

INDEPENDENT AUDITOR'S REPORT

To the Members of Kurlon Enterprise Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Kurlon Enterprise Limited ("the Company"), which comprises the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with 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, 2025, and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon.

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

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

The Director's report has not been made available to us at the date of this auditor's report. We have nothing to report in this regard.



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Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.



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- (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 50 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (1) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 57 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the Note 57 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v. The Company has neither declared nor paid any dividend during the year.
 - vi. In regard to the accounting software

Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of



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recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year, has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year as explained in Note 73 to the financial statements.

In regard to the payroll software

Based on our examination which included test checks, the Company has used an additional software for maintaining its payroll, as explained in Note 73 to the financial statements. However, in the absence of sufficient and appropriate audit evidence, we are unable to comment on whether the statutory requirements for recording of audit trail and its retention prescribed under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 has been complied or not.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

Nipun Gupta

Nipun Gupta

Partner

Membership No. 502896

UDIN: 25502896BMMLFB6523



Place: Gurugram

Date: May 12, 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF KURLON ENTERPRISE LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Nipun Gupta

Nipun Gupta
Partner

Membership No. 502896
UDIN: 25502896BMMLFB6523



Place: Gurugram
Date: May 12, 2025

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KURLON ENTERPRISE LIMITED FOR THE YEAR ENDED MARCH 31, 2025

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, investment property and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the financial statements, are held in the name of the Company, except for the immovable properties acquired as part of the terms of share purchase agreement by and amongst Kurlon Enterprise Limited, Sheela Foam and Kanara Consumer Products Limited during the previous year. As explained to us, registration of title deed is in progress in respect of immovable property acquired during the previous year.

Description of Property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held - Indicate range, where appropriate	Reason for not being held in name of Company
Leasehold Land - Bhubaneshwar	₹ 11.43 crores	Kanara Consumer Products Limited	No	N.A.	The lease is in the name of the erstwhile holding company, Kanara Consumer Products Limited. Post change in ownership during the previous year (on October 20, 2023), the company is in the process of transferring the lease to its name.

- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.



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- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage and procedure of such verification is reasonable and appropriate. having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During any point of time of the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores rupees, in aggregate from Banks on the basis of security of current assets. Refer note 63 to the financial statements.

Based on the records examined by us in the normal course of audit of the financial statements, quarterly statements are filed with such banks are not in agreement with the books of accounts of the Company. Details of the same are as below.

(All amount in ₹ Crores)

Quarter Ended	Amount as per books of accounts	Amount as per quarterly statement	Discrepancy (give details)
June 2024	139.67	138.13	The Company has not considered some of the amounts in calculation of drawing power.
September 2024	113.44	91.72	
December 2024	101.03	96.31	
March 2025	55.61	57.73	

- iii. (a) According to the information explanation provided to us, the Company has made investment in, provided loans, advances in the nature of loans, or given guarantee, and/or provided security to other entities. The details of such investments, loans, guarantee or security to subsidiaries and others are as follows:

(All amount in ₹ Crores)

Particulars	Guarantees	Security	Loans (excluding interest)	Investments
Aggregate amount granted/provided during the year				
- Subsidiaries	-	-	0.02	-
- Others	-	-	-	-
Balance Outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	30.69	17.72
- Others	-	-	-	-

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, securities given and terms and conditions in relation to investments made and securities given are not prejudicial to the interest of the Company.

- (c) The loans and advances in the nature of loan are repayable on demand. During the year, the Company has not demanded such loans or interest. Accordingly, in our opinion the repayments of principal amounts and receipts of interest are regular (Refer reporting under clause 3(iii)(f) below).



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- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount remaining outstanding as at the balance sheet date as the loans and advances in the nature of loans are repayable on demand and the Company has not demanded such loans and advances in nature of loan (including receivable in nature of loan).
- (e) According to the information explanation provided to us, the loans or advances in the nature of loan granted has not been demanded by the Company during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has granted loans/ advances in the nature of loans repayable on demand or without specifying any terms or period of repayment. The details of the same are as follows:

(All amount in ₹ Crores)			
Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	30.69	-	30.69
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	30.69	-	30.69
Percentage of loans/ advances in nature of loans to the total loans	100%	-	100%

- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments and security made.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, value added tax, cess and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year, though there has been a delay in few cases. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.



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- (b) According to the information and explanation given to us and the records examined by us, dues relating to duty of excise, income tax, sales tax, entry tax and goods and services tax which have not been deposited as on March 31, 2025, on account of any dispute, are as follows:

(All amount in ₹ in crores)

Name of the statute	Nature of dues	Amount Demanded	Amount Paid under protest	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	12.13	-	2017-18	Commissioner of income tax (Appeals)
The Income Tax Act, 1961	Income Tax	3.20	-	2021-22	Commissioner of income tax (Appeals)
Value Added Tax	Value Added Tax	2.30	0.33	2014-15	The Joint Commissioner - Commercial Taxes
Sales Tax	Sales Tax	0.78	0.10	2015-16	The Joint Commissioner - Commercial Taxes
Goods and Service Tax Act 2018	Goods and Service Tax	31.90	2.21	2017-18	Office of Deputy Commissioners of State Tax Jurisdiction
Goods and Service Tax Act 2018	Goods and Service Tax	0.80	0.08	2017-18, 2018-19	Office of Deputy Commissioners of State Tax Jurisdiction
Goods and Service Tax Act 2018	Goods and Service Tax	1.49	0.09	2017-18, 2018-19, 2019-20	Office of Deputy Commissioners of State Tax Jurisdiction
Goods and Service Tax Act 2018	Goods and Service Tax	6.19	0.32	2018-19	Office of Deputy Commissioners of State Tax Jurisdiction
Goods and Service Tax Act 2018	Goods and Service Tax	2.26	0.13	2018-19	Office of Joint & Deputy commissioner of Appeals
Goods and Service Tax Act 2018	Goods and Service Tax	3.08	0.20	2019-20	Office of Joint & Deputy commissioner of Appeals
Goods and Service Tax Act 2018	Goods and Service Tax	0.81	0.08	2019-20	Assistant Commissioner of CGST
Goods and Service Tax Act 2018	Goods and Service Tax	0.07	0.07	2020-21	Office of Deputy Commissioners of State Tax Jurisdiction



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Name of the statute	Nature of dues	Amount Demanded Rs.	Amount Paid Rs.	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax Act 2018	Goods and Service Tax	0.18	-	2020-21	Superintendent of CGST
Goods and Service Tax Act 2018	Goods and Service Tax	1.10	-	2020-21	State Tax Officer
Goods and Service Tax Act 2018	Goods and Service Tax	0.62	0.03	2020-21	Office of Joint & Deputy commissioner of Appeals
Goods and Service Tax Act 2018	Goods and Service Tax	0.27	0.27	2022-23	Office of Deputy Commissioners of State Tax Jurisdiction

- viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the requirement to report under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanation provided to us, there are no funds raised during the year. Accordingly, the requirement to report under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information explanation given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the requirement to report under Clause 3(ix)(f) of the order is not applicable to the Company.
- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt



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instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no material fraud on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system comprising group internal audit department commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.



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- (d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 56 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, provisions of Section 135 of the Act, are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For M S K A & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W


Nipun Gupta

Partner

Membership No. 502896

UDIN: 25502896BMMLFB6523



Place: Gurugram

Date: May 12, 2025

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF KURLON ENTERPRISE LIMITED

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Kurlon Enterprise Limited on the Financial Statements for the year ended March 31, 2025]

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

We have audited the internal financial controls with reference to financial statements of Kurlon Enterprise Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the



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assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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


Meaning of Internal Financial Controls With reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to financial statements

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Nipun Gupta
Partner

Membership No. 502896

UDIN: 25502896BMMLFB6523



Place: Gurugram
Date: May 12, 2025

Kurlon Enterprise Limited
Balance Sheet as at March 31, 2025

(₹ in Crores)

Particulars	Note no.	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4A	169.37	248.49
Right-of-use assets	5	16.71	29.47
Capital work-in-progress	4B	14.70	0.55
Other intangible assets	6	0.86	1.21
Investment in subsidiaries	7	17.72	17.72
Financial assets			
(i) Loans	8	-	-
(ii) Other financial assets	9	4.44	7.48
Deferred tax Assets (net)	10	14.08	-
Non current tax assets (net)	11	14.35	13.44
Other non-current assets	12	1.91	0.27
Total non current assets		254.14	318.63
Current assets			
Inventories	13	44.39	85.39
Financial assets			
(i) Investments	14	-	10.28
(ii) Trade receivables	15	41.74	77.46
(iii) Cash and cash equivalents	16	4.21	1.15
(iv) Bank balances other than cash and cash equivalents	17	1.88	2.22
(v) Other financial assets	18	1.55	1.10
Other current assets	19	71.73	21.79
Total current assets		165.50	199.39
Asset held for sale/Assets included in disposal group(s) held for sale	4C	43.21	-
Total assets		462.85	518.02
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	18.28	18.28
Other equity	21	275.73	276.40
Total equity		294.01	294.68
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	22	4.74	17.50
(ii) Other financial liabilities	23	45.49	54.24
Provisions	24	9.35	5.56
Deferred tax liabilities (net)	25	-	1.43
Total non current liabilities		59.58	78.73
Current liabilities			
Financial liabilities			
(i) Borrowings	26	-	0.12
(ii) Lease liabilities	22	2.55	3.19
(iii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises		3.81	0.92
- Total outstanding dues of creditors other than micro enterprises and small enterprises	27	67.65	119.66
(iv) Other financial liabilities	28	11.68	6.27
Provisions	24	7.38	8.47
Current tax liabilities (net)	29	-	0.10
Other current liabilities	30	16.19	5.88
Total current liabilities		109.26	144.61
Total liabilities		168.84	223.34
Total equity and liabilities		462.85	518.02

Material accounting policies

2

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration No.: 105047W


Nipun Gupta
 Partner
 Membership No: 502896

Place: Gurgaon
 Date: May 12, 2025



For and on behalf of the Board of Directors of

Kurlon Enterprise Limited

CIN: U36101MH2011PLC222657


Tushaar Sautam
 Managing Director
 DIN: 01646487
 Place: Noida
 Date: May 12, 2025


Rahul Gautam
 Director
 DIN: 00192999


Pawan Kumar Lakhota
 Company Secretary
 Membership No.: F11409

Kurlon Enterprise Limited
Statement of Profit and Loss for the year ended March 31, 2025

(₹ in Crores)

Particulars	Note no.	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	31	602.94	800.32
Other income	32	41.63	7.37
Total Income		644.57	807.69
Expenses			
Cost of materials consumed	33	316.60	393.37
Purchase of stock-in-trade	34A	75.66	71.58
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34B	29.82	1.68
Other manufacturing expenses	35	48.67	54.29
Employee benefits expense	36	52.05	57.86
Finance costs	37	2.01	2.89
Depreciation and amortisation expense	38	29.48	15.95
Other expenses	39	127.93	238.64
Total Expenses		682.22	836.26
(Loss) before tax and Exceptional items		(37.65)	(28.57)
Exceptional items	39(b)	18.68	(22.04)
(Loss) before tax		(18.97)	(50.61)
Income Tax expense	54		
Current tax		-	-
Tax expenses related to earlier years		(0.10)	-
Deferred tax (net)		(16.19)	(4.96)
Total Income tax expense		(16.29)	(4.96)
(Loss) for the year		(2.68)	(45.65)
Other comprehensive income/(Loss) (net of tax)			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements gain / (loss) of the net defined benefit plans		2.68	(3.14)
Income tax on above item		(0.67)	(0.10)
Total Other comprehensive income/ (loss) (net of tax)		2.01	(3.24)
Total comprehensive (loss) for the year		(0.67)	(48.89)
Earnings per equity share (face value of ₹ 5/- each):			
Basic (₹)	40	(0.73)	(12.49)
Diluted (₹)		(0.73)	(12.49)

Material accounting policies

2

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Nipun Gupta
Partner
Membership No: 502896



Place: Gurgaon
Date: May 12, 2025

For and on behalf of the Board of Directors of
Kurlon Enterprise Limited
CIN: U36101MH2011PLC222657

Tushaar Gautam
Tushaar Gautam
Managing Director
DIN: 01648487

Rahul Gautam
Rahul Gautam
Director
DIN: 00192999

Pawan Kumar Lakhotia
Pawan Kumar Lakhotia
Company Secretary
Membership No.: F11409

Place: Noida
Date: May 12, 2025

Kurlon Enterprise Limited
Statement of Cash Flows for the year ended March 31, 2025

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities		
(Loss) before tax	(18.97)	(50.61)
Adjustments for:		
Depreciation and amortisation expense	29.48	15.95
Finance costs	2.01	2.16
Liabilities/provisions no longer required written back	(0.12)	(5.24)
Provision for warranty	6.97	2.37
Money received as settlement claim	(35.70)	-
Advances/Balances written off	-	18.70
Bad debts written off	-	0.05
Unrealised foreign exchange (gain) (net)	(0.11)	-
Fair value (gain) on investments (net)	-	(0.15)
(Profit) on sale of investments (net)	(0.12)	(0.26)
Loss on sale of property, plant and equipment (net)	1.66	14.99
Gain on early termination of lease	(2.94)	(0.11)
Goodwill written off	-	21.03
Rental Income	-	(0.08)
Interest income	(0.29)	(0.39)
Operating profit before working capital changes	(18.13)	18.41
Changes in working capital:		
(Increase)/Decrease in Inventories	41.00	(6.48)
(Increase) / Decrease in loans and trade receivables	35.72	(18.73)
Decrease / (Increase) in other financial and non-financial assets	(11.65)	56.19
(Decrease) / Increase in trade payables	(49.12)	0.82
(Decrease)/ Increase in other financial liabilities, non-financial liabilities and provisions	4.10	(0.48)
Cash generated from operations	1.92	49.73
Income taxes paid (net of refunds)	(0.90)	(6.75)
Net cash flow from operating activities (A)	1.02	42.98
B. Cash flow from investing activities		
Purchase of property, plant and equipment and change in capital work in progress	(30.69)	(42.97)
Proceeds from Sale of property, plant and equipment	26.85	4.94
Creditors for capital goods (net of capital advances)	(0.13)	14.83
Investment in shares of Subsidiary Companies	-	0.14
Investment in mutual funds (net)	10.40	6.16
Repayment of loans by Subsidiary Company	-	2.16
(Investment)/Proceeds from Bank deposits	0.34	(0.73)
Interest income received	0.29	0.40
Rental income received (short term lease)	-	0.08
Net cash Flow from/(used in) investing activities (B)	7.06	(14.99)
C. Cash flow from financing activities		
Net repayment of short-term borrowings	(0.12)	(16.49)
Payment of lease liabilities (principal and interest)	(4.39)	(5.14)
Finance costs	(0.51)	(0.77)
Dividend paid	-	(6.58)
Net Cash (used in) Financing Activities (C)	(5.02)	(28.98)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	3.06	(0.99)
Cash and cash equivalents at the beginning of the year	1.15	2.14
Cash and cash equivalents at the end of the year	4.21	1.15

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in bracket represents cash outflow.



