : October 29, 2021

KURLON LIMITED



## Annual Report On CSR Activities

**1. A brief outline on CSR policy of the Company :** 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;

## 2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Jaya S. Pai	Chairperson, Non-independent Non-Executive Director	3	3
2.	Dr. Nitin G. Khot (upto March 21, 2021)*	Member, Independent, Non-Executive Director	3	1
3.	Sri. S. Ananthanarayanan (upto March 21, 2021)*	Member, Independent, Non-Executive Director	3	3

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

Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company at [www.kurlon.com](http://www.kurlon.com)

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of**

**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.

**rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable.**

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1.	2020-21	-	1,70,813
	<b>Total</b>	<b>-</b>	<b>1,70,813</b>

## 6. Average Net Profit of the Company as per section 135(5),

Year	Amount (in Lakhs)
2017 - 2018	506.67
2018 - 2019	1062.31
2019 - 2020	260.22
<b>Average</b>	<b>1829.20</b>

## 7. Prescribed CSR Expenditure for FY 2021-22

Particulars	Amount (in Lakhs)
a). Two percent of average net profit of the company as per section 135(5)	12.19
b). Surplus arising out of the CSR projects or programs or activities of the previous financial years.	-
c). Amount required to be set off for the financial year, if any	-
<b>Total CSR obligation for the financial year (7a+7b-7c).</b>	<b>12.19</b>

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
<b>Rs. 13,90,280</b>	-	-	-	-	-

## b). Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII To the Act.	Local area (Yes/No)	Location of the project State District	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Impleme-ntation Direct (Yes / No).	Mode of Impleme-ntation Through Impleme-nting Agency
-	-	-	-	-	-	-	-	-	-	-

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

(1)	(2)	(3)	(4)	(5)	(8)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No)	Location of the project	Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State District			Name	CSR registration Number.
1	Promotion of Health & Education	Clause I & II of Schedule VII	No	Maharashtra Mumbai	1,40,595	Yes	NA	NA
2	Promotion of Health & Education	Clause I & II of Schedule VII	No	J&K Poonch	1,92,293	No	Hope Disability Center	NA
3	Promotion of Health & Education	Clause I & II of Schedule VII	No	J&K Poonch	2,21,988	No	Hope Disability Center	NA
4	Promotion of Health & Education	Clause I & II of Schedule VII	Yes	Madhya Pradesh Gwalior	35,405	Yes	NA	NA
5	Donation to the Corpus of Trust	Clause 1 & II of Schedule VII	Yes	Maharashtra Mumbai	8,00,000	No	Avabai Hormusji Tata Trust	NA

d). Amount spent in Administrative Overheads: NA

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

f). Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 13,90,280/-

g). Excess amount for set off, if any: Rs. 1,70,813 /-

Particulars	Amount (in Rs.)
(i). Two percent of average net profit of the company as per section 135(5)	12,19,467
(ii). Total amount spent for the Financial Year	13,90,280
(iii). Excess amount spent for the financial year [(ii)-(i)]	1,70,813
(iv). Surplus arising out of the CSR projects or programs or activities of the previous financial years	-
(v). Amount available for set off in succeeding financial years [(iii)-(iv)]	1,70,813

## 9.a). Details of Unspent CSR amount for the preceding three financial years: None

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

## b). Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s) None

Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing
-	-	-	-	-	-	-	-	-

## 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (Asset-wise details). NOT APPLICABLE

(i). Date of creation or acquisition of the capital asset(s).	-
(ii). Amount of CSR spent for creation or acquisition of capital asset.	-
(iii). Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	-
(iv). Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	-

## 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on Behalf of the Board  
For Kurlon LimitedSd/-  
(T. Sudhakar Pai)  
Managing Director  
DIN : 00043298Sd/-  
(Santhosh Kamath)  
Independent Director  
DIN : 03268717Place : Bangalore  
Date : October 29, 2021

KURLON LIMITED



## Form No. AOC - 2

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

Form for Disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub section (1) of Section

188 of the Companies Act, 2013 including certain arm's length transaction 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, 2021 are as follows:-

Name of Related Party	Nature of relationship	Nature of Transactions	Duration of contract	Salient terms	Date of Board approval	Rs. In Lakhs
Kurlon Enterprise Limited	Subsidiary Company	Sale	Ongoing	N.A.	07.05.2020	7,117.75
Starship Global VCT LLP	Director is Designated Partner	Sale	Ongoing	N.A.	07.05.2020	30.10
Kurlon Enterprise Limited	Subsidiary Company	Purchases	Ongoing	N.A.	07.05.2020	1,345.15
Manipal Software & e-com Pvt. Ltd.	Subsidiary Company	Purchases	Ongoing	N.A.	07.05.2020	0.84
Manipal Advertising Services Pvt. Ltd.	Director's relative is Member	Purchases	Ongoing	N.A.	07.05.2020	3.96
Starship Global VCT LLP	Director is Designated Partner	Purchases	Ongoing	N.A.	07.05.2020	2.95
Manipal Travels Pvt. Ltd.	Director is Designated	Purchases	Ongoing	N.A.	07.05.2020	0.51
Kurlon Enterprise Limited	Subsidiary Company	Amount Payable	Ongoing	N.A.	07.05.2020	5,151.79
Kurlon Enterprise Limited	Subsidiary Company	Rental Income	Ongoing	N.A.	07.05.2020	18.00
Kurlon Enterprise Limited	Subsidiary Company	Purchase of Building	Ongoing	N.A.	07.05.2020	42.04
Manipal Home Finance	Subsidiary Company	Rental Income	Ongoing	N. A.	07.05.2020	0.51

**Note :** Transaction like receipt of dividend from its subsidiary company is as per terms approved by the shareholders of M/s. Kurlon Enterprise Limited and transactions pertaining to rental income, interest received, advance paid/received, sales and purchases are also entered into in the ordinary course of business at an arm length basis as per the business requirement of the company.

For and on Behalf of the Board  
For Kurlon Limited

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

Sd/-  
(Santhosh Kamath)  
Independent Director  
DIN : 03268717

Place : Bangalore  
Date : October 29, 2021

## Report on the Audit of the Standalone Financial Statements

## 1. Opinion

We have audited the accompanying standalone financial statements of Kurlon Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021 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, 2021, and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## 2. 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.

## 3. Emphasis of Matter

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.

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

## 4. 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's 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.

## 5. 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.

#### 6. 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)(l) 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.

#### 7. 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

**f)** With respect to the adequacy of the internal financial controls with reference to 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. 0073215

S. K. Subramanian  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAV6564

Place : Bangalore  
Date : October 29, 2021

KURLON LIMITED



**Annexure 'A' to the Independent Auditor's Report**

**(Referred to in paragraph 1 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 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, 2021 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, 2021 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 2021 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 (Rs. 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		
			2005-2006	29.09		
		Appellate Tribunal / Board	1990-1991 & 1991-1992	0.17		
			1997-1998	29.38		
			2000-2001	1.73		
			2004-2005	1.16		
			2008-2009	15.78		
			2010-2011	70.76		
		The Joint Commissioner/ Dy. Commissioner/ Asst. Joint Commissioner/ Dy. Joint Commissioner -Commercial Taxes			1995-1996	0.90
					1996-1997	15.86
					1998-1999	4.23
					1999-2000	34.87
2000-2001	32.40					
2003-2004	0.59					
2004-2005	16.30					
2005-2006	40.92					
2006-2007	42.22					
2007-2008	223.27					
2008-2009	323.42					
2009-2010	216.85					
2010-2011	32.11					
2011-2012	675.79					
2012-2013	398.80					
2013-2014	501.87					
2014-2015	21.51					
2015-2016	27.94					
2016-2017	38.19					
				<b>2,798.91</b>		

**\*Rs. 339.11 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 (to be read along with Note 21 to the financial statements).

**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

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAV6564

Place : Bangalore  
Date : October 29, 2021

#### 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, 2021 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, 2021 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 were operating effectively as at March 31, 2021 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

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564

Place : Bangalore  
Date : October 29, 2021

#### Standalone Balance Sheet as at March 31, 2021

Particulars	Note No.	(₹ in Lakh)	
		As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	9,776.09	10,216.93
(b) Right to Use assets		4,258.24	4,305.16
(c) Other Intangible Assets	3	0.45	0.43
(d) Capital Work-In-Progress	3a	496.17	127.51
(e) Financial Assets			
(i) Investments	4	4,722.37	4,416.57
(ii) Loans	6	1,806.12	827.63
(iii) Other Financial Assets	7	75.53	183.42
(f) Other Non-Current Assets	8	3,725.21	3,783.00
<b>Total Non - Current Assets</b>		<b>24,860.18</b>	<b>23,860.65</b>
<b>Current Assets</b>			
(a) Inventories	9	1,312.54	1,485.61
(b) Financial Assets			
(i) Trade Receivables	5	1.07	6.50
(ii) Cash and Cash Equivalents	10	1,816.19	286.00
(c) Current Tax Assets (Net)	11	769.27	797.88
(d) Other Current Assets	8	1,165.20	238.87
<b>Total Current Assets</b>		<b>5,064.27</b>	<b>2,814.86</b>
<b>Total Assets</b>		<b>29,924.45</b>	<b>26,675.51</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	12	1,488.26	1,488.26
(b) Other Equity	13	18,368.84	17,753.07
<b>Total Equity</b>		<b>19,857.10</b>	<b>19,241.33</b>
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(a)	660.83	343.95
(ii) Other Financial Liabilities	16	57.80	55.74
(b) Deferred Tax Liabilities (Net)	11a	1,113.78	753.30
(c) Other Non-Current Liabilities	17	5,151.79	4,758.21
<b>Total Non-Current Liabilities</b>		<b>6,984.20</b>	<b>5,911.20</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14(b)	1,318.04	-
(ii) Trade Payables	15	865.17	852.48
(iii) Other Financial Liabilities	16	44.82	441.86
(b) Other Current Liabilities	17	855.12	228.64
<b>Total Current Liabilities</b>		<b>3,083.15</b>	<b>1,522.98</b>
<b>Total Liabilities</b>		<b>29,924.45</b>	<b>26,675.51</b>

See accompanying notes forming part of these Standalone Financial Statements

In terms of our report attached.

**For Mohan & Venkataraman**  
Chartered Accountants  
Firm Registration No. 007321S

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564

Place : Bengaluru  
Date : 29-10-2021

For and on behalf of the Board of Directors

**T. Sudhakar Pai** Managing Director  
DIN : 00043298  
**N. Srinivasa Ulloor** Chief Financial Officer  
**Santhosh Kamath** Director  
DIN : 03268717  
**Neha Lakhera** Company Secretary

Place : Bengaluru  
Date : 29-10-2021

## Statement of Standalone Profit & Loss for the Year Ended March 31, 2021

Particulars	Note No.	₹ in Lakh	
		For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from Operations	18	7,191.35	11,472.04
Other Income	19	1,851.60	1,468.10
<b>Total Revenue</b>		<b>9,042.95</b>	<b>12,940.14</b>
<b>Expenses</b>			
Cost of Materials Consumed	20	4,968.99	8,552.65
Changes in Stock of Finished Goods, Work-In-Progress and Stock-In-Trade	20.a	171.81	47.76
Employee Benefit Expense	21	492.79	560.25
Finance Costs	22	83.85	112.48
Depreciation and Amortisation Expense	3	553.26	557.92
Other Expenses	23	1,552.98	1,920.46
<b>Total Expenses</b>		<b>7,823.68</b>	<b>11,751.52</b>
Profit/(Loss) Before Exceptional Items and Tax		1,219.27	1,188.62
Profit/(Loss) Before Tax		1,219.27	1,188.62
Tax Expense			
Current Tax	11a	208.70	47.81
MAT Credit		43.31	(44.71)
Deferred Tax	11a	360.48	171.17
(Excess)/Short Provision of Income Tax of earlier year		(3.45)	47.44
<b>Total Tax Expense</b>		<b>609.04</b>	<b>221.71</b>
Profit/(Loss) After Tax from Continuing Operations		610.23	966.91
Discontinued Operations		-	-
Profit/(Loss) for the Year		610.23	966.91
Other Comprehensive (Loss) / Income			
Items that will not be recycled to Profit or Loss			
- Equity Instruments through other Comprehensive Income			-
- Fair value of Equity Instruments			-
- Re-measurements of the defined benefit liabilities / (asset)		7.39	12.43
- Income tax relating to items that will not be reclassified to profit or loss		(1.85)	(3.11)
<b>Total Other Comprehensive (Loss) / Income</b>		<b>5.54</b>	<b>9.32</b>
<b>Total Comprehensive Income for the year</b>		<b>615.77</b>	<b>976.23</b>
Earnings per Equity Share (for continuing operation):			
Basic	24	4.14	6.56
Diluted	24	4.14	6.56

See accompanying notes forming part of these Standalone Financial Statements

In terms of our report attached.

**For Mohan & Venkataraman**  
Chartered Accountants  
Firm Registration No. 007321S

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564

Place : Bengaluru  
Date : 29-10-2021

For and on behalf of the Board of Directors

**T. Sudhakar Pai**  
Managing Director  
DIN : 00043298

**N. Srinivasa Ulloor**  
Chief Financial Officer

Place : Bengaluru  
Date : 29-10-2021

**Santhosh Kamath**  
Director  
DIN : 03268717

**Neha Lakhera**  
Company Secretary

## Standalone Cash Flow Statement as on March 31, 2021

Particulars	Note No.	₹ in Lakh	
		For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flows from Operating Activities</b>			
Profit before tax for the year		1,219.27	1,188.62
<b>Adjustments for:</b>			
Income tax expense recognised in profit or loss			
Depreciation and Amortisation	3	553.26	557.92
Interest income from Deposits		(33.03)	(20.04)
Dividend Income		(1,085.49)	(928.40)
(Profit)/Loss on Sale of Investments		(337.53)	-
(Profit)/Loss on Sale of Asset			
Interest Expenses		83.85	112.48
Other Compressive Income		5.54	-
<b>Net Cash Flow before Working Capital Changes</b>		<b>405.87</b>	<b>910.58</b>
<b>Changes in Working Capital:</b>			
(Increase)/Decrease in Trade Receivables		5.43	118.74
(Increase)/Decrease in Inventories		173.07	193.03
(Increase)/Decrease in Short-term loans and advances		-	-
(Increase)/Decrease in Other Current Assets		(926.33)	(168.14)
Increase/(Decrease) in Trade Payables		1,318.04	7.38
Increase/(Decrease) in Provisions		(397.04)	-
Increase/(Decrease) in Long term liabilities		-	-
Increase/(Decrease) in Other Current Liabilities		639.17	171.21
(Decrease)/increase in Deferred Tax Liabilities		360.48	171.17
(Increase)/Decrease in Current Tax Assets		-	-
<b>Net cash flow from operating activities (A)</b>		<b>1,172.82</b>	<b>493.39</b>
Cash Flows generated from Operating Activities		1,578.69	1,403.97
Income Taxes Paid		(580.41)	(242.26)
<b>Net cash flow from operating activities (A)</b>		<b>998.28</b>	<b>1,161.72</b>
<b>B Cash flows from Investing Activities</b>			
Capital expenditure on Fixed Assets, Including Capital Advances		(425.78)	(2,527.31)
Proceeds on Sale of Investments		31.73	0.77
Interest Received		33.03	20.04
Dividends Received from Subsidiary	19	1,085.49	928.40
Placed in Bank Deposits not Considered as Cash and Cash Equivalents		-	-
<b>Net cash flow from / (used in) Investing Activities (B)</b>		<b>724.47</b>	<b>(1,578.09)</b>
<b>C Cash flows from Financing Activities</b>			
Decrease in Balances with Govt Authorities (Other than Income Tax)		49.38	(22.42)
Decrease in Loans-Non Current Assets		108.51	(43.24)
Increase in Loans & Advances		(979.11)	536.67
Repayment of Secured Borrowings		316.88	(437.40)
Increase in Non - Current Liabilities		393.58	125.31
Increase in Other Financial Liabilities		2.06	26.04
Interest Paid		(83.85)	(112.48)
<b>Net Cash Obtained/(Utilised) from Financing activities</b>		<b>(192.55)</b>	<b>72.48</b>
Net Increase in Cash and Cash Equivalents		1,530.20	(343.90)
Cash and Cash Equivalents at the Beginning of the year		285.99	629.89
<b>Cash and Cash Equivalents at the End of the year</b>		<b>1,816.19</b>	<b>285.99</b>

See accompanying notes forming part of these Standalone Financial Statements

In terms of our report attached.

**For Mohan & Venkataraman**  
Chartered Accountants  
Firm Registration No. 007321S

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564

Place : Bengaluru  
Date : 29-10-2021

For and on behalf of the Board of Directors

**T. Sudhakar Pai**  
Managing Director  
DIN : 00043298

**N. Srinivasa Ulloor**  
Chief Financial Officer

Place : Bengaluru  
Date : 29-10-2021

**Santhosh Kamath**  
Director  
DIN : 03268717

**Neha Lakhera**  
Company Secretary



## Statement of Standalone Changes in Equity for the Year Ended March 31, 2021

### a. Equity Share Capital

Particulars	Amount	
	₹ in Lakh	
Balance as at April 1, 2020	1,488.26	
Issue during the year	-	
<b>Balance as at March 31, 2021</b>	<b>1,488.26</b>	

### b. Other Equity

Particulars	Reserves and Surplus				Total
	Capital reserve	Securities premium reserve	General reserve	Retained earnings	
Balance as at April 1, 2019	970.81	293.81	3464.43	12,057.11	16,786.16
Add: Profit for the year				966.91	966.91
Other comprehensive Income for the year				9.32	9.32
Total Comprehensive Income for the year				976.23	976.23
<b>Balance as at Mar 31, 2020</b>	<b>970.81</b>	<b>293.81</b>	<b>3,464.43</b>	<b>13,024.02</b>	<b>17,753.07</b>
Add: Profit for the year				610.23	610.23
Other comprehensive Income for the year				5.54	5.54
Total Comprehensive Income for the year				615.77	615.77
<b>Balance as at Mar 31, 2021</b>	<b>970.81</b>	<b>293.81</b>	<b>3464.43</b>	<b>13639.79</b>	<b>18,368.84</b>

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 Registration No. 0073215

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564

Place : Bengaluru  
Date : 29-10-2021

#### For and on behalf of the Board of Directors

**T. Sudhakar Pai**  
Managing Director  
DIN : 00043298

**N. Srinivasa Ulloor**  
Chief Financial Officer

Place : Bengaluru  
Date : 29-10-2021

**Santhosh Kamath**  
Director  
DIN : 03268717

**Neha Lakhera**  
Company Secretary

## Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2021

### Accounting Policies

#### Note

#### 1 Corporate information

Kurlon Limited ("the Company") was incorporated under the name and style of "Karnataka Coir Products Limited" on February 09th 1962 and commenced commercial operations during October 1965. The name of the Company was changed to "Karnataka Consumer Products Limited" with effect from October 09th, 1980. On December 08th, 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.

#### 2 Significant Accounting Policies

##### 2.1 Basis of preparation and presentation and statement of compliance

##### Basis of Preparation

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

##### Historical cost convention

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.

##### 2.2 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, Impairment of non-financial assets and 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.

#### Provision for income tax and valuation of Deferred Tax

The Company's tax jurisdictions is India. Judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### Impairment of non-financial assets, Investments & Loans

Goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit ("Value in Use" from continuing operations) is less than its carrying value. The calculation which is based on discounted cash flow model involves use of significant estimates, business assumptions and valuation assumptions such as turnover, Gross Margin, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

#### Impairment of Investments & Loans and Advances

Investments, Loans & Advances are tested for impairment at least annually and when events occur or changes in circumstances indicate that the value in use from continuing operations of the investee companies are less than the carrying amount of the investment and loans and advances. The calculation which is based on discounted cash flow model involves use of significant estimates, business assumptions and valuation assumptions such as turnover, Gross Margin, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

#### 2.3 Revenue recognition

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.