Kurlon Enterprise Limited
Statement of Cash Flows for the year ended March 31, 2025

(₹ in Crores)

3. Components of cash and cash equivalents:

Particulars	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Cash on hand	0.01	0.03
Balance with banks in current accounts	4.20	1.12
Balance as per Statement of Cash Flows	4.21	1.15

4. Changes in liabilities arising from financing activities

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Lease liabilities		
Lease liabilities at the beginning of the year	20.69	13.34
Addition during the year	-	14.84
Accretion of interest	1.50	1.40
Payment of lease liabilities	(4.39)	(5.14)
Cancellation / adjustments	(10.51)	(3.75)
Lease liabilities as at year end	7.29	20.69

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
(ii) Borrowings		
Borrowings at the beginning of the year	0.12	16.61
Repayment of borrowings	(0.12)	(16.49)
Borrowings as at year end	-	0.12

Material accounting policies

2

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
 Firm Registration No.: 105047W

Nipun Gupta
Nipun Gupta
 Partner
 Membership No: 502896



For and on behalf of the Board of Directors of
Kurlon Enterprise Limited
 CIN: U36101MH2011PLC222657

Tushaar Gautam
Tushaar Gautam
 Managing Director
 DIN: 01646487

Rahul Gautam
Rahul Gautam
 Director
 DIN: 00192999

Pawan Kumar Lakhota
Pawan Kumar Lakhota
 Company Secretary
 Membership No.: F11409

Place: Gurgaon
 Date: May 12, 2025

Place: Noida
 Date: May 12, 2025

Kurlon Enterprise Limited
Statement of changes in equity for the year ended March 31, 2025

A. EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	Amount
Balance as at April 01, 2023	18.28
Add: Issued during the year	-
Balance as at March 31, 2024	18.28
Add: Issued during the year	-
Balance as at March 31, 2025	18.28

B. Other Equity

(₹ in Crores)

Particulars	Reserves and surplus				Total
	Retained earnings	Securities premium	Capital reserve	General reserve	
Balance as at April 01, 2023	298.36	148.60	-	12.86	459.82
(Loss) for the year	(45.65)	-	-	-	(45.65)
Remeasurements of the net defined benefit plans (net of tax)	(3.24)	-	-	-	(3.24)
Dividend paid	(6.58)	-	-	-	(6.58)
Other payment (Refer Note 68)	(143.01)	-	-	-	(143.01)
Addition to Capital reserve (Refer Note 68)	-	-	15.06	-	15.06
Total comprehensive income for the year	(198.48)	-	15.06	-	(183.42)
Balance as at March 31, 2024	99.88	148.60	15.06	12.86	276.40
(Loss) for the year	(2.68)	-	-	-	(2.68)
Remeasurements of the net defined benefit plans (net of tax)	2.01	-	-	-	2.01
Total comprehensive income for the year	(0.67)	-	-	-	(0.67)
Balance as at March 31, 2025	99.21	148.60	15.06	12.86	275.73

The accompanying notes are an integral part of these financial statements.
As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.: 105047W

Nipun Gupta
Nipun Gupta
Partner
Membership No: 502896



Place: Gurgaon
Date: May 12, 2025

For and on behalf of the Board of Directors of
Kurlon Enterprise Limited
CIN: U36101MH2011PLC222657

Tushaar Gautam
Tushaar Gautam
Managing Director
DIN: 01646437

Rahul Gautam
Rahul Gautam
Director
DIN: 00192999

Pawan Kumar Lakhota
Pawan Kumar Lakhota
Company Secretary
Membership No.: F11409

Place: Noida
Date: May 12, 2025

KURLON ENTERPRISE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

1. COMPANY INFORMATION

Kurlon Enterprise Limited (the 'Company') was incorporated in Mumbai, India on October 03, 2011 as a public limited company under the Companies Act. The Company is a subsidiary of Sheela Foam Limited (SFL), a public limited company listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company is in the business of manufacturing/trading in diverse areas such as rubberized coir, latex foam, polyurethane foam, bonded foam, pillows, spring mattresses, furniture, furnishings, sofas etc.

The financial statements for the year ended March 31, 2025 were approved by the Board of Directors and authorized for issue on May 12, 2025.

2. MATERIAL ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of Preparation

a. Basis of Preparation

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

The standalone financial statements have been prepared on accrual and historical cost basis, except for the following :

- certain financial assets and liabilities, measured at fair value (refer accounting policy regarding financial instruments).
- defined benefit plans – plan asset measured at fair value.

b. Functional and presentation currency

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

c. Current versus non-current classification

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

An asset is classified as current when it is

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

All other assets are classified as non-current.

A liability is classified as current when it is

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

All other liabilities are classified as non-current.



KURLON ENTERPRISE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Deferred tax assets and liabilities:

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

Operating Cycle:

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

d. Use of estimates and judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at Balance Sheet date, reported amount of revenue and expenses for the year and disclosure of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying standalone financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the standalone financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

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

Refer below for detailed discussion on estimates and judgments:

i. Useful lives of Property Plant and Equipment

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

ii. Retirement benefit obligation

The cost of retirement benefits and present value of the retirement benefit obligations in respect of Gratuity and Leave Encashment is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, these retirement benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of these obligations. The mortality rate is based on publicly available mortality table for the specific countries. Future salary, seniority, promotion and other relevant factors and pension increases are based on expected future inflation on a long-term basis. Further details about the assumptions used, including a sensitivity analysis are given in Note 41.

iii. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such



KURLON ENTERPRISE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establish provisions based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

iv. Fair value measurement of financial instrument

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

v. Impairment of Financial assets

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

2.2 Property, Plant & Equipment

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

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Freehold land is carried at historical cost and depreciation on property, plant & equipment other than freehold land is provided on a pro-rata basis on written down value basis, over the useful life of the assets estimated by management, in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation on sale/deduction from property plant and equipment other than freehold land is provided up to the date preceding the date of sale, deduction as the case may be. The asset's residual values, useful lives and method of depreciation are reviewed at the end of each reporting period and necessary adjustments are made accordingly, wherever required. The useful lives in the following cases are different from those prescribed in Schedule II of the Companies Act, 2013.



KURLON ENTERPRISE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Asset	Useful life as per Schedule II of the Companies Act, 2013 (No. of Years)	Useful life as assessed / estimated by the Company (No. of Years)
Building		
- Factory (including roads and lanes)	30	29
- Office	60	4-59
- Residential	60	59
Plant & Equipment	15	20
Plant & Equipment (Storage and Pipeline)	25	20
Furniture & Fixtures	10	15
Vehicles		
- Motor Cars	8	10
Office Equipment	5	20
Data Processing Equipment		
- Computer Equipment	3	6
Electrical Fittings	10	20

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

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

2.3 Intangible assets

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a written down value basis over their useful economic lives.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development Cost that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets when required criteria is met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

The significant intangibles recognised by the company, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

Intangible assets	Useful Life
Computer Software	6 years



KURLON ENTERPRISE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

2.4 Non-Current Asset held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- a) The appropriate level of Management is committed to a plan to sell the asset,
- b) An active programme to locate a buyer and complete the plan has been initiated,
- c) The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- d) The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- e) Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. The Company determines the fair value of such assets on the basis of valuation report obtained from the independent valuer.

2.5 Goodwill

Goodwill represents the excess of the cost of a business combination over the company's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the profit and loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the other comprehensive income and accumulated in equity as capital reserve on the acquisition date.

2.6 Investment in Subsidiaries

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

2.7 Financial Instruments

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

(i) Financial Assets

(a) Initial recognition and measurement

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



KURLON ENTERPRISE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

(b) Classification and subsequent measurement

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

- a. at amortized cost;
- b. at fair value through other comprehensive income (FVTOCI); and
- c. at fair value through profit and loss (FVTPL)

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

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

(1) Financial assets measured at amortized cost:

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

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

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

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

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

- | | |
|-----------------------------------|--|
| - Business Model Test: | The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and |
| - Cash Flow Characteristics Test: | The Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on principal amount outstanding. |

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI) except for the recognition of interest income, impairment gains and losses and foreign exchange gain and losses which are recognized in the Statement of Profit and Loss.

When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.



KURLON ENTERPRISE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

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

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

(c) Impairment of financial assets

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

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

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

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

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

- Financial assets that are debt instruments, and are measured at amortized cost i.e. trade receivables, deposits with banks, security deposits, employee loans, etc.
- Financial assets that are debt instruments and are measured at FVTOCI.

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

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

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

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

(d) Derecognition of financial assets

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

- a. The rights to receive cash flows from the asset have been expired/transferred; or
- b. The Company retains the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(ii) Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, borrowings, security deposits and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Borrowings & Security Deposits

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are integral part of the EIR.

Trade and other payables

Trade and other payables are obligations incurred by the Company towards purchase of raw material and other goods and availing the services that have been acquired or availed in the ordinary course of business. Trade and other payables are classified under current liabilities, if payment is due within 12 months as at Balance Sheet date, if not, they are classified under non-current liabilities.

Derecognition

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

(iii) Offsetting of financial instruments :

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.8 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

2.9 Inventories

Raw materials, packaging materials and stores and spares parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the Company from the concerned revenue authorities), freight inwards and other expenditure incurred in



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bringing such inventories to their present location and condition. In determining the cost, first-in-first-out cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realizable value. Cost of work in progress and manufactured finished goods is determined on weighted average and its cost comprises of direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a first-in-first-out.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on item-by-item basis.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

2.10 Cash and Cash Equivalents

Cash and cash equivalents comprises of cash on hand, short term deposits with banks with original maturity of 3 months or less, highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.11 Impairment of Non-Financial Assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

2.12 Provisions and Contingent Liabilities

a) Provisions

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

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

b) Contingent Liabilities

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

2.13 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

IND As 115 five step model is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Sales are recognized at the fair value of the consideration that can be reliably measured and reduced by variable consideration. Variable consideration includes sales returns, trade discounts, volume based incentives, and cost of promotional programs, indirect taxes as may be applicable.

The Company provides various volume based rebates to certain customers once the goods are purchased by them above a certain threshold as specified in the scheme letter. Rebates outstanding at the balance sheet date are adjusted against the amount receivable from the customer. To estimate and recognise the liability for the incentives the company uses the methods which best predicts the amount of incentives and is primarily driven by the number of volume thresholds mentioned in the contracts.

i) Sale of goods – distributors

The company operates via chain of dealers/distributors selling mattresses and home comfort products. Revenue from the such sales is recognised when control of the products being sold is transferred to dealers /distributor and when there are no longer any unfulfilled obligations. As per company's policy the performance obligations are fulfilled at the time of dispatch from the factory or warehouse.

Company's contract with trade customers do not have financing component or non-cash consideration and the Company does not have any unbilled revenue or deferred revenue.

The company's obligation to replace faulty products under the standard warranty terms is recognised as a provision (Refer Note 24).

ii) Sale of goods – B2B

The company manufactures and sells a range of industrial foam and cushioning foam to B2B segment. Sales are recognised when control of the products has transferred, that is when the products are dispatched from the factory or the warehouse.

2.14 Employee Benefits

a. Short Term Employee Benefits

All Employee benefits payable within twelve months of rendering the services are classified as short-term benefits. Such benefits include salaries, wages, bonus, awards, ex-gratia, performance incentive/pay etc, are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b. Post-Employment Benefits

i. Defined contribution plan:

(A) Provident fund:

Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss..

(B) Employee's State Insurance Scheme:

Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Defined Contribution Schemes as the company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

ii. Defined benefit plan

Gratuity:

The company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the Other Comprehensive Income in the year in which they arise. Liability is funded through a separately administered fund. The short/ excess of gratuity liability as compared to the net fund held by the Fund is accounted for as liability/ asset as at the Balance Sheet date.

c. Other Long-Term Benefits

Compensated Absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be encashed only on discontinuation of service by employee.

2.15 **Leases**

As a Lessee

The Company's lease assets classes primarily consist of leases for Land & Buildings. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense in the statement of profit and loss.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company separately recognizes the interest expense on the lease liability as finance cost and the depreciation expense on the right-of-use asset.

Payments associated with short-term leases of warehouses are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Company has applied the practical expedient wherein it relied on its assessment of whether leases are onerous immediately before the date of initial application.

2.16 Taxation

Tax expense for the year comprises of Current Tax and Deferred Tax are included in the determination of the net profit or loss for the year.

a. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.



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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.17 Earnings per Share:

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

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

2.18 Contributed Equity:

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3. A. Standards (including amendments) issued but not yet effective

Amendment to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The Ministry Of Corporate Affairs (MCA), vide notification dated May 7, 2025, has amended Ind AS 21, The Effects Of Changes in Foreign Exchange Rates, to provide guidance on how to account for a currency when it is not exchangeable into another currency. The amendment introduces:

- A definition of when a currency is considered not exchangeable,
- Guidance on estimating the spot exchange rate when exchangeability is lacking,
- Clarification on the selection Of exchange rates when multiple rates exist, and
- Enhanced disclosure requirements regarding the nature and financial impact Of such situations.

These amendments are applicable for annual reporting periods beginning on or after April 01, 2025, with early application permitted. The Company is currently evaluating the impact of this amendment on its financial statements.



KURLON ENTERPRISE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

B. Standards that became effective during the year

- i. The Ministry of Corporate Affairs (MCA) has notified on 09 September 2024 Companies (Indian Accounting Standards) Second Amendment Rules, 2024 amendment to Ind AS 116 Leases (the amendment). This amendment deals with subsequent accounting for a seller-lessee in respect of the sale leaseback transaction accounted for as a sale under Ind AS 115, Revenue from Contracts with Customers. The amendment were applicable for annual periods beginning on or after 1 April 2024.

These amendments have no impact on the financial statements of the Company.

- ii. The Ministry of Corporate Affairs (MCA) has notified new accounting standard Ind AS 117, 'Insurance Contracts', vide notification dated 12 August 2024. Ind AS 117 superseded interim insurance standard Ind AS 104 Insurance Contracts and was effective for annual reporting periods beginning on or after 1 April 2024. This new accounting standard is introduced in India to align 'Insurance Contracts' with the global IFRS 17 standard.

These amendments have no impact on the financial statements of the Company.



Note 4A: Property, plant and equipment

Particulars								(₹ in Crores)	
Freehold Land	Buildings	Plant & Equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical fittings	Total Property, plant and equipment	Assets Held for Sale	Capital work-in-progress
At cost or deemed cost									
As at April 1, 2023	9.91	88.69	201.57	29.87	4.43	15.74	-	350.21	0.98
Additions	46.32	15.92	25.73	2.95	0.86	0.99	-	92.77	7.10
Disposals/Adjustments	-	-	(41.60)	(5.00)	(2.48)	(3.80)	-	(52.88)	(7.53)
As at March 31, 2024	56.23	104.61	185.70	27.82	2.81	12.93	-	390.10	0.55
Additions	-	7.94	7.51	0.20	0.60	0.23	0.03	16.51	14.70
Disposals/Adjustments	(12.51)	(0.03)	(36.84)	(14.12)	(1.19)	(4.02)	7.24	(61.47)	(0.55)
Reclassified as assets held for sale	(21.89)	(27.86)	(6.58)	(0.09)	(0.55)	(0.40)	(2.65)	(60.02)	-
As at March 31, 2025	21.83	84.66	149.79	13.81	1.67	8.74	4.82	285.12	14.70
Accumulated depreciation									
As at April 1, 2023	-	13.28	121.20	16.07	1.99	11.82	-	164.36	-
Charge for the year	-	3.16	5.43	0.98	0.25	0.34	-	10.16	-
Disposals/Adjustments	-	-	(24.68)	(3.71)	(1.12)	(3.40)	-	(32.91)	-
As at March 31, 2024	-	16.44	101.95	13.34	1.12	8.76	-	141.61	-
Charge for the year	-	8.69	11.40	1.74	0.47	1.03	0.58	23.91	-
Disposals/Adjustments	-	(0.04)	(24.40)	(7.62)	(0.77)	(3.30)	3.17	(32.96)	-
Reclassified as assets held for sale	-	(9.94)	(4.46)	(0.05)	(0.14)	(0.31)	(1.91)	(16.81)	-
As at March 31, 2025	-	15.15	84.49	7.41	0.69	6.18	1.84	115.75	-
Net carrying amount									
As at March 31, 2024	56.23	88.17	83.75	14.48	1.69	4.17	-	248.49	0.55
As at March 31, 2025	21.83	69.51	65.30	6.40	0.98	2.56	2.78	169.37	14.70



Kurlon Enterprise Limited
Notes forming part of the Financial Statements for the year ended March 31, 2025

Notes:

- The property, plant and equipment costing up to ₹ 5,000/- are fully depreciated during the year of addition after retaining 5% as net residual value.
- Refer note 70 for disclosure of title deeds of immovable property not held in the name of the company.
- Refer note 49 for disclosure of commitment for expenditure on account of acquisition of Property, plant and equipment.
- Change in Accounting Estimate
 With effect from April 1, 2024, the Company has adopted 'written down value' depreciation method from 'Straight line method' to align with the depreciation method of holding company "Sheela Foam Limited". As a result of this change, during the financial year ending March 31, 2025, the depreciation and amortization charged in the Statement of Profit and Loss has increased by ₹ 15.06 crores with the consequential impact on the Company's net assets. If the Company had not changed its depreciation method, the Company would have reported a lower expense by ₹ 15.06 crores.
- Property, plant and equipment and Capital work-in-progress has not been pledged as security.

Note 4B: Capital work-in-progress represents assets under construction & installation at various sites and ageing analysis is as below:

Capital work-in-progress	March 31, 2025					March 31, 2024		
	Amount in Capital work-in-progress for a period of				Total	Amount in Capital work-in-progress for a period of		
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years
Projects in progress	14.70	-	-	-	14.70	0.54	0.01	-
								0.55

The Company does not have any projects under Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan as of March 31, 2025 and March 31, 2024. Further, the company does not have any project temporary suspended.

Note 4C : Asset classified as held for sale

Particulars	As at		As at	
	March 31, 2025	March 31, 2024	March 31, 2024	March 31, 2024
Property, plant and equipment	43.21	-	-	-
Total	43.21	-	-	-

Note:

During the year ended March 31, 2025, the company has decided to close some plants and dispose off the land and building of these plants having carrying value of ₹43.21 crores as on March 31, 2025.



Note 5 : Right-of-use assets

	(₹ in Crores)		
Particulars	Leasehold land	Buildings	Total
Cost			
As at April 1, 2023	11.45	20.82	32.27
Additions	-	15.32	15.32
Disposal/transfer	-	(6.81)	(6.81)
As at March 31, 2024	11.45	29.33	40.78
Additions	-	-	-
Disposal/transfer	-	(11.20)	(11.20)
As at March 31, 2025	11.45	18.13	29.58
Accumulated Depreciation			
As at April 1, 2023	0.78	7.87	8.65
Charge for the year	0.19	5.18	5.37
Disposal/transfer	-	(2.71)	(2.71)
As at March 31, 2024	0.97	10.34	11.31
Charge for the year	0.19	4.94	5.13
Disposal/transfer	-	(3.57)	(3.57)
As at March 31, 2025	1.16	11.71	12.87
Net book value as at March 31, 2024	10.48	18.99	29.47
Net book value as at March 31, 2025	10.29	6.42	16.71

Refer note 43 for detailed disclosures as per IND AS 116 "Leases".

	(₹ in Crores)		
Particulars	Goodwill*	Computer software	Total
Cost			
As at April 1, 2023	21.03	10.78	31.81
Additions	-	0.33	0.33
Disposal/ Adjustments (Refer Note (b) below)	(21.03)	(0.08)	(21.11)
As at March 31, 2024	-	11.03	11.03
Additions	-	-	-
Disposal/ Adjustments	-	(0.14)	(0.14)
As at March 31, 2025	-	10.89	10.89
Accumulated Amortisation			
As at April 1, 2023	-	9.48	9.48
Amortisation expense for the year	-	0.42	0.42
Disposal/ Adjustments	-	(0.08)	(0.08)
As at March 31, 2024	-	9.82	9.82
Amortisation expense for the year	-	0.44	0.44
Disposal/ Adjustments	-	(0.23)	(0.23)
As at March 31, 2025	-	10.03	10.03
Net book value as at March 31, 2024	-	1.21	1.21
Net book value as at March 31, 2025	-	0.86	0.86

Note:*

a. Refer note 4A (d) for Change in Accounting Estimate

b. Goodwill of ₹ 21.03 crores was recognised upon amalgamation of Spring Air Bedding Company India Limited ('SABCIL') with the Company pursuant to the scheme of amalgamation approved by National Company Law Tribunal ('NCLT'), Mumbai and NCLT, Delhi vide their orders dated March 12, 2020 and May 05, 2020 respectively with an appointed date of April 01, 2018 ('Effective Date'). During the year ended March 31, 2024, the company made assessment of goodwill and concluded that the asset does not have any recoverable value. Accordingly, the goodwill of ₹ 21.03 crores is written off as per IND AS 36.



Note 7 : Investments in subsidiaries

Particulars	As at March 31, 2025		As at March 31, 2024	
	No.	(₹ in Crores)	No.	(₹ in Crores)
Unquoted, at cost				
Investments in equity shares of subsidiaries (all fully paid)				
Kurlon Retail Limited (Shares of Rs. 5/- each fully paid up)	1,52,65,466	17.60	1,52,65,466	17.60
Belvedere International Limited (Shares of Rs. 10/- each fully paid)	50,000	0.05	50,000	0.05
Komfort Universe Products and Services Limited (Shares of Rs. 10/- each fully paid)	50,000	0.05	50,000	0.05
Starship Value Chain and Manufacturing Private Limited (Shares of Rs. 10/- each fully paid)	5,000	0.01	5,000	0.01
Kanvas Concepts Private Limited (Shares of Rs. 10/- each fully paid)	10,000	0.01	10,000	0.01
Total	1,53,80,466	17.72	1,53,80,466	17.72
Aggregate amount of Unquoted Investments		17.72		17.72
Aggregate amount of impairment in value of investments		-		-

NOTE 7.1 : INFORMATION ABOUT SUBSIDIARIES

Name of the Company and Country of Incorporation	Principal Activities	As at March 31, 2025		As at March 31, 2024	
		100		100	
Kurlon Retail Limited, India	Engaged in retail segment and deals with buying, selling, storing, promoting, marketing, supplying, trading and dealing in mattresses, pillow, sofa and furniture and presently operating through Retail stores PAN India	100	100	100	100
Komfort Universe Products and Services Limited, India	To carry out retail business/trading of Semi-finished Goods, foam products, RC Pads, EPE Products and other related Products and Services on B2B basis in India.	100	100	100	100
Kanvas Concepts Private Limited, India	Engaged in the business of Home Interior decor.	100	100	100	100
Starship Value Chain and Manufacturing Private Limited, India	Provides value chain/logistics services to the Kurlon Enterprise Limited to gain momentum in the market and to offer contactless deliver to the end consumers of the Kurlon Enterprise Limited	100	100	100	100
Belvedere International Limited, India	To carry on retail business of mattresses, Pillows, Furniture and other related Products and Services of International Brands on retail and B2B basis in India	100	100	100	100



Note 8 : Loans (Non Current)

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
(Unsecured)		
At amortised cost		
Loan to Subsidiaries (Refer note 42)	30.69	30.67
Less: Loss allowance-Subsidiaries (Refer note 42)	(30.69)	(30.67)
Total	-	-

a) The details of unsecured loans to subsidiaries given for the purpose of working capital requirements are as follows :

Name of the subsidiary	Rate of interest	Due date of repayment (Note (b))	March 31, 2025		March 31, 2024	
			Gross	Allowance (Note (b))	Gross	Allowance (Note (b))
Kurlon Retail Limited	8.50%	On demand	27.91	(27.91)	27.91	(27.91)
Kanvas Concepts Private Limited	8.50%	On demand	1.37	(1.37)	1.35	(1.35)
Komfort Universe Products and Services Private Limited	8.50%	On demand	1.41	(1.41)	1.41	(1.41)
Total			30.69	(30.69)	30.67	(30.67)

b) The Company has granted various loans to its subsidiary companies to meet their working capital requirements which has been approved by the Board of Directors. The aforesaid loans are repayable on demand and management believes that terms of these loans are not prejudicial to the Company's interests. The Company has not demanded the aforesaid loans during the year.

c) Considering the financial position of these subsidiaries, the Company has provided loss allowance on the aforesaid outstanding loan amount and same has been disclosed as exceptional item (Refer note 39 b).

d) Except as disclosed above, there are no loans to Directors or other officers of the Company or any of them either severally or jointly with any other person or loans to any firm in which director is a partner.