#### Sale of goods

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.

#### Other income

Interest income- Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend Income- Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Rental Income - Rental income from operating lease is recognised over straight line basis over the term of relevant lease.

#### 2.4 Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which these entities operate (i.e. the "functional currency"). The financial

## Notes Forming Part of Standalone Financial Statements for the year ended March 31, 2021

statements are presented in INR, the national currency of India, which is the functional currency of the Company.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities in foreign currency existing at balance sheet date are translated at the year end exchange rates. Exchange rate differences arising on settlement of transaction 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.

#### 2.5 Leases

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.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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.

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.

#### 2.6 Employee benefits

Employee benefits include contribution to provident fund, superannuation fund, gratuity fund, compensated absences and employee state insurance scheme.

Retirement benefit cost and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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:

- 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

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.

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.

#### Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

#### Compensated absences

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.

#### Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

#### 2.7 Taxation

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.

#### Current tax

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. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

#### Deferred tax

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

## Notes Forming Part Of Standalone Financial Statements for the year ended March 31, 2021

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.

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.

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.

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.

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.

#### 2.8 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the standalone balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Property, Plant and Equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

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.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Lease rentals and premium for lease hold are amortized over the primary lease period.

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.

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.

#### Capital work in progress

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.

The capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### 2.9 Intangible assets

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

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.

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.

## 2.10 Impairment

Financial assets (other than a fair value) 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.

## Non-Financial Assets

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.

## 2.11 Inventory

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.

## 2.12 Provisions

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.

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).

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.

Provision for warranty is estimated on the basis of past technical experience.

## 2.13 Investments in Subsidiaries, Associates and Joint Ventures:

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.

## 2.14 Financial Instruments

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

## Notes Forming Part Of Standalone Financial Statements for the year ended March 31, 2021

deducted from the fair value measured on initial recognition of financial asset or financial liability.

### A) Financial assets

#### Cash and cash equivalents

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.

#### Financial assets at amortized cost

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.

#### Financial assets at fair value through other comprehensive income (FVTOCI)

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.

#### Financial assets at fair value through profit and loss (FVTPL)

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.

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.

#### Foreign exchange gains and losses

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.

### B) Financial liabilities and Equity

#### Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost using effective interest method.

#### Equity instruments

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.

**Derecognition :** A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### Foreign exchange gains and losses

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"

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.

## 2.15 Earnings per share (EPS)

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.

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.



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.

### 2.16 Segment reporting

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.

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.

### 2.17 Research and development

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.

### 2.18 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 2.19 Borrowing Costs

Borrowing costs include interest costs, finance charges under finance leases and exchange differences arising from foreign currency borrowings to the extent they are considered as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2.20 Insurance Claims

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.

### 2.21 Impact of COVID

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. The Company does not anticipate any material impact on the recoverability of the carrying value of the aforesaid assets. 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.

### 2.22 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

## Notes forming part of the Standalone Financial Statements

### Note. 3 - Property, Plant and Equipment Tangible Assets and Intangible Assets (₹ in Lakh)

Particulars	Land Freehold	Land Freehold	Buildings	Plant & Machinery	Furnitures & Fixtures	Office Equipments	Vehicles Owned	Vehicles Financed	Computer Owned	Total Tangible Assets	Computer software	Total Intangible Assets
Gross Carrying Value												
As at 1st April 2019	718.97	4,497.97	6,460.08	3,788.77	244.46	30.42	142.19	199.90	33.36	16,116.12	3.42	3.42
Additions	750.00	-	1,584.44	281.33	1.54	3.29	33.58	-	1.40	2,655.58	-	-
Disposals	-	-	(0.41)	(913.19)	(35.32)	-	(25.41)	-	(4.19)	(978.53)	-	-
Transferred Right to Use Assets												
	-	(4,352.08)	-	-	-	-	-	-	-	(4,352.08)	-	-
As at 1st April 2020	1,468.97	145.89	8,044.11	3,156.92	210.68	33.71	150.35	199.90	30.57	13,441.09	3.42	3.42
Additions	-	-	42.04	24.69	4.09	2.06	9.72	-	4.21	86.81	0.22	0.22
Disposals	-	-	(90.60)	(2.50)	(2.11)	-	(11.80)	-	(13.40)	(120.41)	(2.79)	(2.79)
Balance as at 31st March 2021	1,468.97	145.89	7,995.55	3,179.11	212.66	35.77	148.27	199.90	21.38	13,407.50	0.85	0.85
Accumulated Depreciation												
As at 1st April 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)	-	-
As at 1st April 2020	-	55.30	1,808.73	985.61	178.69	23.74	127.55	18.13	26.41	3,224.16	2.99	2.99
Additions	-	4.07	252.39	200.53	7.27	3.83	12.47	23.74	1.98	506.28	0.06	0.06
Disposals	-	-	(76.82)	(0.08)	(1.92)	-	(7.51)	-	(12.70)	(99.03)	(2.65)	(2.65)
Balance as at 31st March 2021	-	59.37	1,984.30	1,186.06	184.04	27.57	132.51	41.87	15.69	3,631.41	0.40	0.40
Net Carrying Amount												
Balance as at 31st March, 2020	1,468.97	90.59	6,235.38	2,171.31	31.99	9.97	22.80	181.77	4.16	10,216.93	0.43	0.43
Balance as at 31st March, 2021	1,468.97	86.52	6,011.25	1,993.05	28.62	8.20	15.76	158.03	5.69	9,776.09	0.45	0.45

Note: \*Includes Land & Building given on Operating lease to Kurlon Enterprise Limited

### Note. 3 - Depreciation and Amortization (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation of property, plant and equipments	506.28	510.94
Amortisation of intangible assets	0.06	0.06
Depreciation on right to use	46.92	46.92
<b>Total Depreciation and Amortization</b>	<b>553.26</b>	<b>557.92</b>

### Note. 3a - Capital Work in Progress (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Building	390.18	27.89
Plant & Machinery	103.65	99.62
Others	2.34	-
<b>Total Capital Work in Progress</b>	<b>496.17</b>	<b>127.51</b>

## Notes forming part of the Standalone Financial Statements

### Note. 4 - Investments, Non - Current investments

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
<b>A. Investment in Equity Instruments</b>				
<b>I. Quoted</b>				
<b>Investments in Equity Instruments</b>				
Industrial Development Bank of India Equity share of ₹ 10/- each	3,360	1.30	3,360	0.65
<b>Total Quoted Investments</b>		<b>1.30</b>		<b>0.65</b>
<b>II. Unquoted</b>				
<b>Investments in Equity Instruments</b>				
Kurlon Enterprise Limited ** Equity shares of ₹ 5/- each	3,09,49,615	4,141.84	3,09,46,755	3,542.44
General Investment & Commercial Corporation Ltd Equity Shares of 10/- at a premium of ₹ 85/- each	25,000	23.75	25,000	23.75
Jitendra Harjivandas Securities Private Limited Equity Shares of 10/- at a premium of ₹ 15/- each	5,95,000	148.75	5,95,000	148.75
Commercial Corporation of India Limited Equity Shares of 1/- at a premium of ₹ 3.10 each	10,00,000	41.00	10,00,000	41.00
Madish Style Bar Private Limited Equity shares of ₹ 10/- each	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
Alapasara Finvest Care Advisory Private Limited Equity shares of ₹ 100/- each	5,000	5.00	5,000	5.00
Spring Air Bedding Company (India) Limited Equity shares of ₹ 10/- each	-	-	86,99,000	299.25
Sirar Solar Energies Pvt Ltd (shares of ₹ 100/- each fully paid up)	50	0.05	50	0.05
Sevalal Solar Private Limited (shares of ₹ 100/- each fully paid up)	50	0.05	50	0.05
Sirar Dhotre Solar Pvt Ltd (shares of ₹ 100/- each fully paid up)	50	0.05	50	0.05
<b>Designated at cost</b>				
Manipal Software & E-com Private Limited Equity shares of ₹ 10/- each	40,001	4.00	-	-
Manipal Natural Private Limited Equity shares of ₹ 10/- each	10,000	1.00	-	-
<b>Investment in Bonds - Unquoted</b>				
Maharashtra Apex Corporation Ltd.	1,65,104	336.80	1,65,104	336.80
<b>Investment in Preference Shares - Unquoted</b>				
Maharashtra Apex Corporation Ltd. Redeemable Cumulative Preference Shares of ₹ 10/- each	80,100	12.75	80,100	12.75
<b>Total Unquoted Investments</b>		<b>4,721.07</b>		<b>4,415.92</b>
<b>Total Non-Current Investments</b>		<b>4,722.37</b>		<b>4,416.57</b>
<b>Other disclosures</b>				
Aggregate amount of Quoted Investments, Market Value thereon	-	1.30	-	0.65
Aggregate amount of Unquoted Investments	-	4,721.07	-	4,415.92
Aggregate amount of impairment in value of investments	-	-	-	-

\*\* By virtue of amalgamation between M/s. Kurlon Enterprises Limited (KEL) and Spring Air Bedding Company (India) Limited (SABCL), KEL has allotted 52,864 shares to Kurlon Limited in exchange of 86,99,000 shares held in SABCL as per the agreed share exchange ratio. Further, Kurlon Limited has sold 50,004 shares held by it in KEL.

## Notes forming part of the Standalone Financial Statements

### Note. 5 - Trade Receivables

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables (Unsecured)		
(a) considered good	1.07	6.50
<b>Total</b>	<b>1.07</b>	<b>6.50</b>

### Note. 6 - Loans & Advances

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Loans to Related Parties		
- Unsecured, considered good		
General Investment & Commercial Corporation Limited	48.11	159.85
Alapasara Finvest Care Advisory Private Limited	108.63	103.04
Sirar Solar Energies Private Limited	9.45	-
Sirar Dhotre Solar Private Limited	10.39	-
Sevalal Solar Private Limited	25.13	-
Manipal Nutraceutical Private Limited	27.53	-
Manipal Natural Private Limited	506.92	-
Manipal Academy of Health and Education Private Limited	383.67	-
<b>Total (A)</b>	<b>1,119.83</b>	<b>262.89</b>
b) Loans to other than Related Parties*		
- Secured, considered good		
Corporate	446.36	441.71
- Unsecured, considered good		
Other	255.56	151.84
- Doubtful		
Less : Allowance for bad and doubtful loans	(17.50)	(31.30)
<b>Total (B)</b>	<b>684.42</b>	<b>562.25</b>
c) Other Loans & Advances		
- Unsecured, considered good		
Employees	1.87	2.49
<b>Total (C)</b>	<b>1.87</b>	<b>2.49</b>
<b>Grand Total</b>	<b>1,806.12</b>	<b>827.63</b>

\* Company supported loan of Rs 5 Crs to Great Town Trading Private Limited in Aug 2017 and company has taken possession over the premises.



## Notes forming part of the Standalone Financial Statements

### Note.7 - Other Non-Current Financial Assets

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits*	75.53	183.42
<b>Total</b>	<b>75.53</b>	<b>183.42</b>

\* Security Deposits includes the deposits paid for the rented premises.

### Note. 8 - Other Non-Current and Current Assets

(₹ in Lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Current	Non Current	Total	Current	Non Current	Total
<b>(a) Capital Advances</b>						
(I) For Land (Ref. Note -1 below)	-	3,350.61	3,350.61	-	3,349.59	3,349.59
(ii) For Building (Ref. Note -2 below)	-	35.50	35.50	-	35.50	35.50
(iii) For Others (Ref. Note -3 below)	822.85	-	822.85	-	9.43	9.43
<b>(b) Advances to Suppliers</b>	<b>113.21</b>	<b>-</b>	<b>113.21</b>	<b>20.75</b>	<b>-</b>	<b>20.75</b>
<b>(c) Balances with Government Authorities (other than Income Tax)</b>	<b>-</b>	<b>339.10</b>	<b>339.10</b>	<b>-</b>	<b>388.48</b>	<b>388.48</b>
<b>(d) Others</b>						
(i) Prepaid Expenses	62.72	-	62.72	17.52	-	17.52
(ii) Insurance Receivable	120.38	-	120.38	126.46	-	126.46
(iii) Leave Encashment Fund	12.97	-	12.97	6.23	-	6.23
(iv) Rent Receivable	10.24	-	10.24	67.91	-	67.91
(v) Interest Receivable	22.83	-	22.83	-	-	-
<b>Total</b>	<b>1,165.20</b>	<b>3,725.21</b>	<b>4,890.42</b>	<b>238.87</b>	<b>3,783.00</b>	<b>4,021.87</b>

**Note 1** - 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. 12.73 Crs paid for purchase of Immovable property at Udipi subject to the approval of the Court and other legal formalities.

**Note 2** - 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 3** - Amount of Rs. 2.76 Crs Invoice was not accounted by Inn Pharma Infra LLP during FY - 20-21. The same will be accounted by Inn Pharma Infra LLP during FY 21-22.

## Notes forming part of the Standalone Financial Statements

### Note. 9 - Inventories

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials	708.39	694.32
Work-in-Progress	298.25	424.84
Finished Goods*	172.03	217.25
Stores & Spares	133.87	149.20
<b>Total Inventories</b>	<b>1,312.54</b>	<b>1,485.61</b>

\*Inventory of Finished goods indicates net of provision of damaged goods amounting to Rs. 5.69 lakhs as on 31st March 2021 (Rs. 21.01 Lakhs as on 31st March 2020)

### Note. 10 - Cash and Cash Equivalents & Other Bank balances

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents:		
Unrestricted balances with the banks		
-in current accounts	204.03	42.80
Cash in hand	0.19	0.60
<b>Total Cash And Cash Equivalents</b>	<b>204.22</b>	<b>43.40</b>
Other bank balances:		
-in unpaid dividend account	1.12	1.13
-in Deposit accounts	1,610.85	241.47
<b>Total Other Bank Balances</b>	<b>1,611.97</b>	<b>242.60</b>
<b>Total Cash And Cash Equivalents And Other Bank Balances</b>	<b>1,816.19</b>	<b>286.00</b>

\* Includes Fixed Deposit of Rs. 1465.00 Lakhs (PY Rs. NIL) and Includes cash margin of Rs. 114.48 lakhs (PY Rs. 241.47 Lakhs) in favour of Axis Bank for LC Facility.

### Note. 11 - Current Tax Assets (Net)

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance Income Tax (Net of Provision)	682.57	460.78
Provision for Tax	(570.32)	(359.78)
MAT Credit Entitlement	657.02	696.88
<b>Total Current Tax Assets (Net)</b>	<b>769.27</b>	<b>797.88</b>

## Notes forming part of the Standalone Financial Statements

### Note. 11(a) - Deferred Tax Liability, Tax Balances

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Current Income Tax		
In respect of Current Year	208.70	47.81
b) Deferred Tax		
In respect of Current Year	360.48	171.17
<b>Total</b>	<b>569.18</b>	<b>218.98</b>

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets	1,190.73	1,190.73
Deferred Tax Liabilities	(2,304.51)	(1,944.03)
<b>Deferred Tax Liabilities (Net)</b>	<b>(1,113.78)</b>	<b>(753.30)</b>

### Note. 12 - Equity Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)
<b>Authorised:</b>				
Equity Shares of Rs. 10/- each with voting rights	3,50,00,000	3,500.00	3,50,00,000	3,500.00
<b>Issued:</b>				
Equity Shares of Rs. 10/- each with voting rights	1,48,82,605	1,488.26	1,48,82,605	1,488.26
<b>Issued, Subscribed and Fully Paid:</b>				
Equity Shares of Rs. 10/- each with voting rights	1,48,82,605	1,488.26	1,48,82,605	1,488.26

### Note. 12(a) - Equity Share Capital

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year. (₹ in Lakh)

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Other Changes	Closing Balance
(a) Equity Shares with Voting Rights						
Year Ended March 31, 2021						
No. of Shares	1,48,82,605	-	-	-	-	1,48,82,605
<b>Amount</b>	<b>1,488.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,488.26</b>
Year Ended April 1, 2020						
No. of Shares	1,48,82,605	-	-	-	-	1,48,82,605
<b>Amount</b>	<b>1,488.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,488.26</b>

## Notes forming part of the Standalone Financial Statements

### Note. 12(a) - Equity Share Capital (Contd.)

#### (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:

(₹ in Lakh)

Class of Shares / Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of Shares held	% holding in that class of Shares	Number of Shares held	% holding in that class of Shares
Equity Shares of Rs. 10/- each with Voting Rights				
Manipal Holding Private Limited	71,83,919	48.27	71,83,919	48.27
Maharashtra Apex Corporation Limited	56,93,020	38.25	56,93,020	38.25

### Note. 13 - Other Equity

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Capital Reserve</b>		
Balance at the beginning of the year	970.81	970.81
Add: Transfer from the Statement of Profit & Loss	-	-
Less : Utilised during the year for issuing	-	-
<b>Closing balance</b>	<b>970.81</b>	<b>970.81</b>
<b>Securities Premium</b>		
Amounts received (on issue of shares) excl the par value has been classified as securities premium.	293.81	293.81
<b>Closing balance</b>	<b>293.81</b>	<b>293.81</b>
<b>General Reserve</b>		
Balance at the beginning of the year	3,464.43	3,464.43
Add: Transfer from the Statement of Profit & Loss	-	-
Less : Utilised during the year for issuing bonus shares	-	-
<b>Closing balance</b>	<b>3,464.43</b>	<b>3,464.43</b>
This represents appropriation of profit by the Company.		
<b>Retained Earnings</b>		
Balance at the beginning of the year	13,024.02	12,057.11
Add: Transfer from the Statement of Profit & Loss	610.23	976.23
Add: Transfer from Other Comprehensive Income (OCI)	5.54	(9.32)
Less: Transfer to general reserve	-	-
Less: Dividend Paid	-	-
Less: Tax on dividend	-	-
Add: Transfer of retained earnings	-	-
<b>Closing balance</b>	<b>13,639.79</b>	<b>13,024.02</b>
<b>Total</b>	<b>18,368.84</b>	<b>17,753.07</b>



## Notes forming part of the Standalone Financial Statements

### Note. 14(a) - Non Current Borrowings

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A. Secured Borrowings :</b>		
(a) From Banks (1)	124.36	266.67
(b) From Other Parties (2)	36.47	77.28
<b>Total Secured Borrowings</b>	<b>160.83</b>	<b>343.95</b>
<b>B. Un Secured Borrowings :</b>		
(a) From Other Parties (3)	500.00	-
<b>Total Un Secured Borrowings</b>	<b>500.00</b>	<b>-</b>
<b>Total Non Current Borrowings</b>	<b>660.83</b>	<b>343.95</b>

(1) Term Loan from Canara Bank was obtained on 21-12-2020 and carries interest @ 8.15% and is Secured by the below mentioned premises.

(a) Leasehold Industrial Land taken from Karnataka Industrial Area Development Board (KIADB)

(b) N-901 & 902 Maniplal centre

(c) N-301 & 302 Maniplal centre

(d) No. B-9 Jai Bharath Industrial Estate Bangalore

(e) No.36 Patalamma Temple Street, Basavanagudi.

The Final installment of the loan is repayable on 12.12.2031.

(2) Vehicle loan from Zoorastrian Cooperative Bank carries interest at 8.75% and Secured by hypothecation of Vehicles. The Final installment of the loan is repayable on March 2023

(3) Loan from Canara Steel Limited was obtained on 08-02-2021 and carries interest @ 8%. The loan is repayable upto 15.02.2024

### Note. 14(b) - Current Borrowings

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A. Secured Borrowings :</b>		
(a) From Banks (1)	333.33	-
(b) From Other Parties (2)	984.71	-
<b>Total Current Borrowings</b>	<b>1,318.04</b>	<b>-</b>

(1) Loan from DCB Bank was taken over by Canara Bank on 21.12.2020 carries interest rate @ 8.15% and Secured by following premises

(a) N-901 & 902 Maniplal centre

(b) N-301 & 302 Maniplal centre

(c) No.36 Patalamma Temple Street, Basavanagudi.