Kurlon Enterprise Limited
Notes forming part of the Financial Statements for the year ended March 31, 2025

Note 9 : Other financial assets (Non Current)

	(₹ in Crores)	
Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Security deposits	4.44	7.48
Total	4.44	7.48

Note 10 : Deferred tax asset

	(₹ in Crores)	
Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax asset (net) (Refer Note 54)	14.08	-
Total	14.08	-

Note 11 : Non current tax assets (net)

	(₹ in Crores)	
Particulars	As at March 31, 2025	As at March 31, 2024
Advance income tax (net of provision of ₹ 47.65 Crores (March 31, 2024: ₹ 47.65 Crores))	14.35	13.44
Total	14.35	13.44

Note 12 : Other non current assets

	(₹ in Crores)	
Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Capital advances	1.91	0.27
Total	1.91	0.27

Note: For value of Contracts in capital account remaining to be executed (refer note no. 49).

Note 13 : Inventories

	(₹ in Crores)	
Particulars	As at March 31, 2025	As at March 31, 2024
(Valued at lower of cost and net realisable value unless otherwise stated)		
Raw materials	19.50	31.46
Raw materials (In transit)	1.44	-
Work-in-progress	2.68	12.56
Finished goods	10.21	26.49
Stock-in-trade	-	3.66
Packing materials	3.30	5.38
Stores and spares	7.26	5.84
Total	44.39	85.39

Notes:

- (i) The carrying value of inventories as reflected above is net of provision for aged/slow moving stock of ₹ 0.99 crores (March 31, 2024 : ₹ 4.98 crores).
(ii) Inventories held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company.

Note 14 : Investments (Current)

	(₹ in Crores)	
Particulars	As at March 31, 2025	As at March 31, 2024
In Mutual Funds - fully paid up		
Carried at fair value through profit and loss- Quoted	-	10.28
Total Investments	-	10.28
Aggregate amount of Quoted Investments	-	10.28
Aggregate market value of Quoted Investments	-	10.28



Note 15 : Trade receivables

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
(At amortised cost)		
Unsecured		
Trade receivables - considered good (refer note below)	41.74	77.46
Trade receivables - considered doubtful	11.24	11.36
Trade receivables (gross)	52.98	88.82
Less: Impairment allowance for trade receivables considered doubtful	(11.24)	(11.36)
Total	41.74	77.46
Further Classified as		
Receivable from related parties (refer note no. 42)	24.71	15.38
Receivable from others	17.03	62.08
	41.74	77.46

Notes :

- No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- Trade receivables are usually non-interest bearing and are on trade terms of 0 - 60 days.
- For trade receivables, the Company has applied the simplified approach permitted by Ind AS 109 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.

d. Movement in Provision for Expected Credit Loss allowance

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	11.36	16.66
Charge / (reversal) in allowance during the year (net)	(0.12)	(5.30)
Balance at the end of the year	11.24	11.36

- Refer note no. 46 for information about credit and market risk of trade receivables.
- Realization from trade receivables held by Company are subject to hypothecation by bankers towards working capital limits obtained by the Company.

g. Trade Receivables ageing schedule:-

As at March 31, 2025		(₹ in Crores)					
Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables							
– considered good	3.31	36.92	1.51	-	-	-	41.74
– which have significant increase in credit risk	-	-	0.11	1.35	-	0.02	1.48
(ii) Disputed trade receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	0.04	0.09	0.04	0.65	0.83	8.11	9.76
(iii) Impairment allowance for trade receivables considered doubtful (Disputed and Non Disputed)	(0.04)	(0.09)	(0.15)	(2.00)	(0.83)	(8.13)	(11.24)
Total	3.31	36.92	1.51	-	-	-	41.74

As at March 31, 2024		(₹ in Crores)					
Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables							
– considered good	24.38	44.85	4.36	3.87	-	-	77.46
– credit impaired	-	-	-	1.27	0.72	7.25	9.24
(ii) Disputed trade receivables							
– considered good	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	0.17	0.28	1.67	2.12
(iii) Impairment allowance for trade receivables considered doubtful (Disputed and Non Disputed)	-	-	-	(1.44)	(1.00)	(8.92)	(11.36)
Total	24.38	44.85	4.36	3.87	-	-	77.46



Kurlon Enterprise Limited
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Note 16 : Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Balance Sheet as follows:

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Balance with banks :		
Current accounts	4.20	1.12
Cash on hand	0.01	0.03
Total	4.21	1.15

Note:

a. There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.

Note 17 : Bank balances other than cash and cash equivalents

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Deposits having original maturity more than 3 months but less than 12 months	-	0.03
Earmarked balances with banks *	1.70	1.61
Unclaimed dividend account	0.18	0.58
Total	1.88	2.22

* Deposits receipts pledged with banks for obtaining letter of credit & bank guarantee facilities.

Note 18 : Other financial assets (current)

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Interest accrued but not due on deposits with Banks	0.14	0.14
Security Deposits	0.52	0.54
Other loans and advances	0.89	0.42
(Unsecured, credit impaired)		
Interest accrued on loan given to subsidiaries*	4.55	1.94
Less : Loss allowance	(4.55)	(1.94)
Total	1.55	1.10

* For transactions with related party, refer note 42 .

Note 19 : Other current assets

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Advance to suppliers	5.39	8.82
Balances with Statutory/Government authorities:		
- Excise & Custom	1.12	0.05
- GST	10.78	2.19
Prepaid expenses (refer note (a))	3.31	5.09
Other receivables	51.13	5.64
Total	71.73	21.79

Note :

a. Prepaid expenses includes amount of ₹ 0.25 Crores (March 31, 2024: ₹ 0.25 Crores) towards amount available for set off in pursuant of subrule(3) of rule 7 of the Companies (Corporate social responsibility policy) rules, 2014 (refer note no. 53).



Note 20 : Equity share capital

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Authorised share capital:		
15,06,00,000 fully paid equity shares of ₹ 5/- each	75.30	75.30
(March 31, 2024 : 15,06,00,000 fully paid equity shares of ₹ 5/- each)		
	75.30	75.30
Issued, subscribed & paid up share capital:		
3,65,52,261 fully paid equity shares of ₹ 5/- each	18.28	18.28
(March 31, 2024 : 3,65,52,261 equity shares of ₹ 5/- each)		
Total	18.28	18.28

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	₹ In Crores	Number of shares	₹ In Crores
At the beginning of the year	3,65,52,261	18.28	3,65,52,261	18.28
Equity Issued during the year	-	-	-	-
Outstanding at the end of the year	3,65,52,261	18.28	3,65,52,261	18.28

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity share is entitled to one vote per share and carry a right to dividend. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividends.

In the event of liquidation of the Company, the holders of equity shares will 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.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% of holding	Number of shares	% of holding
Sheela Foam Limited (the Holding Company)	3,56,13,520	97.43%	3,55,45,951	97.25%

(d) Aggregate number and class of shares allotted as fully paid up by way of bonus

During the year ended March 31, 2025, no shares were allotted as fully paid up by way of bonus shares.

(e) Shareholding of promoters & promoter group

Promoter name	As at March 31, 2025			As at March 31, 2024		
	Number of Shares	% of holding	% Change during the	Number of Shares	% of holding	% Change during the
Kanara Consumer Products Limited (formerly known as "Kurlon Limited")	2,578	0.01%	(0.2)%	70,147	0.19%	(99.78)%
Sheela Foam Limited, (the Holding Company)	3,56,13,520	97.43%	0.2%	3,55,45,951	97.25%	100%
Total		97.44%			97.44%	

(f) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.



Note 21 : Other equity

(₹ in Crores)		
Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium account (refer note (a) below)	148.60	148.60
Capital reserve (refer note (b) below)	15.06	15.06
General reserve (refer note (c) below)	12.86	12.86
Retained earnings (refer note (d) below)	99.21	99.88
Total	275.73	276.40

(₹ in Crores)		
Particulars	As at March 31, 2025	As at March 31, 2024
Securities premium account		
Opening balance	148.60	148.60
Addition	-	-
Closing balance	148.60	148.60
Capital reserve		
Opening balance	15.06	-
Addition (Refer Note 68)	-	15.06
Closing balance	15.06	15.06
General reserve		
Opening balance	12.86	12.86
Addition	-	-
Closing balance	12.86	12.86
Retained earnings		
Opening balance	99.88	298.36
Net profit for the year	(2.68)	(45.65)
Remeasurements of the net defined benefit plans (net of tax)	2.01	(3.24)
Dividend paid	-	(6.58)
Other payment (Refer Note 68)	-	(143.01)
Closing balance	99.21	99.88

(a) Securities Premium

The amount received in excess of face value of equity shares is recognised in Securities premium.

(b) Capital reserve

During the previous year ended 31 March, 2024, the company acquired the 'Gwalior' unit from Kanara Consumer Products Limited. The excess of net assets taken over and the cost of consideration paid was treated as capital reserve of said acquisition.

(c) General reserve

The Company had transferred a portion of the net profit of the Company in past before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956.

(d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

Remeasurement of net defined benefit plans: Differences between the interest income on plan assets and the return actually achieved and any changes in liabilities over the year due to changes in actuarial assumption on experience adjustment with in the plan, are recognised in other comprehensive income and are adjusted to retained earning.

Note 22 : Lease liabilities

(₹ in Crores)		
Particulars	As at March 31, 2025	As at March 31, 2024
Lease liabilities (Refer note 43)	7.29	20.69
Total	7.29	20.69
Non current	4.74	17.50
Current	2.55	3.19

Note 23 : Other non current financial liabilities

(₹ in Crores)		
Particulars	As at March 31, 2025	As at March 31, 2024
Deposits from dealers and others	45.49	54.24
Total	45.49	54.24



Note 24 : Provisions

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Long-term provisions:		
Provision for employee benefits:		
-Compensated absences	3.02	-
-Gratuity (Refer note 41)	2.04	3.42
-Provision for warranty (Refer note below)	4.29	2.14
Total	9.35	5.56
Short-term provisions:		
Provision for employee benefits:		
-Compensated absences	-	3.14
-Gratuity (Refer note 41)	0.89	1.25
Other provisions:		
-Provision for warranty (Refer note below)	6.49	4.08
Total	7.38	8.47

Note:

Provision for warranty:

The Company provides warranties on its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as at year end represent the amount of the expected cost based on past experience of meeting such obligations. The table below gives information about movement in warranty provisions.

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
At the beginning of the year	6.22	8.19
Add : Created during the year	6.97	2.37
Less : Utilised during the year	(2.41)	(4.34)
At the end of the year	10.78	6.22

Note 25 : Deferred tax liabilities (net)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax liabilities (net) (Refer Note 54)	-	1.43
Total	-	1.43

Note 26 : Borrowings

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Secured borrowings		
Bank overdraft	-	0.12
Total	-	0.12

Note:

a) The Company has obtained fund based and non fund based facilities from Axis Bank and IDBI bank. The loan is secured by first pari passu charge on entire current assets of the Company. The loan is repayable on demand and carries interest rate of 3 months MCLR + 0.20% p.a. (for Axis Bank) and 1 Year MCLR+0.20% p.a. (for IDBI Bank) on the cash credit and working capital loan facilities respectively. During the year, the company has repaid the overdraft facility availed in the previous year.



Note 27 : Trade payables

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables other than acceptances:		
(i) Total outstanding dues of micro enterprises and small enterprises	3.81	0.92
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	67.65	119.66
Total	71.46	120.58

Note:

- Trade payables due to related parties are disclosed in note no. 42.
- Trade payables for micro and small enterprises are non interest bearing and are normally settled on 7 days to 30 days credit terms.
- Trade payables other than micro and small enterprises are non interest bearing and are normally settled on 60 days to 90 days credit terms.

d) Exposure Towards Micro, Small And Medium Enterprises

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
I. The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company are as under:		
(i) The principal amount and the interest due thereon remaining unpaid to any supplier		
Principal amount:	3.40	0.82
Interest:	0.41	0.10
	3.81	0.92
(ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	0.10
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	0.41	0.31

The information given above is to the extent such parties have been identified by the Company on the basis of information disclosed by the suppliers.

II. The credit period for purchase of goods and services are normally up to 30 days. No interest is chargeable on trade payables.

e. Ageing Analysis for Trade payables:

As at March 31, 2025

(₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Payables not due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	3.81	-	-	-	-	3.81
(ii) Others	3.83	10.40	51.45	1.75	0.05	0.17	67.65
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	3.83	14.21	51.45	1.75	0.05	0.17	71.46

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Dues	Payables not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	0.73	0.19	-	-	-	0.92
(ii) Others	-	34.80	83.60	0.39	0.44	0.43	119.66
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	35.53	83.79	0.39	0.44	0.43	120.58



Note 28 : Other financial liabilities (current)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Creditors for capital goods	1.51	-
Employee related liabilities	6.49	5.69
Unclaimed dividend account	0.18	0.58
Deposits from related party (Refer Note 42)	3.50	-
Total	11.68	6.27

Note 29 : Current tax liabilities (net)

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax payable	-	0.10
Total	-	0.10

Note 30 : Other current liabilities

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Contract liabilities (refer note (a))	12.84	3.77
Statutory dues payable (Including provident fund, tax deducted at source, Goods and Service Tax and others)	3.35	2.11
Total	16.19	5.88

Note:

(a) Consists of advances received from customers towards supply of products.



Note 31 : Revenue from operations

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products	597.70	795.76
	597.70	795.76
Other operating revenue		
-Income from sale of processed scrap	5.24	4.56
Total	602.94	800.32

Note:

Includes sale of finished goods and semi-finished goods to related parties (refer note 42).