The Final installment of the loan is repayable on 01.01.2022.

(2) Loan by way of Overdraft obtained from Canara Bank on 01.12.2020. Secured by Fixed Deposit.

## Notes forming part of the Standalone Financial Statements

### Reconciliation of liabilities arising from financing activities

(₹ in Lakh)

Particulars	As at 1 April, 2020	Financing Cash in Flow (outflow)	Foreign exchange movement	As at 31 March, 2021
<b>Repayments to bank</b>				
Term Loans (Taken over from DCB)	666.67	(333.33)	-	333.34
Term Loans (Fresh Limits)	-	124.36	-	124.36
Vehicle Loans	77.28	(40.81)	-	36.47
Overdraft	-	984.71	-	984.71
<b>Repayments to other parties</b>				
Other Loans	-	500.00	-	500.00
<b>Total Borrowings</b>	<b>743.95</b>	<b>1,234.92</b>	<b>-</b>	<b>1,978.87</b>

### Note. 15 - Trade Payables

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues to MSME under MSME Act, 2006	34.16	66.83
Total outstanding dues to other than MSME	321.09	601.06
Trade Payable for Goods & Services	447.19	102.01
Trade Payable for Salaries and Wages	62.73	82.58
<b>Total Trade Payables</b>	<b>865.17</b>	<b>852.48</b>

### Note. 16 - Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
<b>Other Financial Liabilities Measured at Amortised Cost</b>				
(a) Security Deposits for Operating Leases	55.24	-	55.74	-
(b) Current Maturities of Vehicle Loans *	-	40.81	-	37.40
(c) Current Maturities of Term Loans	-	-	-	400.00
(d) Interest on Trade Payable	-	4.01	-	2.79
(e) Others	2.56	-	-	1.67
<b>Total Other Financial Liabilities</b>	<b>57.80</b>	<b>44.82</b>	<b>55.74</b>	<b>441.86</b>

\* Reflects the installments falling due up to 31/03/2022.

## Note. 17 - Other Non Current and Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Current	Non Current	Total	Current	Non Current	Total
a. Advance Received from Related Parties						
Kurlon Enterprise Limited	-	5,151.79	5,151.79	-	4,758.21	4,758.21
b. Capital Advance Liability	622.07	-	622.07	-	-	-
c. Advances Received from Customers	4.82	-	4.82	7.59	-	7.59
d. Statutory Dues						
- Taxes Payable (other than Income Tax)	40.82	-	40.82	33.73	-	33.73
e. Gratuity Fund	9.01	-	9.01	10.50	-	10.50
f. Others	178.40	-	178.40	176.82	-	176.82
<b>Total</b>	<b>855.12</b>	<b>5,151.79</b>	<b>6,006.91</b>	<b>228.64</b>	<b>4,758.21</b>	<b>4,986.85</b>

## Note. 18 - Revenue from Operations

The following is an analysis of the company's revenue for the year from continuing operations.

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from Sale of Manufactured Goods	6,215.42	11,405.34
Other Operating Revenue	975.93	663.14
Less: Schemes & Discount	-	(596.44)
<b>Total</b>	<b>7,191.35</b>	<b>11,472.04</b>

## Note. 18 - Revenue from Operations (Cont.)

### (i) Details of Sale of Manufactured Goods :

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Finished Goods</b>		
Rubberized Coir Mattresses, Cushions	1,664.20	3,791.26
Foam and Foam Products	3,701.68	5,963.08
EPE Sheet	275.82	527.68
Spring Mattresses	573.72	1,123.32
<b>Total</b>	<b>6,215.42</b>	<b>11,405.34</b>

### (ii) Details of Other Operating Income :

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Scrap	19.17	70.05
Others - Raw Materials	956.76	593.09
<b>Total</b>	<b>975.93</b>	<b>663.14</b>

## Note. 19 - Other Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest Income		
Interest from Bank Deposits	33.03	20.04
Interest on Loans and Advances and Other Interest	167.12	98.64
(b) Rental Income	117.40	123.12
(c) Sales Tax Subsidy	-	243.18
(d) Net Gain on Sale of Investments	337.53	-
(e) Dividend Income on Equity Shares	1,085.49	928.40
(f) Sale of Agriculture Products	14.18	20.88
(g) Consultation charges	30.10	-
(h) Profit on Sale of Assets	60.16	29.59
(l) Miscellaneous Income	6.59	4.25
<b>Total Other Income</b>	<b>1,851.60</b>	<b>1,468.10</b>



Notes forming part of the Standalone Financial Statements

**Note. 20 - Cost of Materials Consumed**

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock	694.32	853.66
Add: Purchases	4,983.06	8,393.31
	<b>5,677.38</b>	<b>9,246.97</b>
Less: Closing Stock	708.39	694.32
<b>Cost of Materials Consumed</b>	<b>4,968.99</b>	<b>8,552.65</b>
Material Consumed Comprises:		
Latex	-	399.36
Coir	30.64	377.97
Upholstery	802.00	1,390.91
Finishing Material and Others	647.29	917.40
Foam Chemicals	2,035.03	2,051.40
RC Chemicals	1.07	59.89
Springs and Related Products	82.47	151.82
Packing Materials	139.84	664.18
Others	1,230.65	2,539.72
<b>Total Cost of Materials Consumed</b>	<b>4,968.99</b>	<b>8,552.65</b>

**Note. 20(a) - Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade**

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Inventories at the end of the year:</b>		
Finished Goods	172.03	217.25
Work-In-Progress	298.25	424.84
	<b>470.28</b>	<b>642.09</b>
<b>Inventories at the beginning of the year:</b>		
Finished Goods	217.25	268.93
Work-In-Progress	424.84	420.92
	<b>642.09</b>	<b>689.85</b>
<b>Net (Increase) / Decrease</b>	<b>171.81</b>	<b>47.76</b>

Notes forming part of the Standalone Financial Statements

**Note. 21 - Employee Benefits Expense**

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Salaries and Wages, including Bonus	415.46	397.52
(b) Remuneration to Managing Director *	-	36.68
(c) Contribution to Provident and Other Funds	25.97	52.82
(d) Staff Welfare Expenses	51.36	73.23
<b>Total</b>	<b>492.79</b>	<b>560.25</b>

\*During the year remuneration has been waived off by the Managing Director as per the board resolution dated on 29.10.2021

**Note. 22 - Finance Cost**

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest Expense	73.63	100.96
(b) Other Borrowing Cost	9.73	11.52
(c) Processing Charges	0.49	-
<b>Total</b>	<b>83.85</b>	<b>112.48</b>

**Note. 23 - Other Expenses**

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Consumption of stores and spares	93.05	128.49
(b) Power & Fuel	197.18	285.26
(c) Freight and Handling Charges	0.78	0.14
(d) Rent including Lease Rentals	10.87	66.14
(e) Repairs and Maintenance - Buildings	0.78	7.55
- Machinery	13.33	32.45
- Others	112.78	113.78
(f) Water Charges	3.85	5.51
(g) Tailoring & Fabrication Charges	536.20	789.78
(h) Rates and Taxes	45.34	59.39
(i) Insurance Charges	30.43	26.78
(j) Watch and Ward Charges	44.13	44.55
(k) Postage & Telephone	5.25	15.48
(l) Payment to Auditors*	12.95	12.75
(m) Other Expenses		
(i) Advertisement, Promotion & Selling Expenses	4.00	6.80
(ii) Travelling Expenses	9.45	28.76
(iii) Expenditure on Corporate Social Responsibility (CSR) - Refer note No. 29	13.90	18.77
(iv) Printing and Stationery	3.26	23.72
(v) Legal and Professional	333.11	153.90
(vi) Director Sitting Fees	0.80	-
(vii) Loss on Fixed Assets Sold, Scrapped & Written off	3.48	1.88
(viii) Bad Trade Receivables & Advance Written off	19.29	31.30
(ix) Forex Loss	1.88	13.38
(x) Fair Value of Investments	-	0.92
(xi) Miscellaneous Expenses	56.89	52.98
<b>Total</b>	<b>1,552.98</b>	<b>1,920.46</b>

## Notes forming part of the Standalone Financial Statements

### \* Payment to Auditors

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>As Auditor :</b>		
- For Statutory Audit	10.50	10.50
- For Certification Work	1.00	1.00
- For Reimbursement of Expenses	1.45	1.25
<b>Total</b>	<b>12.95</b>	<b>12.75</b>

### Note. 24 - Earnings per Share has been computed as under :

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit After Tax (Rs. in Lakhs)	615.77	976.23
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 (Rs.)	4.14	6.56
Earnings Per Share – Diluted (Rs.)	4.14	6.56
Face Value of Equity Shares (Rs.)	10/-	10/-

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Weighted average number of Equity Shares for Basic EPS (Nos. in Lakhs)	148.83	148.83
Weighted average number of Equity Shares for Diluted EPS (Nos. in Lakhs)	148.83	148.83

### Note. 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.

## Notes forming part of the Standalone Financial Statements

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

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 has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2020, which is 8.00% 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.

### ROUA Schedule

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Additions for the Year Ended	-	4,352.08
Net Carrying Amount for the Year Ended	4,258.24	4,305.16
Depreciation for the Year Ended	46.92	46.92

### Amounts recognized in profit and loss were as follows

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation Expenditure	46.92	46.92
Finance Cost on Lease Liabilities	-	-
<b>Impact on the statement of profit and loss for the year ended</b>	<b>46.92</b>	<b>46.92</b>

### Note. 26 - Contingent liabilities

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
a) Claims against the Company not acknowledged as debt		
(I) Disputed demands under appeal not provided		
Disputed Sales Tax/VAT *	2,792.95	2,553.09
(ii) Corporate Guarantee given by the Company to Bankers on behalf of the third parties **	1,450.00	-
<b>Total</b>	<b>4,242.95</b>	<b>2,553.09</b>

\* 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.

\*\* Corporate Guarantee given as a collateral security to Canara Bank on behalf of the Manipal Natural Pvt. Ltd. Towards Plant & Machinery and other Moveable Fixed Assets.



## Notes forming part of the Standalone Financial Statements

### Note. 27 - Commitments

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
<b>Other Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	216.55	62.80
<b>Total</b>	<b>216.55</b>	<b>62.80</b>

### 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, 2021 and March 31, 2020 has been made in the financial statements based on information received and available with the Company.

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	38.17	66.83
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	4.01	2.79
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.

## Notes forming part of the Standalone Financial Statements

### Note. 29 - Corporate Social Responsibility (CSR) (Cont.)

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the Company as per Section 135 of the Act	12.19	12.93
<b>Amount spent during the year</b>		
(i) Construction / acquisition of any asset	-	-
(ii) on purpose other than (i) above	13.90	18.77

### Note.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 Nature of Relationship

Relationship	Related Parties
Subsidiary	Kurlon Enterprise Limited
	Manipal Software & e-Com Pvt.Ltd.
	Manipal Natural Private Limited
	Kurlon Retail Limited
	Kanvas Concepts Private Limited
	Komfort Universe Products & Services Limited
	Belvedere International Limited
	Starship Manufacturing and Services Private Limited
	Sevalal Solar Private Limited
	Sirar Solar Energies Private Limited
Sirar Dhotre Solar Private Limited	
Step-down Subsidiary	Alpasara Finvest Advisory Care Pvt.Ltd.
	General Investment & Commercial Corporation Limited
	Maha Rashtra Apex Corporation Ltd
	Manipal Stock & Share Brokers Ltd
	Manipal Holdings Private Limited
	Jayamahar Trade and Investments Private Limited
	Home Komfort Retail LLP
	Manipal Advertising Services Private Limited
	Manipal Home Finance Ltd.
	Metropolis Builders Private Limited
	Jai Bharath Mills Private Limited
	Manipal HR Solutions LLP
	Manipal Ventures LLP
	Deepa Jyothi Trading and Services Private Limited
	Jitendra Harjivandas Securities Private Limited
	Manipal Travels Private Limited
	Manipal Medi Records Private Limited
Searock Shipping Private Limited	
Starship Global VCT LLP	
Manipal Nutraceutical Private Limited	
Manipal Academy of Health and Education	
Enterprises owned or significantly influenced by Key Management Personnel / Directors and their relatives	Mr. T. Sudhakar Pai, Managing Director
	Ms. Jaya S. Pai, Director
	Ms. Deepa Sudhakar Pai, Director
	Ms. Jyothi Ashish Pradhan, Director
	Mr. Narendra Kudva, Alternate Director
	Mr. Monu Kumar, Company Secretary (upto 04.01.2021)
	Ms. Veena S. Hulloli, Company Secretary (w.e.f 08.02.2021)
	Mr. Ritesh Shroff, Chief Financial Officer (upto 01.06.2020)
	Mr. N Srinivasa Ullloor, Chief Financial Officer (w.e.f 01.06.2020)
	Key Management Personnel and their relatives

Notes forming part of the Standalone Financial Statements

**b) Related Party Transactions**

(₹ in Lakh)

Particulars	Key Management personnel and their Relatives		Subsidiary Companies		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
<b>Transactions during the year</b>	<b>31.03.21</b>	<b>31.03.20</b>	<b>31.03.21</b>	<b>31.03.20</b>	<b>31.03.21</b>	<b>31.03.20</b>	<b>31.03.21</b>	<b>31.03.20</b>
<b>Remuneration :</b>								
T.Sudhakar Pai	-	36.68	-	-	-	-	-	36.68
N Srinivasa Ulloor	3.90	-	-	-	-	-	3.90	-
Veena Hulloli	1.86	-	-	-	-	-	1.86	-
<b>Rental Income :</b>								
Kurlon Enterprise Limited	-	-	18.00	18.00	-	-	18.00	18.00
Manipal Home Finance	-	-	-	-	0.51	0.30	0.51	0.30
Kurlon Retail Ltd	-	-	-	54.87	-	-	-	54.87
<b>Interest Received / (Paid)</b>								
General Investment & Commercial Corporation Ltd	-	-	-	-	12.85	-	12.85	-
Manipal Academy of Health and Education	-	-	-	-	18.20	-	18.20	-
Manipal Natural Private Limited	-	-	14.31	-	-	-	14.31	-
Manipal Nutraceutical Private Limited	-	-	-	-	0.63	-	0.63	-
Sirar Solar Energies Private Limited	-	-	-	-	0.25	-	0.25	-
Sevalal Solar Private Limited	-	-	-	-	0.82	-	0.82	-
Sirar Dhotre Solar Private Limited	-	-	-	-	0.31	-	0.31	-
<b>Advance Paid :</b>								
Maharashtra Apex Corporation Ltd	-	-	-	-	1.02	70.46	1.02	70.46
Sevalal Solar Private Limited	-	-	-	-	24.40	-	24.40	-
Sirar Solar Energies Private Limited	-	-	-	-	9.22	-	9.22	-
Sirar Dhotre Solar Private Limited	-	-	-	-	10.12	-	10.12	-
Manipal Natural Private Limited	-	-	506.92	-	-	-	506.92	-
Alapasara Finvest Advisory Care Pvt. Ltd.	-	-	-	-	5.59	-	5.59	-
Manipal Nutraceutical Private Limited	-	-	-	-	26.97	-	26.97	-
Manipal Academy of Health and Education	-	-	-	-	367.00	-	367.00	-
General Investment & Commercial Corporation Ltd	-	-	-	-	14.88	-	14.88	-
<b>Investment :</b>								
Kurlon Enterprise Limited	-	-	599.00	-	-	-	599.00	-
Manipal Software & e-Com Pvt. Ltd.	-	-	4.00	-	-	-	4.00	-
Manipal Natural Private Limited	-	-	1.00	-	-	-	1.00	-
<b>Advance Received/(Repaid) :</b>								
General Investment & Commercial Corporation Ltd	-	-	-	-	(138.50)	-	(138.50)	-
Maharashtra Apex Corporation Ltd	-	-	-	-	-	(15.00)	-	(15.00)
<b>Sales :</b>								
Kurlon Enterprise Limited*	-	-	7,117.75	11,928.56	-	-	7,117.75	11,928.56
Starship Global VCT LLP	-	-	-	-	30.10	-	30.10	-
<b>Special Discount :</b>								
Kurlon Enterprise Limited	-	-	-	596.44	-	-	-	596.44
<b>Purchases Building :</b>								
Kurlon Enterprise Limited	-	-	42.04	-	-	-	42.04	-
<b>Purchases :</b>								
Kurlon Enterprise Limited (Net of Discount)	-	-	1,345.15	2,730.01	-	-	1,345.15	2,730.01
Manipal Software & e-Com Pvt. Ltd.	-	-	0.84	-	-	-	0.84	-
Manipal Advertising Services Pvt. Ltd.	-	-	-	-	3.96	-	3.96	-
Manipal Travels Private Limited	-	-	-	-	0.51	-	0.51	-
Starship Global VCT LLP	-	-	-	-	2.95	-	2.95	-

Notes forming part of the Standalone Financial Statements

**b) Related Party Transactions (Cont.)**

(₹ in Lakh)

Particulars	Key Management personnel and their Relatives		Subsidiary Companies		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
<b>Transactions during the year</b>	<b>31.03.21</b>	<b>31.03.20</b>	<b>31.03.21</b>	<b>31.03.20</b>	<b>31.03.21</b>	<b>31.03.20</b>	<b>31.03.21</b>	<b>31.03.20</b>
<b>Debit Note/(credit Note)</b>								
Kurlon Enterprise Limited	-	-	(74.38)	-	-	-	(74.38)	-
Manipal Software & e-Com Pvt. Ltd.	-	-	2.57	-	-	-	2.57	-
General Investment & Commercial Corporation Ltd	-	-	-	-	0.18	-	0.18	-
Maharashtra Apex Corporation Ltd	-	-	-	-	0.48	-	0.48	-
Manipal Advertising Services Pvt. Ltd.	-	-	-	-	0.93	-	0.93	-
Jitendra Harjivandas Securities Private Limited	-	-	-	-	0.19	-	0.19	-
Manipal Travels Private Limited	-	-	-	-	0.08	-	0.08	-
Starship Global VCT LLP	-	-	-	-	4.04	-	4.04	-
Kurlon Retail Ltd	-	-	24.43	-	-	-	24.43	-
<b>Maintenance Charges :</b>								
Kurlon Retail Ltd	-	-	-	0.72	-	-	-	0.72
<b>Outstanding as at Year end</b>								
<b>Amounts Recoverable :</b>								
Maharashtra Apex Corporation Ltd	-	-	-	-	3,350.61	3,349.59	3,350.61	3,349.59
Kurlon Retail Limited	-	-	-	66.09	-	-	-	66.09
Sirar Solar Energies Private Limited	-	-	-	-	9.45	0.05	9.45	0.05
Sevalal Solar Private Limited	-	-	-	-	25.13	0.05	25.13	0.05
Sirar Dhotre Solar Private Limited	-	-	-	-	10.39	0.05	10.39	0.05
Alapasara Finvest Care Advisory Private Limited	-	-	-	-	108.63	108.04	108.63	108.04
General Investment & Commercial Corporation Ltd	-	-	-	-	48.11	159.85	48.11	159.85
Starship Global VCT LLP	-	-	-	-	1.07	-	1.07	-
Manipal Natural Private Limited	-	-	506.92	-	-	-	506.92	-
Manipal Nutraceutical Pvt. Ltd.	-	-	-	-	27.53	-	27.53	-
Manipal Academy of Health and Education	-	-	-	-	383.67	-	383.67	-
<b>Capital Advance Received :</b>								
Kurlon Enterprise Limited	-	-	622.07	-	-	-	622.07	-
<b>Amounts Payable :</b>								
Kurlon Enterprise Limited	-	-	5,151.79	4,758.21	-	-	5,151.79	4,758.21
Manipal Software & e-Com Pvt. Ltd.	-	-	0.77	-	-	-	0.77	-
Manipal Advertising Services Pvt. Ltd.	-	-	-	-	0.06	-	0.06	-
<b>Dividend Received :</b>								
Kurlon Enterprise Limited	-	-	1,084.99	928.40	-	-	1,084.99	928.40
General Investment & Commercial Corporation Ltd	-	-	-	-	0.50	-	0.50	-

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 the Standalone Financial Statements

### Note. 30 - Related Party Disclosures (Cont.)

(₹ in Lakh)

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 31.03.2021 (Rs In Lakhs)
Loan	25.11.2019	Advance against working capital	General Investment and Commercial Corporate Ltd	Advance against working capital	29.03.2019	48.11
Loan	01.05.2019	Advance against working capital	Alpasara Finvest Care Advisory Private Limited	Advance against working capital	16.03.2019 & 29.03.2019	108.63
Loan	25.09.2020	Working capital towards new agricultural business	Manipal Nutraceutical Private Limited	Working capital towards new agricultural business	24.09.2020	27.53
Loan	30.06.2020	As a margin money and share capital towards construction of factory	Manipal Natural Private Limited	As a margin money and share capital towards construction of factory	12.06.2020	506.92
Loan	19.05.2020	For construction of school building and other related work	Manipal Academy of Health and Education Private Limited	For construction of school building and other related work	19.08.2020	383.67
Loan	07.07.2020	Working Capital and Construction	Sirar Solar Energies Pvt Ltd	Working Capital and Construction	19.08.2020	9.45
Loan	07.07.2020	Working Capital and Construction	Sirar Dhotre Solar Pvt Ltd	Working Capital and Construction	19.08.2020	10.39
Loan	07.07.2020	Working Capital and Construction	Sevalal Solar Private Limited	Working Capital and Construction	19.08.2020	25.13
Loan	07.12.2020	Towards Business Expansion and Working Capital	Kanvas Concepts Private Limited	Towards Business Expansion and Working Capital	20.11.2020	-
Investment	2014 onwards	Acquisition of Shares	Kurlon Enterprise Limited	Investment in Equity shares	-	4,141.84
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 Private Limited	Investment in Equity shares	12.05.2016	148.75
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	26.12.2019	Acquisition of Shares	Sirar Solar Energies Private Limited	Investment in Equity shares	12.11.2019	0.05
Investment	26.12.2019	Acquisition of Shares	Sirar Dhotre Solar Private Limited	Investment in Equity shares	12.11.2019	0.05
Investment	26.12.2019	Acquisition of Shares	Sevalal Solar Private Limited	Investment in Equity shares	12.11.2019	0.05
Investment	-	Acquisition of bonds	Maharashtra Apex Corporation Ltd	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
Investment	12.06.2020	Acquisition of Shares	Manipal Natural Private Limited	Investment in Equity shares	12.06.2020	1.00
Investment	20.03.2021	Acquisition of Shares	Manipal Software & e-Commerce Private Limited	Investment in Equity shares	20.03.2021	4.00

## Notes forming part of the Standalone Financial Statements

### Note. 31 - Financial Instruments

#### 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 Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Total equity attributable to the equity shareholders of the company	19,857.10	19,241.33
As a percentage of total capital	91%	98%
Current borrowings	1,318.04	-
Non-current borrowings	660.83	343.95
Total borrowings	1,978.87	343.95
As a percentage of total capital	9%	2%
<b>Total Capital</b>	<b>21,835.97</b>	<b>19,585.28</b>

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 Lakh)

Particulars	Carrying amount		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>				
a) Measured at fair value through Profit and Loss				
<b>Non Current Assets</b>				
<b>Quoted</b>				
- Investments in equity instruments	1.30	0.65	1.30	0.65
<b>Unquoted</b>				
- Investments in equity instruments	4,371.52	4,066.37	4,371.52	4,066.37
- Investments in preference shares	12.75	12.75	12.75	12.75
- Investments in bonds	336.80	336.80	336.80	336.80
b) Measured at Amortised Cost				
<b>Non Current Assets</b>				
- Loans	1,806.12	827.63	1,806.12	827.63
- Other Financial Assets	75.53	183.42	75.53	183.42
<b>Current assets</b>				
- Trade receivables	1.07	6.50	1.07	6.50
- Cash and cash equivalents	1,816.19	286.00	1,816.19	286.00
<b>Total</b>	<b>8,421.28</b>	<b>5,720.12</b>	<b>8,421.28</b>	<b>5,720.12</b>



## Notes forming part of the Standalone Financial Statements

Particulars	(₹ in Lakh)			
	Carrying amount		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial Liabilities</b>				
a) Measured at Amortised Cost				
Non Current liabilities				
- Borrowings	660.83	343.95	660.83	343.95
- Other financial liabilities	57.80	55.74	57.80	55.74
<b>Current liabilities</b>				
- Borrowings	1,318.04	-	1,318.04	-
- Trade payables	865.17	852.48	865.17	852.48
- Other financial liabilities	44.82	441.86	44.82	441.86
<b>Total</b>	<b>2,946.66</b>	<b>1,694.03</b>	<b>2,946.66</b>	<b>1,694.03</b>

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:

- 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.
- 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 the following sections relate to the position as at March 31, 2021. 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, 2021.

## Notes forming part of the Standalone Financial Statements

### Note. 31 - Financial Instruments (Cont.)

#### 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:

Foreign Currency (FC)	Currency Symbol	(₹ in Lakh)			
		As at March 31, 2021		As at March 31, 2020	
		FC	INR	FC	INR
<b>Liabilities</b>					
<b>Trade Payables</b>					
United States Dollar	\$	25,769.88	18.94	1,67,201.58	127.68
<b>Buyer's credit</b>					
United States Dollar	\$	-	-	-	-
<b>Assets</b>					
<b>Trade Receivables</b>					
United States Dollar	\$	-	-	-	-
<b>Advance to Vendor</b>					
United States Dollar	\$	6,818.00	5.01	12,761.35	9.53
Euro	€	-	-	254.02	0.21
<b>Net Liability (in INR)</b>			<b>13.93</b>		<b>118.15</b>

#### Sensitivity

Particulars	(₹ in Lakh)			
	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
5% Increase in all the foreign currencies	0.70	5.91	0.52	4.42
5% Decrease in all the foreign currencies	(0.70)	(5.91)	(0.52)	(4.42)

#### 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.

## Notes forming part of the Standalone Financial Statements

### 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:

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
<b>Fixed-rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings from banks	1,478.87	666.67
Borrowings from other parties	500.00	-
<b>Financial assets</b>		
Balance with banks held in deposit account	1,610.85	-
Variable-rate instruments		
<b>Financial liabilities</b>		
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 Rs. 0.74 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 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 the Standalone Financial Statements

### Note. 31 - Financial Instruments (Cont.)

#### 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, 2021 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the company.

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-current assets</b>		
- Investments	4,722.37	4,416.57
- Loans	1,806.12	827.63
- Other Financial Assets	75.53	183.42
<b>Current assets</b>		
- Trade receivables	1.07	6.50
- Cash and cash equivalents	1,816.19	286.00
<b>Total</b>	<b>8,421.28</b>	<b>5,720.12</b>

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

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

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
<b>Not Due</b>	-	-
Due from 0 to 180 days	1.07	-
Due for more than 180 days	-	6.50
<b>Total</b>	<b>1.07</b>	<b>6.50</b>

#### (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 the 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:

Particulars	Carrying Value	Maturity Profile	
		Less than 1 year	1 to 5 years
(₹ in Lakh)			
<b>As at March 31, 2021</b>			
Borrowings	2,019.68	374.14	1,645.54
Trade payables	865.17	865.17	-
Other non-current financial liabilities	57.80	-	57.80
Other current financial liabilities	(329.32)	(329.32)	-
<b>Total</b>	<b>2,613.33</b>	<b>909.99</b>	<b>1,703.34</b>
<b>As at April 1, 2020</b>			
Borrowings	781.35	437.40	343.95
Trade payables	852.48	852.48	-
Other non-current financial liabilities	55.74	-	55.74
Other current financial liabilities	4.46	4.46	-
<b>Total</b>	<b>1,694.03</b>	<b>1,294.34</b>	<b>399.69</b>

### 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.

Particulars	Carrying amount/Fair value					
	As at March 31, 2021			As at March 31, 2020		
	L-1	L-2	L-3	L-1	L-2	L-3
(₹ in Lakh)						
<b>Financial Assets</b>						
Carrying amounts / fair value:						
Measured at Fair Value through Profit & Loss						
<b>Non-Current Assets</b>						
- Investments	1.30	-	-	0.65	-	-
Measured at Amortised Cost						
<b>Non-Current Assets</b>						
- Investments	-	-	4,721.07	-	-	4,415.92
- Loans	-	-	1,806.12	-	-	827.63
- Other Financial Assets	-	-	75.53	-	-	183.42
<b>Current Assets</b>						
- Trade Receivables	-	-	1.07	-	-	6.50
- Cash and Cash Equivalents	-	-	1,816.19	-	-	286.00
<b>Total</b>	<b>1.30</b>	<b>-</b>	<b>8,419.98</b>	<b>0.65</b>	<b>-</b>	<b>5,719.47</b>

## Notes forming part of the Standalone Financial Statements

Particulars	Carrying amount/Fair value					
	As at March 31, 2021			As at March 31, 2020		
	L-1	L-2	L-3	L-1	L-2	L-3
(₹ in Lakh)						
<b>Financial Liabilities</b>						
Measured at Amortised Cost						
<b>Non-Current Liabilities</b>						
- Borrowings	-	-	701.64	-	-	781.35
- Other Non-Current Financial Liabilities	-	-	57.80	-	-	55.74
<b>Current liabilities</b>						
- Trade Payables	-	-	865.17	-	-	852.48
- Other Current Financial Liabilities	-	-	4.01	-	-	4.46
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,628.62</b>	<b>-</b>	<b>-</b>	<b>1,694.03</b>

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.

Particulars	March 31, 2021		March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(₹ in Lakh)				
<b>Financial liabilities:</b>				
Borrowings	701.64	701.64	781.35	781.35



## Notes forming part of the Standalone Financial Statements

### Note. 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. This policy has been

removed w.e.f 01st April 2021. Hence, there would be no future payoff's that would fall due under this policy.

#### 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 `23.84 lakhs (Previous Year: `27.73 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	(₹ in Lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Employer's contribution towards Provident Fund (PF)	19.69	21.51
Employer's contribution towards Employees State Insurance (ESI)	4.15	6.22

#### (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:

Particulars	(₹ in Lakh)			
	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Present Value of Defined Benefit Obligation at the beginning of year	64.78	44.55	-	44.03
Interest cost	4.52	3.01	-	2.94
Current Service Cost	5.46	6.22	-	7.79
Past Service Cost	-	-	-	-
Benefit Paid	(3.11)	(1.25)	-	(2.43)
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	-	(2.18)	-	(0.52)
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	(1.91)	14.40	-	10.24
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	(4.97)	0.03	-	(10.24)
<b>Present value of the Defined Benefit Obligation at the end of year</b>	<b>64.77</b>	<b>64.78</b>	<b>-</b>	<b>51.81</b>

## Notes forming part of the Standalone Financial Statements

### Note. 32 - Employee Benefits (Cont.)

#### ii. Reconciliation of the opening and closing balances of Plan assets:

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Fair Value of Plan Assets at end of prior year	54.27	46.02	-	56.55
Expected Interest Income on assets	-	-	-	3.80
Employer Contribution	0.32	6.90	-	0.06
Expected Interest income of assets	3.78	3.35	-	-
Benefits Pay-outs from plan	(3.11)	(1.25)	-	(2.43)
Actuarial Gain/(Loss)	0.51	(0.74)	-	0.04
<b>Fair Value of assets at the End of the year</b>	<b>55.77</b>	<b>54.28</b>	<b>-</b>	<b>58.02</b>

#### iii. Net Defined Benefit recognized in the Statement of Profit and Loss.

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	5.46	6.22	-	7.79
Past Service Cost	-	-	-	-
Interest cost	4.52	3.01	-	2.94
Interest income on plan asset	(3.78)	(3.35)	-	(3.80)
<b>Net Defined Benefit recognized in Statement of Profit and Loss</b>	<b>6.20</b>	<b>5.88</b>	<b>-</b>	<b>6.93</b>

#### iv. Recognized in Other Comprehensive Income.

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	(2.18)	-	(0.52)
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(1.91)	14.40	-	10.24
Actuarial (Gain)/Loss on arising from Changes in Experience Adjustments	(4.97)	0.03	-	(10.24)
Return on plan assets	(0.51)	0.74	-	(0.04)
<b>Net actuarial Loss/(Gain)</b>	<b>(7.39)</b>	<b>12.99</b>	<b>-</b>	<b>(0.56)</b>

## v. Sensitivity Analysis\*

### a) Impact of the change in the discount rate

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Present value of the Defined Benefit Obligation at the end of year	64.77	64.78	-	51.79
a) Impact due to increase of 1% (PY-0.50%)	58.92	61.61	-	49.19
b) Impact due to decrease of 1% (PY-0.50%)	71.60	68.22	-	54.63

### b) Impact of the change in the salary increase

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Present value of the Defined Benefit Obligation at the end of year	64.77	64.78	-	51.79
a) Impact due to increase of 1% (PY-0.50%)	71.24	68.05	-	54.44
b) Impact due to decrease of 1% (PY-0.50%)	59.14	61.75	-	49.34

\*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.

## vi. Maturity Profile.

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
0 to 1 year	5.06	4.86	-	21.88
1 to 2 year	4.52	4.48	-	3.64
2 to 3 year	4.06	4.00	-	3.23
3 to 4 year	4.27	3.61	-	2.94
4 to 5 year	3.25	3.82	-	3.78
5 to 6 year	2.96	2.88	-	2.31
6 Year onwards	40.65	41.13	-	14.02

## vii. Expected contribution for the next Annual reporting period

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Service Cost	5.46	6.22	-	7.79
Net Interest Cost	4.40	(0.34)	-	(0.86)
Expected Expense for the next annual reporting period	10.41	6.10	-	21.88

## Note. 32 - Employee Benefits (Cont.)

### viii. Actuarial Assumptions :

Principal assumptions used for actuarial valuation are:

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Method used</b>	<b>Projected unit credit method</b>			
Discount rate	7.15%	6.86%	NA	6.86%
Salary Escalation	10.00% TA & 7.00%	10.00% TA & 7.00%	NA	10.00% TA & 7.00%
Mortality Rate	IALM (2012-14)	IALM (2012-14)	NA	IALM (2012-14)
Withdrawal rate up to 30/44 and above 44 years	10%	10%	NA	10%
Rate of return on plan assets	7.15%	6.86%	NA	6.86%

33. 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 had accounted for an insurance claim receivable of Rs. 126.46 lakhs being the WDV of the plant and machinery. The amount of Rs. 93.16 lakhs was received against Building on

31-08-2021, Rs. 82.46 lakhs received against Plant & Machinery on 03-07-2021 and Rs. 73.18 lakhs received against Inventory on 19-03-2021.

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, 2021 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. 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 Registration No. 007321S

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564

Place : Bengaluru  
Date : 29-10-2021

**T. Sudhakar Pai**  
Managing Director  
DIN : 00043298

**N. Srinivasa Ulloor**  
Chief Financial Officer

Place : Bengaluru  
Date : 29-10-2021

**Santhosh Kamath**  
Director  
DIN : 03268717

**Neha Lakhera**  
Company Secretary

## Report on the Audit of the Consolidated Financial Statements

**1. 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, 2021, 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, 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 Opinion**

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 audit opinion on the consolidated financial statements.

**Emphasis of Matter**

We draw attention to Note no. 9 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.

Our opinion is not modified in respect of the above matter

**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.

## Report on the Audit of the Consolidated Financial Statements

- 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)(1) 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



## Report on the Audit of the Consolidated Financial Statements

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

We did not audit the financial statements of 3 subsidiaries and 8 step down subsidiaries, whose financial statements reflect total assets of Rs. 72,746 Lakhs as at March 31, 2021, total revenues of Rs. 78,568 Lakhs and net cash inflows/ (outflows) amounting to Rs. 2,762 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.

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

## Report on the Audit of the Consolidated Financial Statements

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, the aforesaid consolidated 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 of the Parent as on March 31, 2021 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.

f) 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.

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 Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 33 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

S. K. Subramanian  
Partner

Membership No. 205737  
UDIN : 21205737AAAAV6564

Place : Bangalore  
Date : October 29, 2021

KURLON LIMITED

**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, 2021, 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

**Report on the Audit of the Consolidated Financial Statements**

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

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us 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, 2021, 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, 2021.

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, 2021, 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 3 subsidiaries and 8 step down subsidiaries, 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. 0073215

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564

Place : Bangalore  
Date : October 29, 2021

KURLON LIMITED

## Consolidated Balance Sheet as at March 31, 2021

Particulars	Note No.	(₹ in Lakh)	
		As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	3a	31,133.72	32,206.86
(b) Right to Use assets	4a	8,646.19	10,260.24
(c) Capital work-in-progress	4	1,754.20	705.86
(d) Goodwill on amalgamation	3c	2,103.16	2,103.16
(e) Other Intangible assets	3b	405.73	543.93
(f) Financial Assets			
(i) Trade Receivables	6	1.52	-
(ii) Investments	5	575.37	574.73
(iii) Loans	8	1,260.43	827.63
(iv) Security Deposits	7a	1,078.79	1,204.98
(v) Other financial assets	7b	395.13	462.10
(g) Other Non-Current Assets	9	5,188.51	5,294.85
<b>Total Non - Current Assets</b>		<b>52,542.75</b>	<b>54,184.34</b>
<b>Current assets</b>			
(a) Inventories	10	12,977.48	13,775.53
(b) Financial Assets			
(i) Investments	5	11,131.71	11,475.60
(ii) Trade Receivables	6	4,968.82	6,645.77
(iii) Cash and Cash equivalents	11	5,869.31	1,575.53
(iv) Bank balances other than (iii) above	11	151.80	141.29
(v) Loans	8	3.08	-
(vi) Security Deposits	7a	265.78	36.18
(c) Current Tax Assets (Net)	22b	1,409.59	1,917.67
(d) Other Current Assets	9	2,877.64	2,945.66
<b>Total Current Assets</b>		<b>39,655.22</b>	<b>38,513.23</b>
<b>Total Assets</b>		<b>92,197.97</b>	<b>92,697.57</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	12	1,488.26	1,488.26
(b) Other Equity	13	58,025.12	56,382.04
(c) Non-controlling Interest		4,614.55	4,143.99
<b>Total Equity</b>		<b>64,127.94</b>	<b>62,014.29</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	926.22	343.95
(ii) Trade payables	16	17.96	-
(iii) Lease Liabilities	18	3,673.04	4,533.28
(iv) Other Financial Liabilities	19	5,536.33	5,858.01
(b) Provisions	17	656.17	409.42
(c) Deferred tax liabilities (Net)	22.a	3,496.27	2,373.10
(d) Other non-current liabilities	20	1.06	-
<b>Total Non - Current Liabilities</b>		<b>14,307.05</b>	<b>13,517.76</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	2,512.54	2,389.01
(ii) Lease Liabilities	18	210.40	662.62
(iii) Trade payables	16	-	-
(A) Total outstanding dues of micro enterprises and small enterprises		340.16	649.57
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		9,903.20	12,085.14
(iv) Other financial Liabilities	19	128.11	510.73
(b) Provisions	17	142.67	413.80
(c) Other Current Liabilities	21	525.89	454.65
<b>Total Current Liabilities</b>		<b>13,762.98</b>	<b>17,165.52</b>
<b>Total Equity and Liabilities</b>		<b>92,197.97</b>	<b>92,697.57</b>

See accompanying notes to the consolidated financial statements

In terms of our report attached.