Note 31.1 : Disaggregated Revenue Information

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Geographical Revenue		
Type of good		
Revenue from external customers	597.70	795.76
Total revenue from contracts with customers		
India	595.23	793.81
Outside India	2.47	1.95
Total	597.70	795.76

Note 31.2 : Contract Balances

The following table provides information about receivables and contract liabilities from contract with customers.

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract Liabilities		
Advance from customers (refer note no. 30)	12.84	3.77
Receivables		
Trade Receivables (refer note no. 15)	41.74	77.46

Receivables is the right to consideration in exchange for goods transferred to the customer. Contract liability is the Company's obligation to transfer goods to a customer for which the Company has received consideration from the customer in advance.

Note 31.3 : Reconciling The Amount Of Revenue Recognised In The Statement Of Profit And Loss With The Contracted Price

	(₹ in Crores)	
Particulars	As at March 31, 2025	As at March 31, 2024
Revenue as per contracted price	700.44	963.16
Less : Adjustments		
Sales return	(8.60)	(6.74)
Rebate and discount	(88.90)	(156.10)
Revenue from contracts with customers	602.94	800.32

Note 31.4 : Performance Obligations

The performance obligation for sale of product is considered as fulfilled according to the terms agreed with the respective customer.



Kurlon Enterprise Limited
Notes forming part of the Financial Statements for the year ended March 31, 2025

Note 32 : Other income

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest Income from :		
Financial assets at amortised cost		
Bank deposits	0.09	0.09
Others	0.06	0.30
Financial assets at fair value		
Unwinding of discount of deposits	0.14	0.15
Other non operating income		
Rental income	-	0.08
Liabilities/provisions no longer required written back	0.12	5.26
Income from sale of Mutual fund - designated at fair value through profit and loss(refer note (a) below)	0.12	0.26
Fair valuation adjustments of Investments through profit and loss (refer note 45)(refer note (b) below)	-	0.15
Net gain on foreign currency transactions and translations	0.11	-
Gain on early termination of lease	2.94	0.83
Sale of non-processed scrap	2.02	-
Money received as settlement claim (refer note (c) below)	35.70	-
Other miscellaneous income	0.33	0.25
Total	41.63	7.37

Note:

a. Income from sale of investments

The Company earns profit/loss on sale of mutual funds, bonds, AIF and MLD. When these investments are sold, the cumulative gain or loss previously recognised in statement of profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method .

b. Fair valuation adjustments of Investments

Fair value through profit and loss of Investments represent fair valuation changes in mutual funds & MLD which includes dividend declared and not distributed (distributed based on record dates) as at reporting dates which have not been recognised in financial statements.

c. Money received as settlement claim

The company has recognised income of ₹35.70 crores as 'Money received a settlement claim' from the erstwhile promoters of the company i.e. Kanara Consumer Products Limited, towards final settlement of working capital adjustment post remeasurement period, pursuant to the addendum to the share purchase agreement effective from 25th March 2025 (post remeasurement period), in accordance with Ind AS 103 - "Business Combinations". Based on the independent opinion obtained and the management's assessment, the same has been treated in the nature of 'Capital receipts'.

Note 33 : Cost of materials consumed

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw material		
Opening inventory	31.46	27.50
Add: Purchases	308.92	378.27
Less: Sales/adjustments/return	(16.72)	-
Less: Closing inventory (including goods in transit of ₹ 1.44 Crores (March 31, 2024 ₹ Nil.)	(20.94)	(31.46)
Raw materials consumed	302.72	374.31
Packing Material		
Opening inventory	5.38	2.13
Add: Purchases	13.97	22.31
Less: Sales/adjustments/return	(2.17)	-
Less: Closing inventory (including goods in transit of ₹ Nil (March 31, 2024 ₹ Nil.)	(3.30)	(5.38)
Packing materials consumed	13.88	19.06
Cost of materials consumed	316.60	393.37



NOTE 34A : PURCHASE OF STOCK-IN-TRADE

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Traded Goods -Bed sheets/comforters/PU foam/spring/coir mattresses	75.66	71.58
Total	75.66	71.58

Note 34B : Changes in inventories of finished goods, Stock-in-Trade and work-in-progress

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Closing stock:		
Finished goods	10.21	26.49
Stock-in-trade	-	3.66
Work-in-progress	2.68	12.56
	12.89	42.71
Opening stock:		
Finished goods	26.49	30.68
Stock-in-trade	3.66	3.84
Work-in-progress	12.56	9.87
	42.71	44.39
Total	29.82	1.68

Note 35 : Other manufacturing expenses

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Power and fuel	3.74	9.00
Repair and maintenance:		
- Buildings	1.34	1.82
- Plant and equipment	5.92	1.95
Processing and other charges	37.67	41.52
Total	48.67	54.29

Note 36 : Employee benefits expense

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages, allowance, and other benefits	45.40	52.33
Contribution to gratuity (Refer note 41)	1.00	0.85
Contribution to provident and other funds (Refer note 41)	1.95	2.24
Workmen and staff welfare	3.70	2.44
Total	52.05	57.86

Note 37 : Finance costs

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense (on financial liabilities measured at amortised cost)		
- On lease liabilities	1.50	1.40
- On borrowings from banks	0.36	0.76
Bank Charges	0.15	0.73
Total	2.01	2.89

Note 38 : Depreciation and amortisation expense

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property, plant and equipment (Refer note 4A)	23.91	10.16
Depreciation on right-of-use assets (Refer note 5)	5.13	5.37
Amortisation of Other intangible Assets (Refer note 6)	0.44	0.42
Total	29.48	15.95



Kurlon Enterprise Limited
Notes forming part of the Financial Statements for the year ended March 31, 2025

Note 39 : Other expenses

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
IT support services	6.19	3.54
Freight and forwarding	19.02	61.69
Rent and hire	0.10	15.49
Insurance	6.14	6.38
Rates and taxes	2.32	2.80
Legal and professional	12.78	41.51
Director's sitting fees	0.29	0.13
Other Repairs and maintenance	2.60	3.32
Selling and promotion	12.73	14.37
Travelling and conveyance	6.49	9.09
Loss on sale/disposal of fixed assets	1.66	14.99
Advertisement Expenses	43.27	22.12
Warranty (refer note (i))	6.97	2.37
Bad debts written off	-	0.05
Contribution towards corporate social responsibility expenditure (Refer note 53)	-	0.82
Security expenses	4.78	7.29
Warehouse charges	-	8.05
Goodwill written off (refer note 6)	-	21.03
Miscellaneous	2.59	3.60
Total	127.93	238.64

Note:

i) Provision for Warranty

Warranty provision is determined based on the historical percentage of warranty expense to sales for the same types of goods depending upon the warranty period offered. The percentage to the sales is applied to derive the warranty expense to be accrued. Actual warranty claims are settled against warranty provision. The warranty claims may not exactly match the historical warranty percentage, so such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. Closing warranty provision is bifurcated into Current and Non-current based on the past settlement trend with the non-current portion being discounted to derive the present value. The assumptions are consistent with prior years.

a) Auditor's remuneration included in legal and professional (excluding GST)

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Statutory audit	0.15	0.29
Others	-	0.10
Certification	-	0.08
Total	0.15	0.47

b) Exceptional items

	(₹ in Crores)	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision for loans to related parties (Refer Note 8)	0.02	0.93
Adjustment to Property, plant and equipment	-	1.32
Insurance receivable written off/(received)	(18.70)	18.70
Adjustment to Right to use asset	-	0.34
Liabilities no longer required written back	-	(1.52)
Other Asset written off	-	2.27
	(18.68)	22.04

Note 40: Earnings per share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(Loss) for the year attributable to Equity shareholders (₹ in Crores)	(2.68)	(45.65)
Earnings used in the calculation of basic and diluted earnings per share (₹ in Crores)	(2.68)	(45.65)
Weighted average number of equity shares for the purposes of basic and diluted earnings per share	3.66	3.66
Basic and diluted earnings per share	(0.73)	(12.49)



Note 41: Employee Benefits

A. Defined contribution plans

Company's employees are covered by Provident Fund and Employees State Insurance Scheme/Fund and National Pension Scheme, to which the Company makes a defined contribution measured as a fixed percentage of salary. During the year, amount of ₹ 1.95 Crores (March 31, 2024: ₹ 2.24 Crores) has been charged to the Statement of Profit and Loss towards employer's contribution to these schemes/funds as under:

Particulars	(₹ in Crores)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Employer's Contribution towards Provident Fund (PF)	1.89	2.15
Employer's Contribution towards Employee State Insurance (ESI)	0.06	0.09
Employer's Contribution towards Labour Welfare fund (LWF)	0.00	0.00
Total	1.95	2.24

B. Liabilities for compensated absences

The liabilities for compensated absences relate to the company's liabilities for Annual Leave and Sick Leave.

C. Post employment benefits

Defined benefit plans

Gratuity

The Company has a defined benefit gratuity plan (funded) and is governed by the Payment of Gratuity Act, 1972. The Gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under this Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

This plan is governed by the Payment of Gratuity Act 1972, which requires that each employee who has completed 5 years of service shall be entitled to gratuity which is equal to salary of 15 days for each completed year of service.

The plans are exposed to a number of risks, including:

- Investment risk: movement of discount rate used against the return from plan assets
- Interest rate risk: decreases/increases in the discount rate used will increase/decrease the defined benefit obligation
- Longevity risk: changes in the estimation of mortality rates of current and former employees.
- Salary risk: increases in future salaries increase the gross defined benefit obligation.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans.

(i) Changes in the present value of defined benefit obligation	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Present value of obligation at the beginning of the year	10.42	7.31
Interest cost	0.71	0.50
Current service cost	0.62	0.78
Benefits paid		
- Pay-outs from plan	(1.14)	(1.23)
- Pay-outs from employer		(0.09)
Actuarial (gains) / losses arising from changes in financial assumptions	(1.82)	2.35
Actuarial (gains) / losses arising from experience adjustments	(0.43)	0.80
Present value of obligation at the end of the year*	8.36	10.42

*Included in provision for employee benefits (Refer note no.24)

(ii) Changes in the fair value of plan assets	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Opening balance of fair value of plan assets	5.75	6.12
Employer contribution	0.02	0.42
Expected return on plan assets-Actuarial Gain/(Loss)	0.42	0.01
Interest Income	0.38	0.43
Benefits paid out from plan	(1.14)	(1.23)
Closing balance of fair value of plan assets	5.43	5.75



	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
(iii) Assets and liabilities recognised in the Balance Sheet:		
Present value of obligation as at the end of the year	8.36	10.42
Fair value of plan assets	(5.43)	(5.75)
Net deficit in funded plan (refer note no. 24)	2.93	4.67
Current Portion	0.89	1.25
Non- Current Portion	2.04	3.42

	(₹ in Crores)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
(iv) Expense recognised in the Statement of Profit and Loss		
Current service cost	0.62	0.78
Interest cost	0.34	0.07
Total expenses	0.96	0.85
Expense reimbursed on transfer of employees with in group	0.04	-
Components of defined benefit cost's recognised in Profit or Loss	1.00	0.85

	(₹ in Crores)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
(v) Remeasurement (gain)/ loss recognised in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	0.27	2.35
Actuarial changes arising from changes in experience adjustments	(2.52)	0.80
Return on Plan Asst (more)/Less than Expected based on Discount rate	(0.43)	(0.01)
Components of defined benefit cost's recognised in other comprehensive income	(2.68)	3.14

	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
(vi) The major categories of plans assets are as follows:		
Particulars		
Unquoted Investments:		
Gratuity Fund maintained at Insurance Companies (Life Insurance Corporaton of India)	5.43	5.75
Total	5.43	5.75

The Company is expected to contribute ₹ 0.89 Crores (FY23-24: ₹ 1.25 Crores) to the plan during the FY 2025-26.

	As at March 31, 2025	As at March 31, 2024
(vii) Actuarial assumptions		
Discount rate (per annum)	6.81%	7.23%
Salary escalation rate	8.00%	8.00%
Expected return on plan assets	7.23%	7.50%
Attrition rate	10.00%	10.00%
Retirement age	60 years	60 years

Notes:

- (i) The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is extracted from the report obtained from Actuary.
- (ii) Information given for retirement age is based on India's standard mortality table with modification to reflect expected changes in mortality/others.

Expected Future Benefit Payments

The expected maturity analysis of undiscounted gratuity benefits obligations are as follows:

	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Particulars		
Within the next 12 months (next annual reporting year)	0.98	1.05
Between 1-2 years	0.73	1.20
Between 2-5 years	1.88	2.81
More than 5 years	4.77	5.36

The average duration of the defined benefit obligation at the end of the reporting year is 10.65 years (March 31, 2024: 9.22 years).

Asset Liability Matching Strategies

The Company has funded the gratuity liability with the insurance Group. The entire investible assets are managed by the fund managers of the Insurance Group and the Asset Values as informed by the Insurance Group has been taken for the actuarial valuation purpose. The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).



Quantitative sensitivity analysis for significant assumption is as below

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Defined Benefit Obligations (DBO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

(a) Increase/ (Decrease) on present value of defined benefits obligation at the end of the year

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below.

Actuarial assumptions	Reasonably possible change	As at March 31, 2025 (₹ in Crores)		As at March 31, 2024 (₹ in Crores)	
		Increase	Decrease	Increase	Decrease
Discount rate	(+/-1%)	(0.55)	0.63	(0.72)	0.82
Salary escalation rate	(+/- 1%)	0.54	(0.48)	0.71	(0.64)

(b) The sensitivity analysis presented above may not be representative of the actual change in the defined obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some assumption may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is same as that applied in calculation of defined benefit obligation liability recognised in the balance sheet. There was no change in method and assumption used in preparing the sensitivity analysis form previous year.

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a. Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to government bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. A portion of the funds are invested in equity securities. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

b. Changes in discount rate:

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets holdings.

c. Inflation risks:

Gratuity payments are not linked to inflation, so this is a less material risk

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists of unit linked group insurance plan which further invests in government and corporate bonds, equities, money market instruments & public deposits. The plan asset mix is in compliance with the requirements of the respective local regulations.



Kurlon Enterprise Limited**Notes forming part of the Financial Statements for the year ended March 31, 2025****Note 42 : Related Party Transactions**

In accordance with the requirements of Ind AS 24, Related Party Disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are provided below:

(A) Names of related parties and nature of relationship are given below :

Relationship	Name of the party
A. Holding Company	Kanara Consumer Products Limited (Formerly known as Kurlon Limited) (up to October 20, 2023) Sheela Foam Limited (w.e.f October 20, 2023)
B. Subsidiary companies (wholly owned)	Kurlon Retail Limited Komfort Universe Products & Services Limited Belvedere International Limited Kanvas Concepts Private Limited Starship Value Chain and Manufacturing Private Limited
C. Fellow subsidiaries	Manipal Software & E-Com Private Limited (up to October 20, 2023) Staqa World Private Limited (w.e.f October 20, 2023) Staqa Software Private Limited (Formerly known as Divya Software Solutions Private Limited) (w.e.f October 20, 2023) Sleepwell Enterprises Private Limited (w.e.f October 20, 2023) Joyce Foam Pty. Ltd. (w.e.f October 20, 2023) Joyce WC NSW PTY Limited. (Subsidiary of Joyce Foam Pty Limited) (w.e.f October 20, 2023) International Foam Technologies Spain S.L. (w.e.f October 20, 2023) (w.e.f October 20, 2023) Interplasp (Step down subsidiary of International Foam Technologies Spain S L (IFTSSL)) (w.e.f October 20, 2023) Sheela Foam Trading LLC (Dubai) (w.e.f October 20, 2023) Sevalal Solar Private Limited (w.e.f October 13, 2023 up to October 20, 2023) Sirar Solar Energies Private Limited (w.e.f October 13, 2023 up to October 20, 2023) Sirar Dhotre Solar Private Limited (w.e.f October 13, 2023 up to October 20, 2023) House of Kieraya Limited, India (Jointly Controlled Entity of Holding Company) (w.e.f October 20, 2023)
D. Enterprises owned or significantly influenced by key management personnel /Directors and their relatives	Jayamahal Trade and Investments Private Limited (up to October 20, 2023) Manipal Metropolis Builders Private Limited (up to October 20, 2023) Manipal Advertising Services Private Limited (up to October 20, 2023) Rangoli Resorts Private Limited (w.e.f October 20, 2023) Jai Bharath Mills Private Limited (up to October 20, 2023) Manipal Travels (India) Private Limited (up to October 20, 2023) Sleepwell Foundation (Trust) (w.e.f October 20, 2023) Manipal Software & E-Com Private Limited (up to October 20, 2023) Kanara Consumer Products Limited (Formerly known as Kurlon Limited) (up to October 20, 2023)
E. Directors and Key management	Mr. T. Sudhakar Pai, Managing Director (up to October 20, 2023) Ms. Jaya S Pai, Director (up to October 20, 2023) Mrs. Jyothi Ashish Pradhan, Chief Executive Officer (up to October 20, 2023) Mr. H N Shrinivas, Non-Executive Director (up to October 20, 2023) Mr. Nagarajan S, Non-Executive Director (up to October 20, 2023) Mr. Jamsheed Minoo Panday, Non- Executive Director (up to October 20, 2023) Mrs. Jyothi Ashish Pradhan, Non - Executive Director (w.e.f. October 20, 2023) Mr. Rahul Gautam, Non - Executive Director (w.e.f. October 20, 2023) Mr. Tushaar Gautam, Managing Director (w.e.f. October 20, 2023) Mr. Ravindra Dhariwal, Non-Executive Independent Director (w.e.f. October 21, 2023) Ms. Meena Jagtiani, Non-Executive Independent Director (w.e.f. October 21, 2023) Mr. Abhilash Padmanabh Kamti, Chief Financial Officer (up to March 31, 2025) Mr. Monu Kumar, Company Secretary (up to November 30, 2024) Mr. Pawan Kumar Lakhota (w.e.f. April 25, 2025)



Kurlon Enterprise Limited

Notes forming part of the Financial Statements for the year ended March 31, 2025

(B) Disclosure of transactions (excluding reimbursement) between the Company**(₹ in Crores)**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of material/capital goods		
Kurlon Retail Limited	15.03	19.03
Belvedere International Limited	2.46	10.25
Interplasp S.L, Spain	1.94	-
Komfort Universe Products & Services Limited	-	2.63
Sheela Foam Limited	361.25	7.71
Kanara Consumer Products Limited (Formerly known as Kurlon Limited)	-	10.37
	380.68	49.99
Scheme expenses		
Kurlon Retail Limited	-	1.52
Belvedere International Limited	-	0.01
	-	1.53
Interest income on loan given		
Kanvas Concepts Private Limited	0.12	0.09
Komfort Universe Products and Services Private Limited	0.12	-
Kurlon Retail Limited	2.37	1.18
Sevalal Solar Private Limited	-	0.02
Sirar Dhotre Solar Private Limited	-	0.05
Sirar Solar Energies Private Limited	-	0.05
Starship Value Chain and Manufacturing Private Limited	-	0.13
	2.61	1.52
Provision for doubtful recovery of interest income on loans		
Kanvas Concepts Private Limited	0.12	0.09
Komfort Universe Products and Services Private Limited	0.12	-
Kurlon Retail Limited	2.37	1.18
Sevalal Solar Private Limited	-	0.02
Sirar Dhotre Solar Private Limited	-	0.05
Sirar Solar Energies Private Limited	-	0.05
Starship Value Chain and Manufacturing Private Limited	-	0.13
	2.61	1.52
Purchase of material/capital goods		
Sheela Foam Limited	199.93	-
Kanara Consumer Products Limited (Formerly known as Kurlon Limited)	-	41.79
Belvedere International Limited	0.01	0.13
Kurlon Retail Limited	0.02	0.36
Sheela Foam Limited	-	29.35
	199.96	71.63
Repair & Maintenance - Others		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	-	0.74
	-	0.74
Interest paid on unsecured loan		
Jaya S Pai	-	0.38
	-	0.38
IT support service		
Staqa World Private Limited	6.15	-
	6.15	-
Freight outward		
Starship Value Chain and Manufacturing Private Limited	10.76	40.30
Sheela Foam Limited	-	0.01
	10.76	40.31
Warehouse charges		
Starship Value Chain and Manufacturing Private Limited	1.18	9.58
	1.18	9.58
Legal and consultancy charges		
Starship Value Chain and Manufacturing Private Limited	9.09	26.80
Manipal Software & E-Corn Private Limited	-	3.83
	9.09	30.63



Kurlon Enterprise Limited

Notes forming part of the Financial Statements for the year ended March 31, 2025

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Advertisement and sales promotion expenses		
Manipal Advertising Services Private Limited	-	3.07
Kurlon Retail Limited	-	0.18
Manipal Software & E-Com Private Limited	-	0.02
Sheela Foam Limited	-	0.60
	-	3.87
Travelling and conveyance expenses		
Manipal Travels (India) Private Limited	-	1.27
	-	1.27
Key management personnel		
Compensation of Key management personnel		
Short-term Employee Benefits	1.11	1.65
Post Employment Benefits	0.03	0.06
	1.14	1.71
Loan given		
Kanvas Concepts Private Limited	0.02	-
	0.02	-
Dividend paid		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	-	6.47
	-	6.47
Security deposit received		
Starship Value Chain and Manufacturing Private Limited	3.50	-
	3.50	-
Lease Rentals to related parties		
Kanara Consumer Products Limited (Formerly known as Kurlon Limited)	-	13.40
Manipal Metropolis Builders Private Limited	-	0.16
Jai Bharath Mills Private Limited	-	0.06
Jayamahar Trade and Investments Private Limited	-	0.10
	-	13.72
Miscellaneous Income		
Starship Value Chain and Manufacturing Private Limited	-	0.04
	-	0.04
Staff Welfare Expenses		
Komfort Universe Products & Services Limited	-	0.04
Starship Value Chain and Manufacturing Private Limited	-	0.12
	-	0.16
Sale of Investment in Subsidiaries		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	-	0.14
	-	0.14
Sale of Assets		
Jyothi Pradhan	-	0.34
Sudhakar Pai T	-	0.02
	-	0.36
Printing & Stationery		
Manipal Advertising Services Private Limited	-	0.01
	-	0.01
Contribution to CSR expenditure		
Sleepwell Foundation (Trust)	-	0.67
	-	0.67



Kurlon Enterprise Limited

Notes forming part of the Financial Statements for the year ended March 31, 2025

(C) Disclosure of balances outstanding at the end of the reporting year**(₹ in Crores)**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Trade payable		
Manipal Software & E-Com Private Limited	-	0.34
Starship Value Chain and Manufacturing Private Limited	7.15	4.69
Sheela Foam Limited	39.49	7.17
Kanara Consumer Products Limited (Formerly known as Kurlon Limited)	-	1.00
Manipal Metropolis Builders Private Limited	-	0.05
Staquo World Private Limited	1.66	-
	48.30	13.25
Trade receivable		
Belvedere International Limited	2.51	2.66
Komfort Universe Products & Services Limited	12.46	8.63
Sheela Foam Limited	-	4.09
Interplasp SL Spain	2.04	-
Kurlon Retail Limited	7.70	-
	24.71	15.38
Investment in subsidiaries		
Kurlon Retail Limited	17.60	17.60
Komfort Universe Products & Services Limited	0.05	0.05
Belvedere International Limited	0.05	0.05
Kanvas Concepts Private Limited	0.01	0.01
Starship Manufacturing and Services Private Limited	0.01	0.01
	17.72	17.72
Security deposit		
Manipal Metropolis Builders Private Limited	-	0.10
	-	0.10
Loan to related parties (Gross)		
Kurlon Retail Limited	27.91	27.91
Kanvas Concepts Private Limited	1.37	1.35
Komfort Universe Products & Services Limited	1.41	1.41
	30.69	30.67
Loss allowance on loans given to related parties		
Kurlon Retail Limited	27.91	27.91
Kanvas Concepts Private Limited	1.37	1.35
Komfort Universe Products & Services Limited	1.41	1.41
	30.69	30.67
Advance from customers		
Sheela Foam Limited	-	0.07
	-	0.07
Advance to Employee		
Jyothi Pradhan	-	0.03
	-	0.03
Advance to related parties		
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	-	4.73
	-	4.73
Other Receivables		
Kanara Consumer Products Limited (Formerly known as Kurlon Limited)	-	5.64
	-	5.64
Sitting fees payable		
Ravindra Dhariwal	-	0.02
	-	0.02
Deposit-Refundable		
Starship Manufacturing and Services Private Limited	3.50	-
	3.50	-



Kurlon Enterprise Limited

Notes forming part of the Financial Statements for the year ended March 31, 2025

Notes:

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end for trade payables/receivables are unsecured and interest free and loan balances carry interest, further settlements occurs in cash. For the year ended March 31, 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties other than disclosed above. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



(This space has been intentionally left blank)

Note 43 : Disclosures as per Ind AS 116 'Leases'

A) Leases where Company is a lessee

The Company's significant leasing arrangements are in respect of the following assets:

The Company has leases of land and buildings for offices, warehouses and service centres. Right of Use Assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease terms for leasehold buildings ranges between 2 years to 13 years and lease hold land range between 30 to 99 years.

a) Movement in lease liabilities

(₹ in Crores)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Buildings	Total	Buildings	Total
Opening liabilities	20.69	20.69	13.34	13.34
Recognised during the year	-	-	14.84	14.84
Accretion of interest	1.50	1.50	1.40	1.40
Repayment of Lease liabilities	(4.39)	(4.39)	(5.14)	(5.14)
Cancellation / adjustments	(10.51)	(10.51)	(3.75)	(3.75)
Closing liabilities	7.29	7.29	20.69	20.69

b) Break-up of current and non-current lease liabilities

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Lease Liabilities	2.55	3.19
Non-current Lease Liabilities	4.74	17.50
Total	7.29	20.69

c) Maturity analysis of lease liabilities

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
3 months or less	0.72	0.62
3-12 months	1.83	2.57
1-2 years	2.62	4.27
2-5 years	1.39	12.46
More than 5 years	0.73	0.77
Total	7.29	20.69

d) Amounts recognised in statement of Profit and Loss account

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finance cost	1.50	1.40
Depreciation and amortisation expense	5.13	5.37
Expenses relating to short term leases	0.10	15.49
Total	6.73	22.26

e) Amounts recognised in statement of Cash Flows

(₹ in Crores)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Total Cash outflow for leases	4.39	5.14

f) There are no variable lease payments considered in the initial measurement of the lease liability and asset.

g) Extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.