**For Mohan & Venkataraman**  
Chartered Accountants  
Firm Registration No. 007321S

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564

Place : Bengaluru  
Date : 29-10-2021

For and on behalf of the Board of Directors

**T. Sudhakar Pai**  
Managing Director  
DIN : 00043298

**N. Srinivasa Ulloor**  
Chief Financial Officer

Place : Bengaluru  
Date : 29-10-2021

**Santhosh Kamath**  
Director  
DIN : 03268717

**Neha Lakhera**  
Company Secretary

## Consolidated Statement of Profit & Loss for the Year Ended March 31, 2021

Particulars	Note No.	(₹ in Lakh)	
		Year Ended March 31, 2021	Year Ended March 31, 2020
I Revenue from operations	23	76,830.49	96,173.05
II Other Income	24	1,627.49	1,259.49
<b>III Total Income (I+II)</b>		<b>78,457.98</b>	<b>97,432.54</b>
<b>IV Expenses</b>			
Cost of materials consumed	25.a	36,302.26	46,914.48
Purchases of stock in trade	25.b	1,225.70	688.86
Changes in inventories of finished goods, stock in trade and work-in-progress	25.c	1,491.97	(484.79)
Employee benefits expense	26	7,034.27	8,871.54
Finance costs	27	597.84	1,053.85
Depreciation and amortisation expense	28	3,731.82	3,888.17
Other expenses	29	20,536.32	26,931.71
<b>Total Expenses (IV)</b>		<b>70,920.18</b>	<b>87,863.81</b>
Profit/(Loss) before exceptional items and tax (I - IV)			
Exceptional Items (Refer Note-5)		2,018.68	-
<b>V Profit before tax (III-IV)</b>		<b>5,519.12</b>	<b>9,568.73</b>
<b>VI Tax Expense</b>			
Current tax	30	1,837.95	2,713.06
Tax credit of earlier years	30	(3.34)	(196.95)
Deferred tax	30	1,123.18	(461.14)
Mat Credit		41.00	(52.13)
		<b>2,998.79</b>	<b>2,002.84</b>
<b>Profit/(loss) after tax from continuing operations (V - VI)</b>		<b>2,520.34</b>	<b>7,565.89</b>
VII Profit for the year (V + VI)		2,520.34	7,565.89
Profit/(Loss) from continuing operations for the period attributable to:			
Owners of the Company		2,990.90	7,578.63
Non controlling interests		(470.56)	(12.74)
		<b>2,520.34</b>	<b>7,565.89</b>
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)]		82.69	58.07
		<b>82.69</b>	<b>58.07</b>
(ii) Income tax relating to items that will not be reclassified to profit or loss		(20.81)	(14.62)
		<b>(20.81)</b>	<b>(14.62)</b>
VIII Total other comprehensive income		61.87	43.46
<b>IX Total comprehensive income for the year (VII+VIII)</b>		<b>2,582.21</b>	<b>7,609.35</b>
Total comprehensive income for the period attributable to:			
Owners of the Company		3,052.78	7,622.09
Non controlling interests		(470.56)	(12.74)
		<b>2,582.21</b>	<b>7,609.35</b>
<b>Earnings per equity share :</b>			
Equity shares of par value Rs 5 each			
(1) Basic (Rs)	31	17.35	51.13
(2) Diluted (Rs)	31	16.41	48.37

See accompanying notes to the consolidated financial statements

In terms of our report attached.

**For Mohan & Venkataraman**  
Chartered Accountants  
Firm Registration No. 007321S

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564

Place : Bengaluru  
Date : 29-10-2021

For and on behalf of the Board of Directors

**T. Sudhakar Pai**  
Managing Director  
DIN : 00043298

**N. Srinivasa Ulloor**  
Chief Financial Officer

Place : Bengaluru  
Date : 29-10-2021

**Santhosh Kamath**  
Director  
DIN : 03268717

**Neha Lakhera**  
Company Secretary



## Consolidated Cash Flow Statement for the Year Ended March 31, 2021

Particulars	(₹ in Lakh)	
	Year ended March 31, 2021	Year ended March 31, 2021
<b>A. Cash flows from Operating Activities</b>		
Profit for the year	2,992.96	7,578.65
Adjustments for:		
Exceptional Item	2,018.68	-
Income tax expense recognised in profit or loss	2,998.79	2,002.84
Net (Gain)/ Loss on disposal of Property, Plant and Equipment	237.71	(29.59)
(Profit)/Loss on Sale of Investments	(337.53)	-
Insurance claim received on Property, Plant and Equipment	-	(56.71)
Liability written back	13.14	(36.44)
Bad debts written off	37.54	36.38
Depreciation and amortisation expense	3,731.82	3,888.17
Interest Income recognised in profit or loss	(437.28)	(305.07)
Dividend Income recognised in profit or loss	(458.40)	(292.84)
Schemes and Discount	-	(596.44)
Finance costs recognised in profit or loss	597.84	1,053.85
Allowance for expected Credit losses	250.97	568.86
Other comprehensive income	(61.87)	-
	<b>11,584.36</b>	<b>13,811.66</b>
<b>Movements in working capital:</b>		
(Increase)/Decrease in Loans	(435.88)	(52.35)
(Increase)/Decrease in Trade Receivables	1,385.40	4,850.23
(Increase)/Decrease in Inventories	798.05	(367.65)
(Increase)/Decrease in Other Current Assets	(161.58)	51.74
(Increase)/Decrease in Other Non-Current Assets	1,830.73	(9,287.65)
Increase/(Decrease) in Trade Payables	(2,459.59)	(973.40)
Increase/(Decrease) in Other Current Financial Liabilities	(834.84)	687.13
Increase/(Decrease) in Other non-Current Financial Liabilities	66.97	-
Increase/(Decrease) in Non-Current Provisions	246.75	-
Increase/(Decrease) in Other Non-Current Financial Liabilities	(1,180.87)	3,943.44
Increase/(Decrease) in Other Current Liabilities	58.10	(576.02)
Increase/(Decrease) in Current Provisions	(271.13)	4.38
	<b>(957.88)</b>	<b>(1,720.14)</b>
<b>Cash Flows generated from Operating Activities</b>	<b>10,626.48</b>	<b>12,091.50</b>
Income tax paid	(1,388.34)	(2,478.59)
<b>Net cash flow from operating activities (A)</b>	<b>9,238.14</b>	<b>9,612.91</b>
<b>B. Cash flows from Investing Activities</b>		
Proceeds on sale of Property, Plant and Equipment	297.87	47.14
Proceeds on Sale of Investments	31.73	-
Insurance claim received	-	56.71
Interest received	437.28	305.07
Other Dividends Received	458.40	292.84
(Purchase)/Sale of Investments	(1,625.03)	(7,747.95)
Placed in Bank Deposits not considered as Cash and Cash Equivalents	(10.51)	(8.63)
Capital Expenditure on Property, Plant & Equipment including capital advance	(3,989.90)	(3,255.69)
<b>Net cash flow from / (used in) Investing Activities (B)</b>	<b>(4,400.16)</b>	<b>(10,310.50)</b>
<b>C. Cash flows from Financing Activities</b>		
Proceeds/ (Repayment) of Short term borrowings	123.53	150.96
Proceeds/ (Repayment) of Long term borrowings	582.27	-
Adjustment on account of Consolidation/Non Controlling Interest	(457.82)	0.32
Tax on Distributed Profits	-	(163.06)
Dividends paid to owners of the Company	(194.34)	(224.36)
Interest paid	(597.84)	(1,053.85)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(544.20)</b>	<b>(1,289.99)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>4,293.78</b>	<b>(1,987.59)</b>
Cash and cash equivalents at the beginning of the year	1,575.53	3,563.12
<b>Cash and cash equivalents at the end of the year</b>	<b>5,869.31</b>	<b>1,575.53</b>
Reconciliation of Cash & cash equivalents with the Balance Sheet		
Add-Bank Balance held as margin money or security against borrowing, guarantees and other commitments(*)	151.80	141.29
Cash and cash equivalents as per the Balance Sheet (Refer note 10)	6,021.11	1,716.82

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

See accompanying notes to the consolidated financial statements

In terms of our report attached.

**For Mohan & Venkataraman**  
Chartered Accountants  
Firm Registration No. 007321S

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564

Place : Bengaluru  
Date : 29-10-2021

For and on behalf of the Board of Directors

**T. Sudhakar Pai**  
Managing Director  
DIN : 00043298

**N. Srinivasa Ulloor**  
Chief Financial Officer

Place : Bengaluru  
Date : 29-10-2021

**Santhosh Kamath**  
Director  
DIN : 03268717

**Neha Lakhera**  
Company Secretary

## Statement of Consolidated Changes in Equity for the Year Ended March 31, 2021

### a. Equity Share Capital

Particulars	(₹ in Lakh)	
	Amount	Amount
Balance as at April 1, 2019	1,488.26	1,488.26
Changes in equity share capital during the year	-	-
Issue of Bonus Equity Shares	-	-
<b>Balance as at March 31, 2020</b>	<b>1,488.26</b>	<b>1,488.26</b>
Changes in equity share capital during the year	-	-
<b>Balance as at March 31, 2021</b>	<b>1,488.26</b>	<b>1,488.26</b>

### b. Other Equity

Particulars	Reserves and Surplus							Total
	Share Capital Suspense Account (Refer Note 1)	Capital Reserve arising on consolidation	Capital reserve	Securities premium reserve	Share Option Outstanding Account	General reserve	Retained earnings	
<b>Balance as at March 31, 2019</b>	<b>2,950.15</b>	<b>-</b>	<b>970.81</b>	<b>12,382.46</b>	<b>435.58</b>	<b>4,750.54</b>	<b>27,772.86</b>	<b>49,262.40</b>
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)
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	-
<b>Balance as at March 31, 2020</b>	<b>2,950.15</b>	<b>57.14</b>	<b>970.81</b>	<b>12,382.46</b>	<b>-</b>	<b>4,750.54</b>	<b>35,270.93</b>	<b>56,382.04</b>
Profit for the period	-	-	-	-	-	-	2,990.90	2,990.90
Remeasurement of Defined Benefits Plan (net of tax)	-	-	-	-	-	-	61.87	61.87
Capital reserve arising on consolidation	-	3.83	-	-	-	-	-	3.83
Dividends	-	-	-	-	-	-	(194.34)	(194.34)
Adjustments on Consolidation*	-	-	-	-	-	-	(1,210.69)	(1,210.69)
Transfer of retained earnings	-	-	-	-	-	-	(8.49)	(8.49)
<b>Balance as at March 31, 2021</b>	<b>2,950.15</b>	<b>60.97</b>	<b>970.81</b>	<b>12,382.46</b>	<b>-</b>	<b>4,750.54</b>	<b>36,910.18</b>	<b>58,025.12</b>

\*Adjustments include addition / deletion of minority interest in respect of subsidiaries and step down subsidiaries. The above statement of changes in equity should be read in conjunction with the accompanying notes.

See accompanying notes to the consolidated financial statements

In terms of our report attached.

**For Mohan & Venkataraman**  
Chartered Accountants  
Firm Registration No. 007321S

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAAV6564  
Place : Bengaluru  
Date : 29-10-2021

For and on behalf of the Board of Directors

**T. Sudhakar Pai**  
Managing Director  
DIN : 00043298

**N. Srinivasa Ulloor**  
Chief Financial Officer

Place : Bengaluru  
Date : 29-10-2021

**Santhosh Kamath**  
Director  
DIN : 03268717

**Neha Lakhera**  
Company Secretary

## Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2021

### Accounting Policies

#### Note

#### 1 Corporate information

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, Sofas 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.
- 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.

### 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. As a result, the comparative information has not been restated. Refer note 25 for further details.

- 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 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.

- 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.

### 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

Name of Company	Country of Incorporation	Date of Acquisition	Proportion (%) of Shareholding as on 31.03.2021	Proportion (%) of Shareholding as on 31.03.2020
<b>Subsidiary Companies</b>				
Kurlon Enterprise Limited	India	03-10-2011	84.67%	85.06%
Manipal Software & e-Commerce Private Limited	India	25-03-2021	80.00%	0.00%
Manipal Natural Private Limited	India	12-06-2020	99.00%	0.00%
<b>Step-down Subsidiary Companies</b>				
Kurlon Retail Limited	India	20-07-2017	100.00%	100.00%
Sevalal Solar Private Limited	India	24-12-2019	93.80%	69.00%
Sirar Dhotre Private Limited	India	24-12-2019	93.80%	69.00%
Sirar Solar Energies Private Limited	India	24-12-2019	93.80%	69.00%
Belvedere International Ltd	India	21-12-2020	100.00%	0.00%
Komfort Universe Products and Services Limited	India	18-01-2021	100.00%	0.00%
Starship Value chain and Manufacturing Private Limited (Formerly Starship Manufacturing & Services Private Limited)	India	21-03-2021	100.00%	0.00%
Kanvas Concepts Private Limited	India	21-03-2021	100.00%	0.00%



## Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2021

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.

### 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 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.

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 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.

### Provision for income tax and valuation of Deferred Tax

The Group's tax jurisdictions is India. Judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered in connection with uncertain tax positions.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### Impairment of non-financial assets

Goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the cash generating unit ("Value in Use" from continuing operations) is less than its carrying value. The calculation which is based on discounted cash flow model involves use of significant estimates, business

assumptions and valuation assumptions such as turnover, Gross Margin, growth rates and net margins used to calculate projected future cash flows, risk-adjusted discount rate, future economic and market conditions.

### Provisions and Contingent Liabilities

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.

### 2.4 Revenue recognition

#### Sale of goods

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. Revenue earned by the Group is derived from the satisfaction of a single performance obligation for each contract which is the sale of products.

#### Other income

**Interest income** - Interest income is recognised using effective interest rate method. The effective interest rate is rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

**Dividend Income** - Dividend income is accounted for when the right to receive is established.

**Rental Income** - Rental income from Operating Lease is recognised over straight line basis over the term of relevant lease.

### 2.5 Foreign currencies

The functional currency of the Group is Indian Rupees.

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.

### 2.6 Leases

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.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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



**Notes Forming Part of Consolidated Financial Statements**

for the year ended March 31, 2021

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.

**2.7 Employee benefits**

Employee benefits include contribution to provident fund, gratuity fund and employee state insurance scheme.

**Retirement benefit cost and termination benefits.**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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:

- 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

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.

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.

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.

**Defined contribution plan**

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

**Compensated absences**

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.

**Short-Term and other Long-Term Employee Benefits :**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**2.8 Taxation**

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.

**Current tax**

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 Group'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.

**Deferred tax**

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.

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.

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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

**2.9 Property, plant and equipment**

Property, plant and equipment are stated at costs less accumulated depreciation (other than freehold land) and impairment loss, if any.

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

## Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2021

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.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Lease rentals and premium for lease hold are amortized over the primary lease period.

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.

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.

**Capital work in progress**

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.

The capital work- in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**2.10 Intangible assets**

Intangible assets purchased are measured at cost as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortized on a straight line basis over their estimated useful lives from the date that they are available for use.

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.

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.

**2.11 Impairment**

Financial assets (other than at Fair Value)

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.

**Non-financial assets**

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.

**2.12 Inventory**

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.

**2.13 Provisions**

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.

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).

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.

Provision for warranty is estimated on the basis of past technical experience.

**2.14 Investment in Subsidiaries**

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.

**2.15 Financial Instruments**

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 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.

**A) Financial assets****Cash and cash equivalents**

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.

**Financial assets at amortized cost**

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.

**Financial assets at fair value through other comprehensive income (FVTOCI).**

Financial assets are measured at fair value through other comprehensive income if these financial assets



## Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2021

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.

### Financial assets at fair value through profit and loss (FVTPL)

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.

### Foreign exchange gains and losses.

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.

## B) Financial liabilities and Equity

### Financial liabilities at amortized cost

Financial liabilities are measured at amortized cost using effective interest method.

### Equity instruments

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.

### Foreign exchange gains and losses

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"

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.

### 2.16 Earnings per share (EPS)

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.

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.

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.

### 2.17 Segment reporting

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.

The Group 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 Group's single business segment.

### 2.18 Research and development

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.

### 2.19 Insurance Claims

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.

### 2.20 Impact of COVID-19

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. The Group does not anticipate any material

impact on the recoverability of the carrying value of the aforesaid assets. 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.

### 2.21 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 2.22 Borrowing Costs

Borrowing costs include interest cost, finance charges under finance lease and exchange differences arising from foreign currency borrowings to the extent they are considered as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit & Loss during extended periods when active development activity on the qualifying assets is interrupted.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit/loss in the period in which they are incurred.

### 2.23 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021



## Notes forming part of the Consolidated Financial Statements

### 3. Property, Plant and Equipment

(₹ in Lakh)

#### a) Tangible Assets

Particulars	a) Tangible Assets									b) Intangible Assets		c) Goodwill
	Freehold land	Leasehold Land	Buildings	Plant & Equipment	Furnitures & Fixtures	Office Equipments	Vehicles	Vehicles Financed	Computer Owned	Total	Computer software	
As at March 31, 2019	1,693.15	5,340.47	10,164.33	21,771.98	3,748.28	554.52	489.80	199.90	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 of 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	474.26	199.90	593.12	47,210.50	1,084.66	2,103.16
Additions	-	-	506.34	928.21	205.51	71.86	181.09	-	46.77	1,939.78	6.81	-
Disposals	-	-	(149.45)	(168.03)	(343.39)	(4.19)	(122.18)	-	(38.22)	(825.45)	2.79	-
Transferred to Right of Use Assets	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	2,460.39	145.89	16,449.46	23,105.54	4,151.94	676.87	533.17	199.90	601.67	48,324.83	1,088.69	2,103.16
<b>Accumulated Depreciation</b>												
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	57.60	23.74	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	182.75	41.87	462.16	15,003.63	540.74	-
Additions	-	4.07	508.80	1,565.38	248.15	75.45	81.80	-	63.64	2,547.27	144.86	-
Disposals	-	-	(78.09)	(95.55)	(96.38)	(2.80)	(50.88)	-	(36.11)	(359.81)	2.65	-
As at March 31, 2021	-	59.37	2,997.06	11,108.36	1,806.27	474.82	213.66	41.87	489.70	17,191.09	682.94	-
<b>Net carrying value</b>												
Balance as at March 31, 2021	2,460.39	86.52	13,452.40	11,997.18	2,345.67	202.05	319.51	158.03	111.97	31,133.72	405.73	2,103.16
Balance as at March 31, 2020	2,460.39	90.59	13,526.22	12,706.83	2,635.31	207.03	291.51	158.03	130.95	32,206.86	543.93	2,103.16

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

Goodwill is tested for impairment at least annually. Impairment is recognised, if present value of future cash flows is less than the carrying value of goodwill. Future cash flows are forecast for 5 years & then on perpetuity on the basis of certain assumptions which includes revenue growth, Gross Margins, Earnings before interest and taxes and working capital requirement. The assumptions are taken on the basis of past trends and management estimates and judgement. Future cash flows are discounted with "Weighted Average Cost of Capital". The key assumptions are as follows:

Assumptions	As at March 31, 2021	As at March 31, 2020
Terminal growth rate (%)	5%	5%
Discount rate (%)	12%	12%

As at 31 March 2021 and 31 March 2020 the estimated recoverable amount of the CGU exceeded its carrying amount and accordingly, no impairment needs to be recognized.