Note 44 : Fair values of Financial Assets and Financial Liabilities

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1.The Company has disclosed financial instruments such as trade receivables, cash and cash equivalents, other bank balances, trade payables, other financial assets and liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short-term nature.

2.Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to the account for the expected losses of these receivables.

Note 45 : Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

•Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

•Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for investment in preference shares, other investments, loans receivables and lease receivables included in level 3.

Valuation Processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the group chief financial officer (CFO) including board of directors. Discussions of valuation processes and results are held between the CFO and the valuation team every month. The Company takes the help of independent valuers for valuation purposes.

Fair Valuation Technique

The carrying amounts of trade receivables, trade payables, creditors towards capital goods, cash and cash equivalents, investment in pref. share, other investment and other bank balances are considered to be the same as their fair values, due to their short-term nature.

The fair values financial assets and liabilities consisting of loans receivable, lease receivable, lease liabilities, security deposits receivable and security deposit payable were calculated based on cash flows discounted using estimated borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

This section gives an overview of the significance of financial instrument for the Company and provides additional information on balance sheet item that contain financial instruments.



Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2025:

Fair Value measurement hierarchy of Assets: (₹ in Crores)					
Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets measured at amortized cost					
Investments in Subsidiaries	March 31, 2025	17.72	-	-	17.72
Trade receivables	March 31, 2025	41.74	-	-	41.74
Cash and cash equivalents	March 31, 2025	4.21	-	-	4.21
Bank balances other than cash and cash equivalents	March 31, 2025	1.88	-	-	1.88
Loans	March 31, 2025	-	-	-	-
Other financial assets	March 31, 2025	5.99	-	-	5.99

Fair Value measurement hierarchy of Liabilities: (₹ in Crores)					
Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortized cost					
Borrowings	March 31, 2025	-	-	-	-
Lease liabilities	March 31, 2025	7.29	-	-	7.29
Trade payables	March 31, 2025	71.46	-	-	71.46
Other financial liabilities	March 31, 2025	57.17	-	-	57.17

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31, 2024:

Fair Value measurement hierarchy of Assets: (₹ in Crores)					
Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets measured at fair value through profit and loss					
Investments in Mutual Funds	March 31, 2024	10.28	10.28	-	-
Financial Assets measured at amortized cost					
Investments in Subsidiaries	March 31, 2024	17.72	-	-	17.72
Trade receivables	March 31, 2024	77.46	-	-	77.46
Cash and cash equivalents	March 31, 2024	1.15	-	-	1.15
Bank balances other than cash and cash equivalents	March 31, 2024	2.22	-	-	2.22
Loans	March 31, 2024	-	-	-	-
Other financial assets	March 31, 2024	8.58	-	-	8.58

Fair Value measurement hierarchy of Liabilities: (₹ in Crores)					
Particulars	Date of Valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial liabilities measured at amortized cost					
Borrowings	March 31, 2024	0.12	-	-	0.12
Lease liabilities	March 31, 2024	20.69	-	-	20.69
Trade payables	March 31, 2024	120.58	-	-	120.58
Other financial liabilities	March 31, 2024	60.51	-	-	60.51



Note 46 : Financial risk management objectives and policies

The Company's principal financial liabilities comprises of borrowings, lease liabilities, deposits from dealers, trade and other payables. The main purpose of these financial liabilities is to finance the 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 and commodity price risk. Financial instruments affected by market risks include deposits from dealers, investments and foreign currency receivables and payables.

The sensitivity analysis in the following sections relate to the position as at March 31, 2025 and March 31, 2024.

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, 2025 and March 31, 2024.

i. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies. The Company is exposed to foreign currencies such as "USD" and "EURO".

a) The carrying amount of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2025			As at March 31, 2024		
	Currency	Foreign currency(Absolute)	₹ Crores	Currency	Foreign currency(Absolute)	₹ Crores
Trade payables	USD	1,12,318	1.00	USD	61,661	0.51
Trade receivables	EURO	2,20,897	2.04	EURO	-	-
Trade receivables	USD	-	-	USD	900	0.01

b) Foreign currency sensitivity analysis

The Company is mainly exposed to USD and EURO. The following table demonstrate the sensitivity to a reasonably possible change in respective exchange rates, with all other variables held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for sensitivity change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Particulars	Effect on profit before tax	
	As at March 31, 2025	As at March 31, 2024
Basis point		
USD		
+200	0.02	(0.01)
(-200)	(0.02)	0.01
EURO		
+300	0.06	-
(-300)	(0.06)	-



Kurlon Enterprise Limited
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(ii) Interest risk

Interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates. The Company's borrowings are at fixed and floating interest rate and are carried at amortised cost. However, these borrowings have been paid in full as of March 31, 2025.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows :

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
<u>Basis point</u>	<u>Effect on profit before tax</u>	
+100	-	0.01
(-100)	-	(0.01)

(iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of bedding articles, home comfort products, furniture cushioning and specialized foam and therefore require a continuous supply of raw materials i.e. foam which requires TDI and Polyol being the major input used in the manufacturing. Due to the significantly increased volatility of the price of the TDI and Polyol, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material and further the Company increases prices of its products as and when appropriate to minimize the impact of increase in raw material prices.

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factor:

(i) Trade receivables

Customer credit risk is managed by the Company through its established policies and procedures which involve setting up credit limits based on credit profiling of individual customers, credit approvals for enhancement of limits and regular monitoring of important developments viz. payment history, change in credit limits, regulatory changes, industry outlook etc. Outstanding receivables are regularly monitored and an impairment analysis is performed at each reporting date on an individual basis for each major customer. The company has evaluated its concentration of risk with respect to trade receivables as low. Out of total trade receivables, 48% of trade receivables consists of 2 customers which are the wholly owned subsidiaries of the company. In accordance with Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or reversal thereof.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits, bonds, debentures and mutual funds. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2025 and March 31, 2024 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 Crores)	
	As at March 31, 2025	As at March 31, 2024
Non-current assets		
Investments in Subsidiaries	17.72	17.72
Other non-current financial asset	4.44	7.48
Current assets		
Trade receivables	41.74	77.46
Cash and cash equivalents	4.21	1.15
Bank balances other than cash and cash equivalents	1.88	2.22
Other current financial asset	1.55	1.10
Total	71.54	107.13



c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the undiscounted contractual maturities of financial liabilities :

(₹ in Crores)

Particulars	Less than 1 Year	More than 1 Year	Total
March 31, 2025			
Lease liabilities	2.55	4.74	7.29
Trade payables	71.46	-	71.46
Other financial liabilities	11.68	45.49	57.17
Total	85.69	50.23	135.92
March 31, 2024			
Borrowings	0.12	-	0.12
Lease liabilities	3.19	17.50	20.69
Trade payables	120.58	-	120.58
Other financial liabilities	6.27	54.24	60.51
Total	130.16	71.74	201.90

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no significant liquidity risk is perceived.

Note 47 : Capital management

The Company's objective in managing its capital is to safeguard its ability to continue as a going concern and to optimise returns to our shareholders. The Company considers the following components of its Balance Sheet to be managed capital:

- 1) Share Capital
- 2) Other Reserves comprising of General Reserve and Retained Earnings.

The Company's capital structure is based on the Management's assessment of the balances of key elements to ensure strategic decisions and day to day activities.

Particulars		(₹ in Crores)	
		As at March 31, 2025	As at March 31, 2024
Equity		18.28	18.28
Other Equity		275.73	276.40
Total equity	(i)	294.01	294.68
Borrowings (including lease liabilities)		7.29	20.81
Less: cash and cash equivalents		(4.21)	(1.15)
Total debt	(ii)	3.08	19.66
Overall financing	(iii) = (i) + (ii)	297.09	314.34
Gearing ratio (in %)	(ii) / (iii)	1.04%	6.25%

The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The capital structure of the Company is managed with a view of the overall macro economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a strong capital structure with a focus to mitigate all existing and potential risks to the Company, maintain shareholder, vendor and market confidence and sustain continuous growth and development of the Company. The Company's focus is on keeping a strong total equity base to ensure independence, security, as well as high financial flexibility without impacting the risk profile of the Company. In order, to maintain or adjust the capital structure, the Company will take appropriate steps as may be necessary.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

Note 48 : Distributions made

Dividend on equity shares declared and paid

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
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Dividend on equity shares declared and paid

Final dividend for the year ended March 31, 2025: ₹ Nil per share (March 31, 2024: ₹ 2 per share)



Note 49 : Commitments for expenditure

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances of ₹ 1.91 Crores (March 31,2024: ₹ 0.27Crores))	8.34	5.46
Total	8.34	5.46

Note 50 : Contingent liabilities

Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debt (refer note below)		
Disputed liabilities not adjusted as expenses in the Accounts for various years being in appeals towards		
- Income tax	15.33	10.72
- Sales tax	3.08	3.08
- GST	48.78	16.12
Total	67.19	29.92

Note:

The Company is contesting these demands and the management, based on the advise from its tax consultants, believes that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demands raised as of March 31, 2025. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

NOTE: 51 DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

(₹ in Crores)						
Name of the Investee	Nature of Transaction	Purpose for which it is utilized	2024-25		2023-24	
			During the Year	Outstanding Balance	During the Year	Outstanding Balance
Wholly Owned Subsidiaries						
Kurlon Retail Limited	Investment in equity shares	Engaged in retail segment and deals with buying, selling, storing, promoting, marketing, supplying, trading and dealing in mattresses, pillow, sofa and furniture and presently operating through Retail stores PAN India	-	17.60	-	17.60
	Loan	The Company has granted loans to meet tworking capital requirements of ₹ 27.90 crores. Considering the financial position of subsidiary the company has provided loss allowance on outstanding loan amount of ₹ 27.90 crores	-	-	-	-
Komfort Universe Products and Services Limited	Investment in equity shares	To carry out retail business/trading of Semi-finished Goods, foam products, RC Pads, EPE Products and other related Products and Services on B2B basis in India.	-	0.05	-	0.05
	Loans	The Company has granted loans to meet tworking capital requirements of ₹ 1.41 crores. Considering the financial position of subsidiary the company has provided loss allowance on outstanding loan amount of ₹ 1.41 crores	-	-	-	-
Kanvas Concepts Private Limited	Investment in equity shares	Engaged in the business of Home Interior decor.	-	0.01	-	0.01
	Loans	The Company has granted loans to meet tworking capital requirements of ₹ 1.37 crores. Considering the financial position of subsidiary the company has provided loss allowance on outstanding loan amount of ₹ 1.37 crores	-	-	-	-
Starship Value Chain and Manufacturing Private Limited	Investment in equity shares	Provides value chain/logistics services to the Kurlon Enterprise Limited to gain momentum in the market and to offer contactless deliver to the end consumers of the Kurlon Enterprise Limited	-	0.01	-	0.01
Belvedere International Limited	Investment in equity shares	To carry on retail business of mattresses, Pillows, Furniture and other related Products and Services of Interntaional Brands on retail and B2B basis in India	-	0.05	-	0.05

For above investment in equity share refer note no. 7.



Note 52 : Segment information

Operating segment information

The Company is engaged in the manufacturing of the products of same type/class and has no overseas operations/units and as such there is no reportable segment as per Indian Accounting Standard (Ind AS-108) dealing with the operating segments. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors of the Company.

Geographical information

Particulars	(₹ in Crores)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from external customers		
Within India	600.47	798.37
Outside India	2.47	1.95
Total revenue	602.94	800.32

The revenue information is based on location of customers and excluding other operating revenue.

Non-current operating assets

The Company has common non-current operating assets for domestic as well as overseas market. Hence, separate figures for these assets are not required to be furnished.