## Notes forming part of the Consolidated Financial Statements

### 4. Capital work in progress

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Land	-	-
Building	1,035.55	332.65
Plant & Machinery	657.70	283.30
Others	60.95	89.90
	<b>1,754.20</b>	<b>705.86</b>

#### 4a. Right of Use Assets

(₹ in Lakh)

Particulars	Land	Buildings	Total
<b>Gross carrying value</b>			
<b>As at March 31, 2020</b>			
Op Bal Impact of adoption of Ind AS 116 (Refer Note 29)	5,450.44	6,130.58	11,581.02
Additions	-	90.32	90.32
Disposals/ Adjustments	-	1,030.59	1,030.59
As at March 31, 2021	<b>5,450.44</b>	<b>5,190.31</b>	<b>10,640.75</b>
<b>Accumulated Depreciation</b>			
<b>As at March 31, 2020</b>			
Op Bal Impact of adoption of Ind AS 116 (Refer Note 29)	19.46	1,301.50	1,320.96
Additions	66.38	956.97	1,023.35
Disposals	-	349.75	349.75
As at March 31, 2021	<b>85.84</b>	<b>1,908.72</b>	<b>1,994.56</b>
<b>Net carrying value</b>			
Balance as at March 31, 2021	<b>5,364.60</b>	<b>3,281.59</b>	<b>8,646.19</b>
Balance as at March 31, 2020	<b>5,430.98</b>	<b>4,829.08</b>	<b>10,260.06</b>

Notes forming part of the Consolidated Financial Statements

5. Investments

(₹ in Lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Nos.	Amount in Lakhs		Nos.	Amount in Lakhs	
		Current	Non Current		Current	Non Current
<b>A. Cost</b>						
I. Investment in Commercial Papers (at amortised cost) (Unquoted)						
Cox and Kings Limited (refer note 5(I) below)	-	-	-	400	2,000.00	-
<b>Total Unquoted Investments</b>	-	-	-	-	<b>2,000.00</b>	<b>0.00</b>
<b>Fair Value Through Profit and Loss</b>						
I. Investments in Equity Instruments						
Industrial Development Bank of India Equity share of Rs. 10/- each	3,360	-	1.30	3,360	-	0.65
<b>Total Quoted Investments</b>	-	-	<b>1.30</b>	-	-	<b>0.65</b>
<b>II. Unquoted</b>						
a. Investments in Equity Instruments						
General Investment & Commercial Corporation Ltd Equity Shares of 10/- at a premium of Rs. 85/- each	25,000	-	23.75	25,000	-	23.75
Jitendra Harjivandas Securities Private Limited Equity Shares of 10/- at a premium of Rs 15/- each	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
Madish Style Bar Private Limited Equity shares of Rs. 10/- each	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
Alapasara Finvest Care Advisory Private Limited Equity shares of Rs. 100/- each	5,000	-	5.00	5,000	-	5.00
Spring Air Bedding Company (India) Limited Equity shares of Rs. 10/- each	86,99,000	-	-	86,99,000	-	-
Sirar Solar Energies Private Limited (shares of Rs. 100/- each fully paid up)	-	-	-	50	-	-
Sevalal Solar Private Limited (shares of Rs. 100/- each fully paid up)	-	-	-	50	-	-
Sirar Dhotre Private Limited (shares of Rs. 100/- each fully paid up)	-	-	-	50	-	-
<b>B. Designated at cost</b>						
a. Investment in Bonds - Unquoted	1,65,104	-	336.80	1,65,104	-	336.80

Notes forming part of the Consolidated Financial Statements

(₹ in Lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Nos.	Amount in Lakhs		Nos.	Amount in Lakhs	
		Current	Non Current		Current	Non Current
b. Maharashtra Apex Corporation Ltd. Redeemable Cumulative Preference Shares of Rs. 10/- each	80,100	-	12.75	80,100	-	12.75
<b>I. Investments in Mutual funds (Quoted)</b>						
Franklin India Short Term Income Plan-Retail Plan-Direct-Growth	-	-	-	-	-	-
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	550.24	-	2,03,278	512.86	-
Axis Short Term Fund-Direct-Growth	24,25,648	616.16	-	39,42,706	921.62	-
Axis Banking & PSU Debt Fund-Direct Growth	48,070	1,008.41	-	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	448.12	-	10,30,669	413.44	-
Kotak Corporate Bond Fund-Direct-Growth	17,573	524.48	-	7,456	205.80	-
Kotak Banking And PSU Debt Fund-Direct-Growth	20,22,554	1,042.09	-	8,53,190	406.52	-
Kotak Banking And PSU Debt Fund-Regular-Growth	4,35,533	219.14	-	-	-	-
L & T Banking & PSU Fund-Growth	22,84,679	443.33	-	22,84,679	410.89	-
Sundaram Money Market Fund-Direct-Growth	-	-	-	54,87,966	614.77	-
ICICI Prudential Banking & PSU Debt Fund-Direct-Growth	40,76,232	1,044.18	-	16,88,533	399.23	-
LICMF Banking & PSU Debt Fund-Direct-Growth	16,42,874	474.95	-	11,14,132	300.56	-
LICMF Banking & PSU Debt Fund-Regular-Growth	7,78,062	213.29	-	7,78,062	200.12	-
Canara Robeco Corporate Bond Fund - Direct Growth	5,57,890	100.89	-	-	-	-
DSP Banking and PSU Debt Fund-Direct Growth	37,20,875	713.81	-	-	-	-
DSP Corporate Bond fund Direct Growth	23,58,987	301.97	-	-	-	-
DSP Low Duration Fund- Direct Growth	12,70,326	201.02	-	-	-	-

## Notes forming part of the Consolidated Financial Statements

### 5. Investments

Particulars	(₹ in Lakh)					
	As at March 31, 2021			As at March 31, 2020		
	Nos.	Amount in Lakhs		Nos.	Amount in Lakhs	
		Current	Non Current		Current	Non Current
HDFC Corporate Bond Fund Regular Growth	12,05,252	300.44	-	-	-	-
HSBC Corporate Bond Fund Direct Growth	9,88,347	100.50	-	-	-	-
Aditya Birla Sun life Banking & PSU Debt Fund-Direct-Growth	1,04,494	302.74	-	-	-	-
ICICI Prudential Bond Fund - Direct Plan - Growth	3,14,599	100.67	-	-	-	-
ICICI Prudential Corporate Bond Fund - Direct - Growth	17,21,136	404.58	-	-	-	-
Kotak Low duration Fund Direct Growth	3,622	100.46	-	-	-	-
SBI Banking & PSU Fund Direct Growth	31,504	804.62	-	-	-	-
SBI Corporate Bond Fund-Direct-Growth	41,08,446	501.81	-	-	-	-
Sundaram Banking and PSU Debt Fund-Direct Growth	17,95,790	613.80	-	-	-	-
<b>Total Aggregate Quoted Investments</b>	-	<b>11,131.71</b>	<b>575.37</b>	-	<b>9,475.60</b>	<b>574.73</b>
<b>Total Investments Carrying Value (A)</b>	-	<b>11,131.71</b>	<b>575.37</b>	-	<b>11,475.60</b>	<b>574.73</b>
<b>Other Disclosures</b>						
Aggregate amount of Quoted Investments & market value thereof	-	11,131.71	575.37	-	9,475.60	574.73
Aggregate amount of Unquoted Investments	-	-	575.37	-	2,000.00	574.73

#### Note No. 5(I) should read as follows

The Group had made an investment of Rs. 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'. This rating indicated 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. Considering the ongoing insolvency proceedings against C&K, the company is of the opinion that the probability of recovery is remote and hence has written off the same in the books of accounts, and has disclosed the same as an (Exceptional item) in the Statement of Profit and Loss.

### 6. Trade Receivables

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Trade Receivables (Unsecured)</b>		
(a) Considered good	4,968.82	6,645.77
(b) which have significant increase in Credit Risk	1,045.17	997.08
	<b>6,013.99</b>	<b>7,642.84</b>
Less: Allowance for Doubtful trade receivables	1,045.17	997.08
<b>Total</b>	<b>4,968.82</b>	<b>6,645.77</b>
<b>Non - Current</b>		
a) Which have significant increase in Credit Risk	1.52	-

#### 6a. Movement in the Allowance for Doubtful trade receivables

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	997.08	688.89
Impairment losses recognised in the year based on 12 Month Expected Credit Loss		
On Receivables originated in the year	250.95	569.54
Amounts written off during the year as uncollectible	1.35	-
Amounts Recovered/Written Off During the year	(204.20)	(261.35)
<b>Balance at end of the year</b>	<b>1,045.18</b>	<b>997.08</b>

#### 7a. Security Deposits

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-Current (Carried at amortised cost)</b>		
a) Security Deposits - Unsecured, considered good	895.04	906.67
b) Security Deposits - Secured, considered good		
(i) Related Parties		
- Maha Rashtra Apex Corporation Limited	15.00	15.00
(ii) Others	-	283.31
c) Deposits with Sales Tax authorities- Under Protest (Carried at amortised cost)	168.75	-
	<b>1,078.79</b>	<b>1,204.98</b>
<b>Current (Carried at amortised cost)</b>		
a) Security Deposits- Secured, considered good	265.78	36.18
<b>Total</b>	<b>265.78</b>	<b>36.18</b>



## Notes forming part of the Consolidated Financial Statements

### 7b. Other financial assets

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
a) Other Loans - unsecured, considered good	321.98	-
b) Security Deposits	-	183.42
c) Loans to Others	73.15	278.68
<b>Total</b>	<b>395.13</b>	<b>462.10</b>

### 8. Loans & Advances

(₹ in Lakh)

Particulars	As at March 31, 2021			As at March 31, 2020		
	Current	Non Current	Total	Current	Non Current	Total
a) Loans to Related Parties						
- Unsecured, considered good						
General Investment & Commercial Corporation Limited	-	48.11	48.11	-	159.84	159.84
Alapasara Finvest Care Advisory Private Limited	-	108.63	108.63	-	103.04	103.04
Manipal Nutraceutical Private Limited	-	27.53	27.53	-	-	-
Manipal Academy of Health and Education Private Limited	-	383.67	383.67	-	-	-
<b>Total (A)</b>	<b>-</b>	<b>567.94</b>	<b>567.94</b>	<b>-</b>	<b>262.88</b>	<b>262.88</b>
b) Loans to other than Related Parties*						
- Secured, considered good						
Corporate	-	446.37	446.37	-	441.71	441.71
Other	-	-	-	-	-	-
- Unsecured, considered good						
Other	3.08	261.75	264.83	-	151.84	151.84
- Doubtful						
Less : Allowance for bad and doubtful loans	-	17.50	17.50	-	31.30	31.30
<b>Total (B)</b>	<b>3.08</b>	<b>690.62</b>	<b>693.70</b>	<b>-</b>	<b>562.25</b>	<b>562.25</b>
c) Other Loans & Advances						
- Unsecured, considered good						
Employees	-	1.87	1.87	-	2.49	2.49
<b>Total (C)</b>	<b>-</b>	<b>1.87</b>	<b>1.87</b>	<b>-</b>	<b>2.49</b>	<b>2.49</b>
<b>Grand Total</b>	<b>3.08</b>	<b>1,260.43</b>	<b>1,263.51</b>	<b>-</b>	<b>827.62</b>	<b>827.62</b>

\* Company supported loan of Rs. 5 Crs to Great Town India Private Limited in Aug 2017 and company has taken possession over the premises.

## Notes forming part of the Consolidated Financial Statements

### 9. Other Non-current and Current Assets

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-Current</b>		
(a) Capital Advances		
(i) For land	4,759.25	4,859.82
(ii) For Building	35.50	35.50
(iii) For Plant & Machinery	-	-
(iv) For Others	27.62	9.43
(b) Balances with government authorities	340.08	390.10
(c) Others	-	-
(i) Prepaid expenses	-	-
(ii) Pre operative expense	5.17	-
(iii) Others	20.89	-
<b>Total</b>	<b>5,188.51</b>	<b>5,294.85</b>
<b>Current</b>		
(a) Advances to suppliers		
(i) For Related Party	281.24	-
(ii) For Others	701.90	699.60
(b) Capital advance		
(i) For Plant & Machinery	135.34	-
(ii) For Software	4.36	-
(iii) For Others	822.86	-
(c) Advances to Related Parties		
Kurlon Limited	-	(0.00)
Kurlon Retail Limited	-	(0.00)
Metropolis Builders Limited	-	30.00
General Investment & Commercial Corporation Ltd	-	582.82
Manipal Advertising Services Private Limited	-	348.32
(d) Advances to employees	26.07	36.51
(e) Balances with government authorities	272.85	477.57
(f) Others		
Balance With Revenue Authorities	-	30.50
Other Loans and Advances	-	16.29
Prepaid expenses	365.17	343.05
Prepaid rent	-	-
Insurance Claim	120.38	155.10
Gratuity fund	-	85.22
Leave Encashment Fund	114.39	72.75
Rent Receivable	10.24	67.91
Interest Receivable	22.86	-
<b>Total</b>	<b>2,877.64</b>	<b>2,945.66</b>

Capital advance to Maha Rashtra Apex Corporation Ltd (Related Party) includes:

(a) 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.

(b) 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.

## Notes forming part of the Consolidated Financial Statements

### 10. Inventories

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
(a) Raw materials	5,196.22	4,429.89
- Goods in transit	-	10.75
(b) Work-in-progress	2,085.23	2,026.40
(c) Finished goods (net of provision)*	3,866.87	4,655.47
- Goods in transit	30.70	61.44
(d) Stock-in-trade	1,140.81	1,872.26
- Goods in transit	-	-
(e) Stores and spares	657.65	719.33
<b>Total Inventories at lower of Cost and Net Realisable Value (NRV)</b>	<b>12,977.48</b>	<b>13,775.53</b>

\* The carrying value of inventory as reflected above is net of provision for aged/slow moving stock of Rs. 845.38 Lakhs (Rs. 533.70 Lakhs during FY 19-20)

### 11. Cash and Cash equivalents

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
<b>Cash and Cash Equivalents</b>		
(a) Balances with Banks	297.33	403.89
(b) Cheques, Drafts on hand	-	140.09
(c) Cash on Hand	9.79	45.65
(d) Others		
In deposit Accounts	5,562.19	985.90
<b>Total</b>	<b>5,869.31</b>	<b>1,575.53</b>
<b>Other Bank Balance</b>		
(a) Earmarked balances with banks (refer note below)	143.25	140.49
(b) Unpaid dividend	8.55	0.80
<b>Total</b>	<b>151.80</b>	<b>141.29</b>

**Note :** 1) Deposits receipts pledged with banks for obtaining Letter of Credit, Bank guarantee facilities and Corporate Credit card facilities.

## Notes forming part of the Consolidated Financial Statements

### 12. Equity Share Capital

Particulars	(₹ in Lakh)		(₹ in Lakh)	
	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)
<b>Authorised :</b>				
Equity shares of Rs. 5/- each with voting rights	3,50,00,000	3,500.00	3,50,00,000	3,500.00
<b>Issued, Subscribed and fully Paid :</b>				
Equity shares of Rs. 5/- each with voting rights	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	(₹ in Lakh)		(₹ in Lakh)	
	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Value (₹ in Lakhs)	No. of shares	Value (₹ in Lakhs)
<b>Equity Shares</b>				
At the beginning of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26
Fully paid shares allotted during the year				
Bonus issue	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,48,82,605</b>	<b>1,488.26</b>	<b>1,48,82,605</b>	<b>1,488.26</b>

### (ii) Terms/Rights attached to Equity Shares

a. The company has only one class of equity shares having a par value of ₹ 10/- each (March 31,2019-Rs. 10/- each) per share. Each holder of equity shares is entitled to one vote per share.

b. 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:

Class of shares / Name of Shareholder	(₹ in Lakh)		(₹ in Lakh)	
	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Equity shares of Rs. 5/- each with voting rights				
Manipal Holding Private Limited	71,83,919	48.20	71,83,919	48.20
Maharashtra Apex Corporation Limited	56,93,020	38.25	56,93,020	38.25

## Notes forming part of the Consolidated Financial Statements

### 13. Other equity

Particulars	As at March 31, 2021		As at March 31, 2020	
	(₹ in Lakh)			
<b>Securities Premium</b>				
Balance at the beginning of the year	12,382.46		12,382.46	
Amounts received (on issue of shares) excl the par value has been classified as securities premium.				
Spring Air Adjustment on April 1, 2018	-		-	
Other adjustment in share premium	-		-	
<b>Closing balance</b>	<b>12,382.46</b>		<b>12,382.46</b>	
<b>Share suspense account</b>				
Balance at the beginning of the year	2,950.15		2,950.15	
Shares to be issued pursuant to approved scheme	-		-	
121,735 equity shares and 48,127 equity shares of Rs. 5/- each fully paid upto 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	-		-	
<b>Closing balance</b>	<b>2,950.15</b>		<b>2,950.15</b>	
<b>General Reserve</b>				
Balance at the beginning of the year	4,750.54		4,750.54	
Add: Transfer from the Statement of Profit & Loss	-		-	
Less: Utilised during the year for issuing bonus shares	-		-	
<b>Closing balance</b>	<b>4,750.54</b>		<b>4,750.54</b>	
This represents appropriation of profit by the Company.				
<b>Retained Earnings</b>				
Balance at the beginning of the year	35,270.93		27,772.86	
Add: Transfer from the Statement of Profit & Loss	2,990.90		7,578.65	
Add: Transfer from Other Comprehensive Income (OCI)	61.87		43.46	
Add: Profit on Acquisition (KRL)	-		-	
Less: Transfer to general reserve	-		-	
Less: Share in profit of Non Controlling Interests	1,210.69			
Less: Dividend Paid	194.34		163.06	
Less: Tax on dividend	-		224.36	
Less: Reversal of tax liability (consequent to scheme of amalgamation, more fully described in Note No. 1)	-		-	
Add: Transfer of retained earnings	(8.49)		435.58	
Less: Retained earnings on RTU of previous year	-		172.19	
Spring Air Adjustment on April 1, 2018.	-		-	
<b>Closing balance</b>	<b>36,910.18</b>		<b>35,270.93</b>	
Capital Reserve	970.81		970.81	
Capital Reserve arising on Consolidation	60.97		57.14	
<b>Total</b>	<b>58,025.12</b>		<b>56,382.04</b>	

### 14. Non Current Borrowings

Particulars	As at March 31, 2021		As at March 31, 2020	
	(₹ in Lakh)			
<b>A. Secured Borrowings</b>				
(a) Term Loans	389.75		266.67	
(b) Foreign Currency Loans	-		-	
(c) Vehicle Loans	36.47		77.28	
<b>Total Secured Borrowings</b>	<b>426.22</b>		<b>343.95</b>	
<b>B. Unsecured Borrowings</b>				
From Other Parties (3)	500.00		-	
<b>Total Non Current Borrowings</b>	<b>926.22</b>		<b>343.95</b>	

Note: The term loan are secured by first charge on Specific Fixed assets. Vehicle loans are secured by hypothecation of specific vehicles.

## Notes forming part of the Consolidated Financial Statements

### 15. Current Borrowings

Particulars	As at March 31, 2021		As at March 31, 2020	
	(₹ in Lakh)			
<b>A. Secured Borrowings</b>				
Loans repayable on demand				
From Banks	844.28		1,216.90	
From Other Parties	984.71		495.82	
From other party - Buyers credit	-		-	
From Union Bank of India	7.25		-	
<b>Total Secured Borrowings</b>	<b>1,836.24</b>		<b>1,712.72</b>	
<b>B. Unsecured Borrowings</b>				
Loans from related parties	676.30		676.30	
<b>Total Current Borrowings</b>	<b>2,512.54</b>		<b>2,389.01</b>	

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, 2020	Financing Cash Flow	Non-cash changes	
			Foreign exchange movement	(₹ in Lakh)
				As at 31 March, 2021
Repayments to bank	1,216.90	(705.95)	-	510.95
Borrowing from bank	-	7.25	-	7.25
Term Loan (Taken over from DCB)	666.67	(333.33)	-	333.34
Term loan (Fresh Limits)	-	389.75	-	389.75
Vehicle Loans	77.28	(40.81)	-	36.47
Canara Bank Overdraft	-	984.71	-	984.71
Borrowings from Other Financial Institutions	495.82	(495.82)	-	-
Repayment to Other Parties	-	-	-	-
Loans from related parties	676.30	-	-	676.30
Others	-	500.00	-	500.00
<b>Total Borrowings</b>	<b>3,132.97</b>	<b>305.80</b>	<b>-</b>	<b>3,438.77</b>



Notes forming part of the Consolidated Financial Statements

## 16. Trade Payables

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
<b>Current</b>				
Total outstanding dues of micro enterprises and small enterprises (Refer Note 32)		340.16		649.57
Total outstanding dues of creditors other than micro enterprises and small enterprises		9,903.20		12,085.14
<b>Total</b>		<b>10,243.36</b>		<b>12,734.71</b>
<b>Non Current</b>				
Total outstanding dues of micro enterprises and small enterprises (Refer Note 32)		-		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		17.96		-
<b>Total</b>		<b>17.96</b>		<b>-</b>

## 17. Provisions

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Provisions for Warranty (refer note (i) below)	142.67	656.17	409.42	409.42
Provision others	-	-	4.38	-
<b>Total</b>	<b>142.67</b>	<b>656.17</b>	<b>413.80</b>	<b>409.42</b>

### (i) Movement in Provisions for warranty

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
Balance as at Beginning of the year		818.84		818.84
Additional provisions recognised		97.18		353.91
Amounts utilised during the year		117.18		353.91
<b>Balance as at end of the year</b>		<b>798.84</b>		<b>818.84</b>

## 18. Lease Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
<b>Non-Current</b>				
Lease Liabilities		3,673.04		4,533.28
<b>Total</b>		<b>3,673.04</b>		<b>4,533.28</b>
<b>Current</b>				
Lease Liabilities		210.40		662.62
<b>Total</b>		<b>210.40</b>		<b>662.62</b>

Notes forming part of the Consolidated Financial Statements

## 19. Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
<b>Other Financial Liabilities Measured at Amortised Cost</b>				
<b>Non-Current</b>				
Deposits received from Dealers		5,423.27		5,733.02
Deposits received from C & F Agent		46.01		57.00
Deposits-Transporters		9.25		12.25
Payables for capital supplies/services		-		-
Security Deposits for Operating Leases		55.24		55.74
Others		2.56		-
<b>Total</b>		<b>5,536.33</b>		<b>5,858.01</b>
<b>Current</b>				
Interest accrued on micro enterprises and small enterprises (Refer Note 33)		12.97		7.02
Unpaid dividend account		7.29		0.80
Current Maturities of Vehicle Loans*		40.81		37.40
Current Maturities of Term Loans		-		400.00
Gratuity Payable		17.22		-
Others		49.82		65.51
<b>Total</b>		<b>128.11</b>		<b>510.73</b>

\* Reflects the installments for borrowings falling due up to 31/03/2022.

## 20. Other Non Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
a. Advances received from Related Parties				
Kurlon Enterprise Limited		-		-
b. Advances received from customers		1.06		-
<b>Total</b>		<b>1.06</b>		<b>-</b>

## 21. Other Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
a. Capital Advance Liability		-		-
b. Advances received from customers		69.59		71.66
c. Advances received from Related Parties		-		-
d. Rent Deposit Received		0.35		-
e. Statutory dues				
- taxes payable (other than income taxes)		262.33		85.62
f. Gratuity Fund		9.01		10.50
g. Other payable		184.62		286.88
<b>Total</b>		<b>525.89</b>		<b>454.65</b>

## Notes forming part of the Consolidated Financial Statements

### 22.a Deferred Tax liabilities

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	396.15	822.44
Deferred tax liabilities	(3,892.42)	(3,195.53)
<b>Deferred tax liabilities (net)</b>	<b>(3,496.27)</b>	<b>(2,373.10)</b>

Deferred tax liabilities (net)	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Deferred tax liability		
Depreciation and amortisation	(2,886.90)	(2,867.66)
Right to Use Asset	(384.90)	(327.87)
Goodwill	(529.37)	-
MTM on Mutual Fund Investment	(90.55)	-
Others	(0.70)	-
<b>Gross deferred tax liability</b>	<b>(3,892.42)</b>	<b>(3,195.53)</b>

Deferred tax asset		
a) Employee benefits	-	-
b) Provision for doubtful debts	263.07	250.97
c) Provision for Warranty	-	206.10
d) 43B Disallowance	-	21.65
e) 35DD Income Tax Disallowance on Amalgamation expenses	20.79	20.99
f) Lease Liability-IND AS-116	112.29	322.73
g) Unabsorbed losses	-	-
Gross deferred tax asset	396.15	822.44
<b>Net deferred tax liability</b>	<b>(3,496.27)</b>	<b>(2,373.09)</b>

### 22.b Current Tax Liabilities (net)

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Provision for Taxation	11,991.05	11,709.37
Less: Advance tax	12,740.80	12,922.74
Less : MAT Credit Entitlement	659.84	(704.30)
<b>Total</b>	<b>(1,409.59)</b>	<b>(1,917.67)</b>

## Notes forming part of the Consolidated Financial Statements

### 23. Revenue from Operations

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products (refer note (i) & (iii))	79,894.09	1,02,254.59
Other operating revenue (refer note (ii))	1,173.88	2,271.20
Less: Schemes & Rebates	(4,237.49)	(8,352.75)
<b>Total</b>	<b>76,830.49</b>	<b>96,173.05</b>

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Sale of products		
Manufactured goods		
Rubberized Coir Mattresses, Cushions	14,283.23	31,200.80
Customised Foam	-	1,620.82
Foam and Foam Products	22,524.88	27,145.38
EPE Sheet	-	527.68
Sofa	1,693.36	2,370.08
Polyfibre Goods	3,024.07	2,645.09
Furniture	451.42	860.87
Foam Mattresses	20,157.71	24,838.41
Spring Mattresses	7,911.78	12,227.66
<b>Total - Sale of manufactured goods</b>	<b>70,046.46</b>	<b>1,03,436.79</b>
Traded goods		
Polyfibre Goods	465.61	744.55
Mattresses & Cushions	7,621.90	10,326.15
EPE Sheet & Foam, Others	448.77	353.79
Furniture	200.88	-
Soft Furnishing	582.68	1,090.86
Others	528.63	961.02
<b>Total - Sale of Traded Goods</b>	<b>9,848.48</b>	<b>13,476.37</b>
<b>Total - Sale of Products</b>	<b>79,894.93</b>	<b>1,16,913.16</b>

## Notes forming part of the Consolidated Financial Statements

Particulars	₹ in Lakh	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(ii) Other operating revenues:		
Sale of scrap	197.49	283.63
Others - Raw Materials	637.16	1,899.35
Others - Sale of Services	245.15	-
Other Operating Income	0.02	49.79
Revenue From Supply of Electricity	94.06	38.43
<b>Total - Other Operating Revenues</b>	<b>1,173.88</b>	<b>2,271.21</b>

### 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").

### 24. Other Income

Particulars	₹ in Lakh	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest Income, On Financial Assets at Amortised Cost		
Interest from banks on deposits	176.78	135.54
Interest on loans and advances to employees	0.46	66.29
<b>Interest Others</b>	<b>260.04</b>	<b>103.23</b>
(b) Dividend/Interest & FV on Mutual Fund Investments	458.90	292.84
(c) Sales Tax Subsidy	-	243.18
(d) Fair Value Gain on Investments (Net) - Shares *	337.53	-
(e) Dividend Income - Shares	0.50	-
(f) Sale of Agriculture Products	14.18	20.88
(g) Other non operating income		
Forex gain	2.77	-
Profit on sale of assets	60.16	29.59
Rental income	101.90	62.72
Miscellaneous Income	184.18	212.07
Liabilities no longer required, written back	-	36.44
Consultation Charges Received	30.10	-
Insurance claims	-	56.71
<b>Total</b>	<b>1,627.49</b>	<b>1,259.49</b>

## Notes forming part of the Consolidated Financial Statements

Particulars	₹ in Lakh	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>25.a Cost of Materials Consumed</b>		
Opening stock	4,429.89	4,623.76
Add: Purchases	37,068.59	46,720.60
	<b>41,498.48</b>	<b>51,344.36</b>
Less: Closing stock	5,196.22	4,429.89
<b>Cost of Materials Consumed</b>	<b>36,302.26</b>	<b>46,914.48</b>
Material consumed comprises:		
Latex	2,070.13	4,103.04
Coir	1,965.43	1,699.36
Spring Chasis, Foam, Cloth	-	956.11
Upholstery	4,612.48	6,795.92
Chemical & Clay	756.71	603.22
Foam Chemicals	22,314.43	22,266.83
RC Chemicals	1.07	59.89
Springs and Related Products	1,446.63	2,975.62
Furniture & Sofa	1,066.81	1,858.30
Packing Materials	1,589.43	3,413.98
Others	479.12	2,182.21
<b>Total</b>	<b>36,302.26</b>	<b>46,914.48</b>

### 25.b Purchase of stock-in-trade

Particulars	₹ in Lakh	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Poly Fibre Goods	469.67	-
Traded Mattresses	332.53	-
Furnishing Textiles & others	295.40	552.62
Furniture	128.10	136.24
<b>Total</b>	<b>1,225.70</b>	<b>688.86</b>

### 25.c Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Particulars	₹ in Lakh	
	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Inventories at the beginning of the year:</b>		
Finished goods	4,716.91	4,515.05
Work-in-progress	2,026.40	1,742.13
Stock-in-trade	1,872.26	1,873.59
	<b>8,615.58</b>	<b>8,130.77</b>
<b>Inventories at the end of the year:</b>		
Finished goods	3,897.57	4,716.91
Work-in-progress	2,085.23	2,026.40
Stock-in-trade	1,140.81	1,872.26
	<b>7,123.61</b>	<b>8,615.57</b>
Net (increase) / decrease	1,491.97	(484.79)



Notes forming part of the Consolidated Financial Statements

## 26. Employee Benefits Expense

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Salaries and wages	6,274.41	7,823.40
(b) Contribution to provident and other funds	526.70	561.26
(c) Staff welfare expenses	233.16	486.87
<b>Total</b>	<b>7,034.27</b>	<b>8,871.54</b>

## 27. Finance Cost

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest Expense	119.38	251.35
(b) Interest under IND AS 116	334.79	460.97
(c) Customer Financing Cost	90.78	187.52
(d) Other borrowing Cost	52.36	154.00
(e) Processing Charges	0.52	-
<b>Total</b>	<b>597.84</b>	<b>1,053.85</b>

## 28. Depreciation and Amortisation Expense

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation for the year on property, plant and equipment	2,547.19	2,379.34
Amortization for the year on intangible assets	146.14	141.14
Depreciation on RTU Asset	1,038.49	1,367.69
<b>Total</b>	<b>3,731.82</b>	<b>3,888.17</b>

Notes forming part of the Consolidated Financial Statements

## 29. Other Expenses

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Stores and spares consumed	355.17	612.70
Power & Fuel oil consumed	961.19	1,570.62
Freight and handling charges	4,706.51	7,269.87
Rent including lease rentals	964.31	1,187.84
Repairs and maintenance - Buildings	16.29	60.41
Repairs and maintenance - Machinery	142.01	156.97
Repairs and maintenance - Others	445.02	352.64
Water charges	19.81	28.63
Tailoring & Fabrication	3,493.18	4,529.28
Rates and taxes	249.53	296.92
Expenditure on corporate social responsibility (CSR) (Refer note 35)	273.72	260.11
Insurance charges	330.80	317.16
Forex loss (net)	1.88	72.16
Watch and ward Charges	626.15	660.18
Donation Expenses	-	2.48
Postage & Telephone	80.38	197.14
Payment to Auditor (Refer note below)	74.66	81.52
Advertisement, Promotion & Selling Expenses	3,454.71	4,014.66
Travelling Expenses	323.53	1,253.60
Printing and stationery	20.20	112.69
Legal and professional	3,059.21	2,500.45
Director Sitting Fees	3.38	2.99
Loss on Fixed Assets Sold	297.87	38.76
Deputation of Staff & Reimbursement of Expenses	-	-
Sundry Creditors written off	13.14	-
Bad debts written off	37.54	36.38
Deposit written off	22.75	-
Provision for doubtful trade receivables (net)	250.97	568.86
Provision for Inventory	-	(167.07)
Fair Value of Investments	-	0.92
Provision for Warranty	97.18	353.91
Miscellaneous Expenses	215.24	558.91
<b>Total</b>	<b>20,536.32</b>	<b>26,931.71</b>

## Notes forming part of the Consolidated Financial Statements

Note	(₹ in Lakh)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Payment to Auditor</b>		
<b>As Auditor :</b>		
- For Statutory audit	65.43	73.89
- For Tax audit	6.50	4.70
- For Reimbursement of expenses	1.49	2.02
- Other Expenses	1.23	0.91
<b>Total</b>	<b>74.66</b>	<b>81.52</b>

### 30. Tax Expense

Particulars	(₹ in Lakh)	
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>a) Current income tax</b>		
In respect of current year	1,837.95	2,713.06
In respect of earlier years	(3.34)	-
<b>b) Deferred tax</b>		
In respect of current year	1,123.18	(461.14)
<b>Total</b>	<b>2,957.78</b>	<b>2,251.92</b>

### 31. Earnings per share has been computed as under:

Earnings per share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after Tax (Rs. in Lakhs)	2,582.21	7,609.35
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 (Rs.)	17.35	51.13
Earnings per share - Diluted (Rs.)	16.41	48.37
Face Value of Equity Shares (Rs.)	5/-	5/-

### Note

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
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

## Notes forming part of the Consolidated Financial Statements

### 32. 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).

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, 2020, which is 8.00% 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

Particulars	(₹ in Lakh)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation Expenditure (Amount In INR)	945.60	1,367.88
Finance Cost on Lease Liabilities (Amount In INR)	334.79	460.97
<b>Impact on the statement of profit and loss for the year ended March 31, 2020</b>	<b>1,280.39</b>	<b>1,828.85</b>

### 33. Contingent Liabilities

Particulars	(₹ in Lakh)	
Particulars	As at March 31, 2021	As at March 31, 2020
a) Claims against the Company not acknowledged as debt		
i. Disputed demands under appeal not provided - Sales Tax matter	7227.93	3,270.03
<b>Total</b>	<b>7,227.93</b>	<b>3,270.03</b>

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 Subsidiaries has received a demand on 09 December 2014 for Rs. 2212.12 lakhs, against which Rs. 771.94 Lakhs (PY Rs. 771.94 Lakhs) has been paid under protest, and Personal Penalty of Rs. 200.00 lakhs on Mr. T. Sudhakar Pai, Mr. Khushroo F Engineer and Mr. M. S. Kamath from the Commissioner of Central

## Notes forming part of the Consolidated Financial Statements

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.

### 34. Commitments

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Capital commitments (net of Advances)	853.72	133.80
<b>Total</b>	<b>853.72</b>	<b>133.80</b>

### 35. 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

a) The revenue from major products and services of the Group are as in Note 19(I) to the financial statements.

b) Geographical segment information: Separate geographical segment information has not been disclosed as more than 99% of the Revenue is in the domestic market.

c) Revenue from none of the customer group exceeds 10% of total revenue arising from sale of products & services.

### 36. 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, 2021 and March 31, 2020 has been made in the financial statements based on information received and available with the Group.

## Notes forming part of the Consolidated Financial Statements

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) The principal amount remaining unpaid to any supplier at the end of each accounting year;	344.17	614.17
(ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	12.97	45.22
(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	-	-

### 37. 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.

Particulars	(₹ in Lakh)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross Amount required to be spent by the company as per Section 135 of the act	250.01	251.36
Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) on purpose other than (i) above	273.72	260.11



## Notes forming part of the Consolidated Financial Statements

## Notes forming part of the Consolidated Financial Statements

### 38. Related party disclosures

#### List of Related Parties and Relationships

Relationship	Related Parties
Enterprises owned or significantly influenced by Key Management Personnel / Directors and their relatives	Alpasara Finvest Advisory Care Private Limited
	General Investment & Commercial Corporation Limited
	Maha Rashtra Apex Corporation Limited
	Manipal Stock & Share Brokers Limited
	Manipal Holdings Private Limited
	Jayamahar Trade and Investments Private Limited
	Home Komfort Retail LLP
	Manipal Advertising Services Private Limited
	Manipal Home Finance Limited
	Metropolis Builders Private Limited
	Jai Bharath Mills Private Limited
	Manipal HR Solutions LLP
	Manipal Ventures LLP
	Deepa Jyothi Trading and Services Private Limited
	Jitendra Harjivandas Securities Private Limited
	Manipal Travels Private Limited
	Manipal Medi Records Private Limited
	Searock Shipping Private Limited
	Starship Global VCT LLP
	Manipal Nutraceutical Private Limited
Manipal Academy of Health and Education	
Key Management Personnel and their relatives	Mr. T. Sudhakar Pai, Managing Director
	Ms. Jaya S. Pai, Director
	Ms. Deepa Sudhakar Pai, Director
	Ms. Jyothi Ashish Pradhan, Director
	Mr. Ashish V. Pradhan, Director (from 10.11.2020 - MASEC) (from 01.09.2020 - MNPL)
	Mr. Narendra Kudva, Alternate Director
	Mr. Monu Kumar, Company Secretary
	Ms. Veena S. Hulloli, Company Secretary (w.e.f 08/02/2021)
	Mr. Ritesh Shroff, Chief Financial Officer
	Mr. N. Srinivasa Ulloor, Chief Financial Officer (w.e.f 01.06.2020)

### b) Related Party Transactions

(₹ in Lakh)

Particulars	Key Management personnel and their Relatives		Subsidiary Companies		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
<b>Transactions during the year</b>								
<b>Remuneration :</b>								
T. Sudhakar Pai	257.26	442.51	-	-	-	-	257.26	442.51
Shambhu Kumar Bhotika	-	9.09	-	-	-	-	-	9.09
N. Srinivasa Ulloor	3.90	-	-	-	-	-	3.90	-
Jyothi Pradhan	44.67	-	-	-	-	-	44.67	-
Ritesh Shroff	48.05	37.06	-	-	-	-	48.05	37.06
Monu Kumar	10.33	6.54	-	-	-	-	10.33	6.54
Veena Hulloli	1.86	-	-	-	-	-	1.86	-
Ashish Pradhan	8.28	-	-	-	-	-	8.28	-
<b>Sitting Fee paid</b>								
Nitin G. Khot	0.65	0.92	-	-	-	-	0.65	0.92
S. Ananthanarayanan	0.91	1.18	-	-	-	-	0.91	1.18
Jaya S. Pai	1.02	0.89	-	-	-	-	1.02	0.89
<b>Rental Income :</b>								
Manipal Home Finance	-	-	-	-	0.51	0.30	0.51	0.30
<b>Rent Paid</b>								
Jayamahar Trade and Investments Private Limited	-	-	-	-	18.25	24.65	18.25	24.65
Metropolis Builders Private Limited	-	-	-	-	23.57	25.42	23.57	25.42
Jai Bharat Mills Private Limited	-	-	-	-	6.00	6.00	6.00	6.00
Maharashtra Apex Corporation Ltd	-	-	-	-	9.63	10.80	9.63	10.80
<b>Interest Received / (Paid)</b>								
General Investment & Commercial Corporation Ltd	-	-	-	-	12.85	-	12.85	-
Manipal Academy of Health and Education	-	-	-	-	18.20	-	18.20	-
Manipal Nutraceutical Private Limited	-	-	-	-	0.63	-	0.63	-
<b>Professional and Other Charges</b>								
SGVCT LLP	-	-	-	-	1,834.08	-	1,834.08	-
Home Komfort Retail LLP	-	-	-	-	178.00	-	178.00	-
Manipal Software & E-Commerce Private Limited	-	-	-	-	25.36	-	25.36	-
<b>Other Income</b>								
Maha Rashtra Apex Corporation Limited	-	-	-	-	-	4.75	-	4.75
SGVCT LLP	-	-	-	-	3.05	-	3.05	-
<b>Advertisement Expenses</b>								
Manipal Advertising Services Private Limited	-	-	-	-	1,187.51	1,497.33	1,187.51	1,497.33
<b>Travelling Expenses</b>								
Manipal Travels (India) Private Limited	-	-	-	-	38.84	141.59	38.84	141.59
<b>Interest Paid on Unsecured Loan</b>								
Jaya S. Pai	55.80	65.37	-	-	-	-	55.80	65.37
<b>Advance Paid :</b>								
Maharashtra Apex Corporation Ltd	-	-	-	-	1.02	70.46	1.02	70.46
Alpasara Finvest Advisory Care Private Limited	-	-	-	-	5.59	-	5.59	-
Manipal Nutraceutical Private Limited	-	-	-	-	26.97	-	26.97	-
Manipal Academy of Health and Education	-	-	-	-	367.00	-	367.00	-
General Investment & Commercial Corporation Ltd	-	-	-	-	14.88	-	14.88	-
<b>Advance Received/(Repaid) :</b>								
General Investment & Commercial Corporation Ltd	-	-	-	-	(138.50)	-	(138.50)	-