Note 53 : Corporate social responsibility expenditure

As per section 135 of The Companies Act, 2013, the company is not meeting the applicability threshold to spend on corporate social responsibility (CSR) activities, hence there is no obligation on the company to spend any amount on CSR activities. However, in previous year the Company has incurred at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). Accordingly, a CSR committee has been formed by the Company for carrying out CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as per the Schedule VII of the Companies Act, 2013.

a) Particulars	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Gross amount required to be spent as per section 135 of the Act	-	0.82
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	-	0.82

b) Amount approved by the Board to be spent during the year	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
Amount approved by the Board to be spent during the year	-	0.82

c) Amount spent during the year on	(₹ in Crores)	
	As at March 31, 2025	As at March 31, 2024
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	-	1.06

d) Details related to amount spent	(₹ in Crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Particulars		
Contribution to Corpus of Trust	-	0.67
Prime Minister National Relief Fund	-	0.01
Protecting national heritage, art, and culture.	-	0.38
Total	-	1.06

e) Details of CSR expenditure in respect of other than ongoing projects	(₹ in Crores)	
	Year ended March 31, 2025	Year ended March 31, 2024
Particulars		
Balance Short / (Excess) as at openin	(0.24)	-
Amount required to be spent during the year	-	0.82
Amount spent during the year	-	(1.06)
Balance Short/ (Excess) Spent at end of the year*	(0.24)	(0.24)

Nature of Activity	(₹ in Crores)			
	Balance excess as at April 1, 2024	Amount required to be spent during the	Amount spent during the year	Balance excess as at March 31, 2025
Healthcare/education/skill development/art and culture	(0.24)	-	-	(0.24)



Note 54: Income Tax and Deferred Tax

(₹ in Crores)

	Year ended March 31, 2025	Year ended March 31, 2024
a) Income tax expense charged to the statement of profit or loss		
- Current tax taxes	-	-
- Tax expenses related to earlier years	(0.10)	-
- Deferred tax charge / (income)	(16.19)	(4.96)
Income tax expense reported in the statement of profit or loss	(16.29)	(4.96)

(₹ in Crores)

	Year ended March 31, 2025	Year ended March 31, 2024
b) Income tax expense charged to OCI		
Net loss/(gain) on remeasurements of defined benefit plans	0.67	(0.10)
Income tax charged to OCI	0.67	(0.10)

(₹ in Crores)

	Year ended March 31, 2025	Year ended March 31, 2024
c) Recognition of deferred tax asset to the extent of deferred tax liability		
Balance sheet		
Deferred tax asset	29.36	19.36
Deferred tax liabilities	(15.28)	(20.79)
Deferred tax (assets)/ liabilities, net	14.08	(1.43)

(₹ in Crores)

	Year ended March 31, 2025	Year ended March 31, 2024
d) Reconciliation of tax charge		
Particulars		
Profit before tax	(16.29)	(50.61)
Tax Rate	25.17%	25.17%
Income tax expense at tax rates applicable	(4.10)	(12.74)
Effect of income that is exempt from taxation	(8.98)	-
Effect of expenses that are not deductible in determining taxable profit	1.57	-
Effect of difference in tax rates	-	0.21
Others	(4.01)	7.58
	(15.52)	(4.96)
Adjustments recognised in the current year in relation to tax of prior years	(0.10)	-
Income tax expense	(15.62)	(4.96)

(₹ in Crores)

	As at April 1, 2024	Credit/ (Charge) in the statement of profit/ (loss)	Credit/ (Charge) in other comprehensive income	As at March 31, 2025
e) Movement of Deferred Tax Asset/(liability)				
Deferred tax assets				
On Provision for gratuity	1.18	0.23	(0.67)	0.74
On Provisions for leave encashment	0.79	(0.03)	-	0.76
On Mutual Fund Investment	0.04	(0.04)	-	-
On Provision for expected credit loss	2.86	(0.03)	-	2.83
On Provision for Warranty	1.56	(1.56)	-	-
On lease liabilities	5.21	(3.38)	-	1.83
On Loans to related parties	7.72	-	-	7.72
On Carry forward and brought forward losses	-	15.48	-	15.48
	19.36	10.67	(0.67)	29.36
Deferred tax liabilities				
On property, plant and equipment	(13.37)	2.30	-	(11.07)
On Right to use of assets	(7.42)	3.22	-	(4.21)
	(20.79)	5.52	-	(15.28)
Deferred tax assets/(liabilities), net	(1.43)	16.19	(0.67)	14.08



	(₹ in Crores)			
Particulars	As at April 01, 2023	Credit/ (Charge) in the statement of profit/ (loss)	Credit/ (Charge) in other comprehensive income	As at March 31, 2024
Deferred tax assets				
On Provision for gratuity	0.30	0.88	-	1.18
On Provisions for leave encashment	0.18	0.61	-	0.79
On Provision for Other 43(B) items	0.72	(0.72)	-	-
On Mutual Fund Investment	1.29	(1.25)	-	0.04
On Provision for expected credit loss	4.31	(1.45)	-	2.86
On Provision for Warranty	0.00	1.56	-	1.56
On lease liabilities	3.36	1.85	-	5.21
On 35DD disallowance	0.04	(0.04)	-	-
On Doubtful advances	0.06	(0.06)	-	-
On Loans to related parties	7.48	0.24	-	7.72
	17.74	1.62	-	19.36
Deferred tax liabilities				
On property, plant and equipment	(15.88)	2.51	-	(13.37)
On Right to use of assets	(5.95)	(1.47)	-	(7.42)
On Goodwill	(2.32)	2.32	-	-
	(24.15)	3.36	-	(20.79)
Deferred tax assets/(liabilities), net	(6.41)	4.98	-	(1.43)

Note 55: The Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits has received Presidential assent in September 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



Note 56 : Disclosure for specific ratios

Ratio	Formula	Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024	Variance	Reasons for variances (For more than 25%)
		Numerator	Denominator				
Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories+Financial assets+ Other current assets	Current Liabilities= Financial Liabilities+Short Term Provisions+ Current Tax Liabilities+Other current liabilities	1.51	1.38	10%	NA
Debt equity Ratio	Debt / Equity	Debts = Lease liabilities+Borrowings	Equity = Equity share capital + Other Equity	0.02	0.07	(65%)	There has been a substantial reduction in Lease liabilities as compared to previous year
Trade payable turnover Ratio	Net Credit Purchases / Average Trade Payables	Net credit purchases =Purchase of raw material and packing material +Purchase of traded goods +Other manufacturing expenses	Average Trade Payables (refer note no. 27)	4.66	4.37	7%	NA
Net capital turnover Ratio	Revenue / Working Capital	Revenue =Revenue from operations	Working Capital= Current assets -Current Liabilities	10.72	14.61	(27%)	There has been a substantial reduction in Revenue from operations as compared to previous year
Debt Service coverage ratio	Net Operating Income / Debt Service	Net Operating Income = Profit before tax for the year + Finance costs + Depreciation and amortisation expense	Debt service=Finance costs + Lease Liabilities (current)	(1.35)	(1.57)	(14%)	NA
Net Profit Ratio	Net Profit / Net Sales	Net Profit = Profit for the year	Net Sales =Revenue from operations	(0.00)	(0.06)	(92%)	There has been a substantial increase in Profit for the year and reduction in Revenue from operations as compared to previous year
Return on Equity Ratio	Profit after tax / Shareholder's Equity	Total comprehensive income for the year	Shareholders Equity=Total Equity	(0.00)	(0.17)	(99%)	There has been a substantial increase in Profit after tax as compared to previous year
Return on capital employed	EBIT / Capital Employed	EBIT= Profit before tax + Finance costs	Capital Employed = Total assets -current liabilities	(0.10)	(0.07)	47%	There has been a substantial reduction in Capital Employed and EBIT as compared to previous year
Inventory turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of goods sold =Cost of material consumed +Purchase of traded goods +Other manufacturing expenses +Changes in inventories of finished goods , traded goods & work in progress	Average Inventory	7.25	6.34	14%	NA
Return on investment	Net Profit / Net Investment	Net Profit= Profit before tax + Finance costs	Net Investment = Total Equity	(0.06)	(0.16)	(64%)	There has been a substantial increase in Net Profit as compared to previous year
Trade receivables turnover ratio	Net Credit Sales / Average Trade Receivables	Net Credit sales =Revenue from operations	Average Trade Receivables	10.12	11.76	(14%)	



Kurlon Enterprise Limited**Notes forming part of the Financial Statements for the year ended March 31, 2025****(All amounts in INR Crores, unless otherwise stated)****Note 57: Utilisation of borrowed funds**

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 58 : Events after the reporting period

There are no significant adjusting events after the reporting period.

Note 59 : Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

Note 60: Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 61: Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

Note 62: Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Note 63: Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions**As at March 31, 2025****(₹ in Crores)**

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
Jun-24	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts (Net of advances) & Inventories	139.67	138.13	1.54	Based on internally practices company decided not to consider some of the amounts in the calculation of DP
Sep-24	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts (Net of advances) & Inventories	113.44	91.72	21.72	Based on internally practices company decided not to consider some of the amounts in the calculation of DP
Dec-24	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts (Net of advances) & Inventories	101.03	96.31	4.72	Based on internally practices company decided not to consider some of the amounts in the calculation of DP
Mar-25	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts (Net of advances) & Inventories	55.61	57.73	(2.12)	Based on internally practices company decided not to consider some of the amounts in the calculation of DP

As at March 31, 2024**(₹ in Crores)**

Quarter	Name of bank	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reason for material discrepancies
Jun-23	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts (Net of advances) & Inventories	157.78	161.99	(4.21)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
Sep-23	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts (Net of advances) & Inventories	151.55	151.90	(0.35)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
Dec-23	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts (Net of advances) & Inventories	168.84	178.01	(9.17)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances.
Mar-24	Axis Bank Limited, IDBI Bank Limited, Kotak Mahindra Bank Limited	Book Debts (Net of advances) & Inventories	174.21	185.69	(11.48)	The book debts submitted to the bank are on gross basis and advances against book debts is considered as liability. However, the amount recorded in the books of account is net of advances. Additionally, provisional entries passed in books at year end not considered in return submitted to bank.



Kurlon Enterprise Limited**Notes forming part of the Financial Statements for the year ended March 31, 2025****(All amounts in INR Crores, unless otherwise stated)**

Note 64: Loans or advances in the nature of loans granted to Promoters, Directors, KMPS and the Related Parties either severally or jointly with any other person

Particulars				March 31, 2025		March 31, 2024	
Type of Borrower	Loans/Advances granted Individually or Jointly with others during the year	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	Amount outstanding (₹ In Crores)	% of Total	Amount outstanding (₹ In Crores)	% of Total
Related Parties (Subsidiary Company)	0.02	Yes	No	30.69	100.00%	30.67	100.00%

Note 65: Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

Note 66 : Compliance with number of layers of Companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 67: Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

Note 68:

During the previous year ended March 31, 2024, the company had entered into a tripartite agreement (TA) with Sheela Foam Limited (SFL) and Kanara Consumer Products Limited (KCPL) on October 18, 2023, pursuant to the Share Purchase Agreement (SPA) dated July 17, 2023, involving SFL, KCPL, and Kurlon Trading and Invest Management Private Limited. Based on these agreements, the company conducted the following transactions during the previous year:

1. KCPL Transferred Dabaspur Foam Land, Dabaspur Sofa Land, Bhubaneswar Land and Haridwar Land for a consideration of ₹ 46.31 Crores.
2. The company acquired the Gwalior Business from KCPL for a consideration of ₹ 34.00 Crores, and the excess of liability over asset of ₹ 15.06 Crores of the said business acquisition has been recognised as capital reserve.
3. As per one of the terms of the SPA, the company sold its investment in Sevalal Solar Private Limited, Sirar Dhotre Solar Private Limited and Sirar Solar Energies Private Limited to KCPL for a consideration of ₹ 0.14 Crores (investment at par value)
4. The company has adjusted lease deposit amount of ₹ 153.00 crores towards acquisition cost for the assets received from KCPL and further adjusting the liabilities owed to KCPL. The remaining balance of ₹ 143.01 Crores has been reduced from the Retained earnings under other payments as surplus cash paid to KCPL.

Note 69: Scheme of Amalgamation of wholly owned Subsidiaries and Company with the holding company

The Board of Directors of the Company ('Board') at its has approved the Composite Scheme of Arrangement between Belvedere International Limited ("BIL" or "Transferor Company 1") and Kanvas Concepts Private Limited ("KCPL" or "Transferor Company 2") and Kurlon Retail Limited ("KRL" or "Transferor Company 3") and Komfort Universe Products And Services Limited ("KUPSL" or "Transferor Company 4") and Starship Value Chain and Manufacturing Private Limited ("SVC MPL" or "Transferor Company 5") and Kurlon Enterprise Limited ("KEL" or "Transferee Company/ Amalgamating Company") and Sheela Foam Limited (Amalgamated Company) and their respective Shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The Scheme is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, Bench at Mumbai ("NCLT"). The same will be accounted for in the books of accounts in accordance with Appendix C to IndAS-103 on receipt of the approval from NCLT.

Note 70: Title deeds of Immovable Properties not held in name of the Company**(₹ in Crores)**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Property held since which date
Property, plant and equipment	Leasehold Land - Bhubaneswar	11.43	Kanara Consumer Products Limited	No	October 20, 2023	The lease is in the name of the erstwhile holding company, Kanara Consumer Products Limited. Post-change in ownership during the year (on October 20, 2023), the company is in the process of transferring the lease to its name.



Kurlon Enterprise Limited**Notes forming part of the Financial Statements for the year ended March 31, 2025****(All amounts in INR Crores, unless otherwise stated)****Note 71 : Asset pledged as security**

The carrying amounts of assets pledged as security for current borrowings are:

(₹ in Crores)

Particulars	As at March 31, 2025	As at March 31, 2024
Current Assets		
Inventories	44.39	85.39
Trade receivables	41.74	77.46
Total	86.13	162.85

Note:

The loan is secured by first pari passu charge on inventories and trade receivables of the Company.

Note 72: Revaluation of property, plant and equipment, intangible assets and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during current year's or previous year.

Note 73: Audit Trail

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Additionally, the audit trail of the preceding year, has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the previous year w.r.t. accounting software.

Further, the Company has used an additional software for maintaining its payroll during the year ended March 31, 2025.

Note 74: Regrouped/ reclassification of comparative figures

The comparative figures have been regrouped/reclassified, where necessary, to correspond with the current year classification/disclosure.

For M S K A & Associates

Chartered Accountants

Firm Registration No.: 105047W

**Nipun Gupta**

Partner

Membership No: 502896

Place: Gurgaon

Date: May 12, 2025

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

CIN: U36101MH2011PLC222657


Tushaar Gautam
Managing Director
DIN: 01646487

Place: Noida

Date: May 12, 2025


Rahul Gautam

Director

DIN: 00192999


Pawan Kumar Lakhotia**Company Secretary**

Membership No.: F11409