## Notes forming part of the Consolidated Financial Statements

Particulars	Key Management personnel and their Relatives		Subsidiary Companies		Enterprises owned or significantly influenced by key Management Personnel / Directors and their relatives		Total	
	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20	31.03.21	31.03.20
<b>Transactions during the year</b>								
Maharashtra Apex Corporation Ltd	-	-	-	-	-	(15.00)	-	(15.00)
<b>Sales :</b>								
Starship Global VCT LLP	-	-	-	-	35.92	-	35.92	-
Home Komfort Retail LLP	-	-	-	-	741.01	-	741.01	-
Manipal Advertising Services Private Limited	-	-	-	-	0.19	-	0.19	-
<b>Purchases :</b>								
Manipal Advertising Services Private Limited	-	-	-	-	3.96	-	3.96	-
Manipal Travels Private Limited	-	-	-	-	0.51	-	0.51	-
Starship Global VCT LLP	-	-	-	-	2.95	-	2.95	-
Home Komfort Retail LLP	-	-	-	-	3.39	-	3.39	-
<b>Repayment of Loan</b>								
Jaya S. Pai	-	20.00	-	-	-	-	-	20.00
<b>Debit Note / (Credit Note)</b>								
General Investment & Commercial Corporation Ltd	-	-	-	-	0.18	-	0.18	-
Maharashtra Apex Corporation Ltd	-	-	-	-	0.48	-	0.48	-
Manipal Advertising Services Private Limited	-	-	-	-	0.93	-	0.93	-
Jitendra Harjivandas Securities Private Limited	-	-	-	-	0.19	-	0.19	-
Manipal Travels Private Limited	-	-	-	-	0.08	-	0.08	-
Starship Global VCT LLP	-	-	-	-	4.04	-	4.04	-
<b>Amounts Recoverable :</b>								
Maharashtra Apex Corporation Ltd	-	-	-	-	4,573.37	4,572.35	4,573.37	4,572.35
Alapasara Finvest Care Advisory Pvt Ltd	-	-	-	-	108.63	108.04	108.63	108.04
General Investment & Commercial Corporation Ltd	-	-	-	-	48.11	159.85	48.11	159.85
Starship Global VCT LLP	-	-	-	-	187.43	-	187.43	-
Manipal Advertising Services Private Limited	-	-	-	-	-	348.32	-	348.32
Manipal Nutraceutical Private Limited	-	-	-	-	27.53	-	27.53	-
Manipal Academy of Health & Education	-	-	-	-	383.67	-	383.67	-
Home Komfort Retail LLP	-	-	-	-	74.32	-	74.32	-
<b>Amounts Payable :</b>								
Jayamahar Trade and Investments Private Limited	-	-	-	-	-	1.88	-	1.88
Metropolis Builders Private Limited	-	-	-	-	-	2.32	-	2.32
Jai Bharat Mills Private Limited	-	-	-	-	15.85	12.90	15.85	12.90
Manipal Travels (India) Private Limited	-	-	-	-	6.43	3.71	6.43	3.71
Manipal Advertising Services Pvt. Ltd.	-	-	-	-	45.30	-	45.30	-
Maharashtra Apex Corporation Ltd	-	-	-	-	1.03	0.81	1.03	0.81
<b>Unsecured Loans payable</b>								
Jaya S. Pai	676.30	676.30	-	-	-	-	676.30	676.30
<b>Rent Deposit</b>								
Maharashtra Apex Corporation Ltd	-	-	-	-	15.00	15.00	15.00	15.00
Metropolis Builders Private Limited	-	-	-	-	30.00	30.00	30.00	30.00
Jayamahar Trade and Investments Private Limited	-	-	-	-	9.00	9.00	9.00	9.00
Jai Bharat Mills Private Limited	-	-	-	-	30.00	30.00	30.00	30.00
<b>Dividend Received</b>								
General Investment & Commercial Corporation Ltd	-	-	-	-	0.50	-	0.50	-

## Notes forming part of the Consolidated Financial Statements

### 39. 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.

Particulars	As at March 31, 2021		As at March 31, 2020	
Total equity attributable to the equity shareholders of the company	59,513.38		57,870.30	
As a percentage of total capital	95%		95%	
Current borrowings	2,512.54		2,389.01	
Non-current borrowings	926.22		343.95	
Total borrowings	3,438.76		2,732.96	
As a percentage of total capital	5%		5%	
<b>Total Capital</b>	<b>62,952.15</b>		<b>60,603.26</b>	

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:

Particulars	Carrying amount		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>				
<b>a) Measured at fair value through Profit and Loss</b>				
<b>Current assets</b>				
- Investments	11,131.71	9,475.60	11,131.71	9,475.60
<b>Non-current assets</b>				
- Investments	1.30	0.65	1.30	0.65
<b>b) Measured at Amortised Cost</b>				
<b>Non-current assets</b>				
- Investments	574.07	574.08	574.07	574.08
- Loans	1,260.43	827.63	1,260.43	827.63
- Other Financial Assets	1,473.92	1,667.08	1,473.92	1,667.08
- Trade Receivables	1.52	-	1.52	-

## Notes forming part of the Consolidated Financial Statements

Particulars	(₹ in Lakh)			
	Carrying amount		Fair value	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Current assets</b>				
- Investments	-	2,000.00	-	2,000.00
- Loans	3.08	-	3.08	-
- Trade receivables	4,968.82	6,645.77	4,968.82	6,645.77
- Cash and cash equivalents	5,869.31	1,575.53	5,869.31	1,575.53
- Other Bank Balances	151.80	141.29	151.80	141.29
- Other Financial Assets	265.78	36.18	265.78	36.18
<b>Total</b>	<b>25,701.74</b>	<b>22,943.80</b>	<b>25,701.74</b>	<b>22,943.80</b>
<b>Financial Liabilities</b>				
<b>a) Measured at fair value through Profit and Loss</b>				
<b>Non Current liabilities</b>				
- Lease Liabilities	3,673.04	4,533.28	3,673.04	4,533.28
<b>Current liabilities</b>				
- Lease Liabilities	210.40	662.62	210.40	662.62
<b>b) Measured at Amortised Cost</b>				
- Other Financials liabilities	5,536.33	5,858.01	5,536.33	5,858.01
<b>Non Current liabilities</b>				
- Borrowings	926.22	343.95	926.22	343.95
- Trade payables	17.96	-	17.96	-
<b>Current liabilities</b>				
- Borrowings	2,512.54	2,389.01	2,512.54	2,389.01
- Trade payables	10,243.36	12,734.71	10,243.36	12,734.71
- Other financial liabilities	128.11	510.73	128.11	510.73
<b>Total</b>	<b>23,247.97</b>	<b>27,032.31</b>	<b>23,247.97</b>	<b>27,032.31</b>

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

## Notes forming part of the Consolidated Financial Statements

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, 2021.

### j) 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:

Foreign Currency (FC)	Currency Symbol	(₹ in Lakh)			
		As at March 31, 2021		As at March 31, 2020	
		FC	INR	FC	INR
<b>Liabilities</b>					
<b>Trade Payables</b>					
United States Dollar	\$	3,74,885.48	277.58	5,72,958.48	431.75
Euro	€	29,996.68	24.84	3,000.00	1.49
CHF	CHF	-	-	5,555.56	4.37
Buyer's Credit	\$	-	-	-	-
<b>Advance From Customers</b>					
United States Dollar	\$	30,358.67	21.82	-	-
<b>Assets</b>					
<b>Advance to Vendor</b>					
United States Dollar	\$	29,027.30	21.14	94,335.14	69.23
Euro	€	39,809.70	32.49	26,669.62	20.83
Trade Receivables-United States Dollar	\$	57,224.26	40.06	34,911.54	24.39
<b>Net Liability (in INR)</b>			<b>230.55</b>		<b>323.15</b>



## Notes forming part of the Consolidated Financial Statements

### Sensitivity

Particulars	(₹ in Lakh)			
	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Profit before tax	Increase / (Decrease) in Equity	Increase / (Decrease) in Equity
	31-03-2021	31-03-2020	31-03-2021	31-03-2020
5% Increase in all the foreign currencies	11.53	16.16	8.63	10.51
5% Decrease in all the foreign currencies	(11.53)	(16.16)	(8.63)	(10.51)

### 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:

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
<b>Fixed-rate instruments</b>		
<b>Financial assets</b>		
Balance with banks held in deposit account	5,705.44	1,126.39
<b>Financial liabilities</b>		
Borrowings from other parties	1,484.71	495.82
<b>Variable-rate instruments</b>		
<b>Financial liabilities</b>		
Borrowings from bank & other parties	1,241.28	1,216.90
Borrowings from related parties	676.30	676.30

### 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. 5.85 Lakhs (Previous year: Rs. 0.58 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.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method

## Notes forming part of the Consolidated Financial Statements

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, 2021 is the carrying amounts which are given below. Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Group.

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
<b>Non-current assets</b>		
- Investments	574.07	574.08
- Loans	1,260.43	827.63
- Other Financial Assets	1,473.92	1,667.08
- Trade Receivables	1.52	-
<b>Current assets</b>		
- Investments	11,131.71	11,475.60
- Loans	3.08	-
- Trade receivables	4,968.82	6,645.77
- Cash and cash equivalents	5,869.31	1,575.53
- Other Bank Balances	151.80	141.29
- Other Financial Assets	265.78	36.18
<b>Total</b>	<b>25,700.44</b>	<b>22,943.16</b>

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

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

Particulars	(₹ in Lakh)	
	As at March 31, 2021	As at March 31, 2020
Not Due		
Due from 0 to 180 days	5,379.46	6,763.32
Due for more than 180 days	634.53	879.52
Less: Loss Allowance	(1,045.17)	(997.08)
<b>Total</b>	<b>4,968.82</b>	<b>6,645.77</b>

### (c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of

short term bank deposits, short term investments and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be very low.

## Notes 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:

Particulars	Carrying Value	Maturity Profile	
		Less than 1 year	1 to 5 years
(₹ in Lakh)			
<b>As at March 31, 2021</b>			
Borrowings	3,438.76	1,568.64	1,870.13
Lease Liabilities	3,883.44	210.40	3,673.04
Trade payables	10,570.73	10,552.77	17.96
Other non-current financial liabilities	5,536.33	-	5,536.33
Other current financial liabilities	128.11	128.11	-
<b>Total</b>	<b>23,557.37</b>	<b>12,459.92</b>	<b>11,097.46</b>
<b>As at March 31, 2020</b>			
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	-
<b>Total</b>	<b>27,032.31</b>	<b>16,641.02</b>	<b>10,391.29</b>

### 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.

### Disclosures of fair value measurement hierarchy for financial instruments are given below: (₹ in Lakh)

Particulars	Carrying amount / Fair value					
	As at March 31, 2021			As at March 31, 2020		
	L-1	L-2	L-3	L-1	L-2	L-3
<b>Financial assets</b>						
<b>Carrying amounts / fair value:</b>						
<b>a) Measured at fair value through Profit and loss/ Other Comprehensive income</b>						
<b>Current assets</b>						
- Investments	11,131.71	-	-	9,475.60	-	-
<b>Non Current Assets</b>						
- Investments	1.30	-	-	0.65	-	-

## Notes forming part of the Consolidated Financial Statements

Particulars	Carrying amount/Fair value					
	As at March 31, 2021			As at March 31, 2020		
	L-1	L-2	L-3	L-1	L-2	L-3
<b>b) Measured at Amortised Cost</b>						
<b>Non Current Assets</b>						
- Investments	-	-	572.77	-	-	573.43
- Loans	-	-	1,260.43	-	-	827.63
- Other Financial Assets	-	-	1,473.92	-	-	1,667.08
- Trade Receivables	-	-	1.52	-	-	-
<b>Current assets</b>						
- Investments	-	-	-	-	-	2,000.00
- Trade receivables	-	-	4,968.82	-	-	6,645.77
- Cash and cash equivalents	-	-	6,021.11	-	-	1,716.82
- Other Financial Assets	-	-	265.78	-	-	36.18
<b>Total</b>	<b>11,133.01</b>	<b>-</b>	<b>14,564.35</b>	<b>9,476.25</b>	<b>-</b>	<b>13,466.91</b>
<b>Financial liabilities</b>						
<b>Carrying amounts/fair value:</b>						
<b>a) Measured at amortised cost</b>						
<b>Non Current liabilities</b>						
- Lease Liabilities	-	-	3,673.04	-	-	4,533.28
- Other Financials liabilities	-	-	5,536.33	-	-	5,858.01
- Borrowings	-	-	926.22	-	-	-
- Trade payables	-	-	17.96	-	-	-
<b>Current liabilities</b>						
- Borrowings	-	-	2,512.54	-	-	2,389.01
- Lease Liabilities	-	-	210.40	-	-	662.62
- Trade payables	-	-	10,243.36	-	-	12,734.71
- Other current financial liabilities	-	-	128.11	-	-	510.73
<b>Total</b>	<b>-</b>	<b>-</b>	<b>23,247.97</b>	<b>-</b>	<b>-</b>	<b>26,688.36</b>

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 Lakh)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial liabilities:</b>				
Borrowings	3,438.76	3,438.76	2,389.01	2,389.01

## Notes forming part of the Consolidated Financial Statements

### 40. 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 Group 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. This policy has since

been removed w.e.f 01st April 2021. Hence, there would be no future payoff's that would fall due under this policy.

#### (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 Rs. 292.05 lakhs (Previous Year: Rs. 320.62 lakhs) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	(₹ in Lakh)	
	Year ended March 31, 2021	Year ended March 31, 2020
Employer's contribution towards Provident Fund (PF)	287.71	282.33
Employer's contribution towards ESIC	4.34	38.29
Employer's contribution to Superannuation Fund	(0.02)	1.63

#### (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:

Particulars	(₹ in Lakh)			
	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Present Value of Defined Benefit Obligation at the beginning of year	655.14	535.34	-	588.79
Interest cost	36.30	34.52	-	36.11
Current Service Cost	60.25	68.67	-	147.68
Past Service Cost	-	-	-	-
Benefit Paid	(196.82)	(14.30)	-	(71.42)
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	-	7.20	-	17.85
Actuarial (Gain) / Loss arising from Change in Financial Assumptions	(3.26)	28.92	-	34.64
Actuarial (Gain) / Loss arising from Changes in Experience Adjustments	49.42	(18.19)	-	182.75
<b>Present value of the Defined Benefit Obligation at the end of year</b>	<b>601.03</b>	<b>642.16</b>	<b>-</b>	<b>936.40</b>

## Notes forming part of the Consolidated Financial Statements

### ii. Net Defined Benefit recognized in the Statement of Profit and Loss.

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	60.25	68.67	-	147.68
Past Service Cost	-	-	-	-
Interest cost	36.30	34.52	-	36.11
Interest income on plan asset	(41.91)	(41.15)	-	(61.23)
Other Cost	0.54	-	-	-
<b>Net Defined Benefit recognized in Statement of Profit and Loss</b>	<b>54.64</b>	<b>62.04</b>	<b>-</b>	<b>122.56</b>

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

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Present value of Defined Benefit obligation at the end of the year	601.03	642.17	-	936.40
Fair value of plan assets	565.54	662.61	-	951.12
<b>Net Defined Benefit recognized in the Balance Sheet</b>	<b>(35.50)</b>	<b>20.44</b>	<b>-</b>	<b>14.72</b>

### iv. Recognized in Other Comprehensive Income.

(₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (Gain) / Loss arising from Change in Demographic Assumptions	-	7.20	-	17.85
Actuarial (Gain) / Loss on arising from Change in Financial Assumption	(3.26)	28.92	-	34.64
Actuarial (Gain) / Loss on arising from Changes in Experience Adjustments	49.42	(18.19)	-	182.75
Return on Plan Assets (Greater) / Less than Discount rate	21.74	40.70	-	25.10
<b>Net actuarial Loss</b>	<b>46.16</b>	<b>17.92</b>	<b>-</b>	<b>235.24</b>



## Notes forming part of the Consolidated Financial Statements

### v. Sensitivity Analysis\*

a) Impact of the change in the discount rate (₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Present value of the Defined Benefit Obligation at the end of year	601.03	642.17	-	936.40
a) Impact due to increase of 1% (PY 0.50%)	556.93	596.44	-	862.64
b) Impact due to decrease of 1% (PY 0.50%)	651.73	694.58	-	1,022.56

b) Impact of the change in the salary increase (₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Present value of the Defined Benefit Obligation at the end of year	601.03	642.17	-	936.38
a) Impact due to increase of 1% (PY 0.50%)	647.92	693.55	-	1,018.03
b) Impact due to decrease of 1% (PY 0.50%)	559.70	596.68	-	865.50

\*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 Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
0 to 1 year	57.76	37.41	-	155.56
1 to 2 Year	37.17	55.86	-	84.44
2 to 3 Year	42.69	42.17	-	70.80
3 to 4 Year	44.99	43.17	-	67.54
4 to 5 Year	43.20	46.11	-	59.52
5 to 6 Year	148.16	46.77	-	59.02
6 Year onwards	227.06	370.68	-	439.51

vii. Expected contribution for the next Annual reporting period (₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Service Cost	60.25	68.67	-	139.89
Net Interest Cost	(5.61)	(6.63)	-	(24.26)
Expected Expense for the next annual reporting period	74.37	38.65	-	133.68

## Notes forming part of the Consolidated Financial Statements

### viii. Actuarial Assumptions :

Principal assumptions used for actuarial valuation are: (₹ in Lakh)

Particulars	Gratuity		Leave Encashment	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Method used</b>	<b>Projected unit credit method</b>			
Discount rate	7.15%	6.86%	NA	6.86%
Salary Escalation	10.00% TA & 7.00%	10.00% TA & 7.00%	NA	10.00% TA & 7.00%
Mortality Rate	IALM (2012-14)	IALM (2012-14)	NA	IALM (2012-14)
Withdrawal rate up to 30/44 and above 44 years	10%	10%	NA	10%
Rate of return on plan assets	7.15%	6.86%	NA	6.86%

41. 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, 2021 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.

42. During April 2019, there was a fire accident in Gwalior factory of the Parent Company where the inventory, plant and machinery and the building amounting to Rs. 314.17 lakhs (being the book value) was destroyed. The Parent 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

Parent 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 Parent Company has accounted for an insurance claim receivable of Rs. 126.46 lakhs being the WDV of the plant and machinery. An amount of Rs. 93.16 lakhs received against Building on 31-08-2021, Rs. 82.46 lakhs received against Plant & Machinery on 03-07-2021 and Rs. 73.18 lakhs received against Inventory on 19-03-2021.

43. 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 Registration No. 007321S

**S. K. Subramanian**  
Partner  
Membership No. 205737  
UDIN : 21205737AAAAV6564

Place : Bengaluru  
Date : 29-10-2021

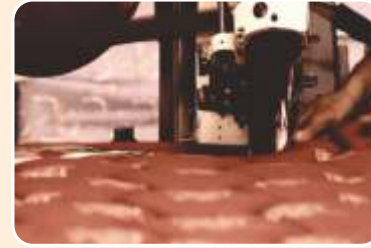
**T. Sudhakar Pai**  
Managing Director  
DIN : 00043298

**N. Srinivasa Ulloor**  
Chief Financial Officer

Place : Bengaluru  
Date : 29-10-2021

**Santhosh Kamath**  
Director  
DIN : 03268717

**Neha Lakhera**  
Company Secretary



## 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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