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ANNUAL REPORT 2024

 **KANARA
CONSUMER
PRODUCTS LIMITED**
(FORMERLY KNOWN AS KURLON LIMITED)
www.kacpl.com

Corporate & Registered Office : N-301, III Floor, North Block,
Front Wing, Manipal Centre, 47 Dickenson Road, Bengaluru - 560 042, India.

CORPORATE INFORMATION

Managing Director :
Mr. T. Sudhakar Pai

Non-Executive Director :
Mrs. Jaya S. Pai

Independent Director :
Mr. Santhosh Kamath

Independent Director :
Mr. K. Venugopal Shetty

Executive Director :
Mrs. Jyothi Ashish Pradhan

Non-Executive Director :
Mrs. Deepa Pai

Chief Financial Officer :
Mr. K. R. Madhusudan

Company Secretary :
Susheela Y. Godbole

Registered and Corporate Office :
N-301, III Floor, North Block, Front Wing,
Manipal Centre, 47, Dickenson Road,
Bengaluru - 560 042.

Bankers And Financial Institution :
Canara Bank & Axis Bank Limited

Statutory Auditors :
Nangia & Co LLP,
Chartered Accountants
Prestige Obelisk, Level 4, No. 03, Kasturba Road,
Bengaluru - 560 001, India

Registrar and Share Transfer Agent :
Purva Sharegistry (India) Private Limited
(Unit : Kanara Consumer Products Limited)
9, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Lower Parel
(E), Mumbai - 400 011, Tel. : +91 (022) 2301-6761/2518,
Fax : +91 (022) 2301-2517 E-mail : support@purvashare.com
Contact Person : Mrs. Purva Shah / Mr. Rajesh Shah
SEBI Registration Number : INR0Q00001112

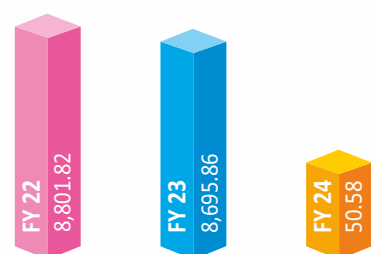


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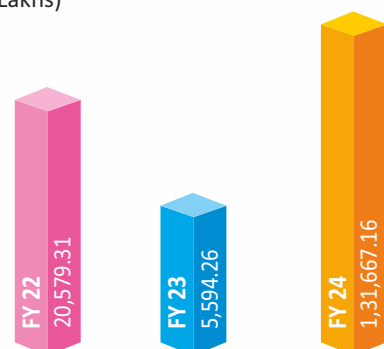
Operating Revenue
(Rs. In Lakhs)



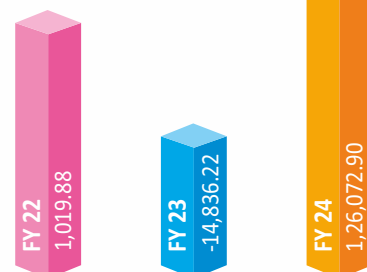
EBITDA
(Rs. In Lakhs)



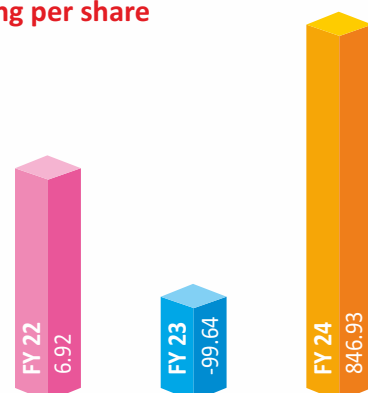
Networth
(Rs. In Lakhs)



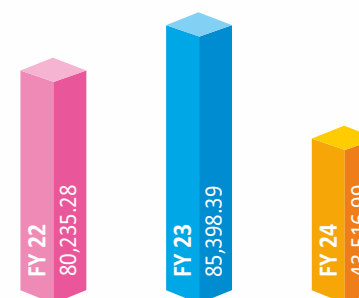
Net Profit
(Rs. In Lakhs)



Earning per share
(In Rs.)



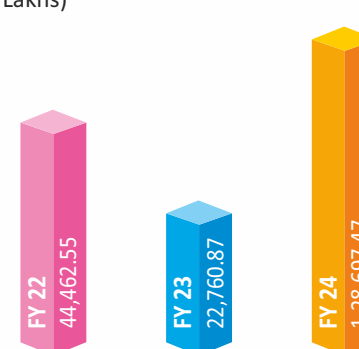
Operating Revenue
(Rs. In Lakhs)



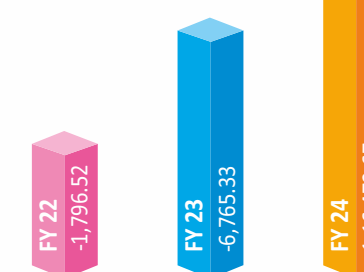
EBITDA
(Rs. In Lakhs)



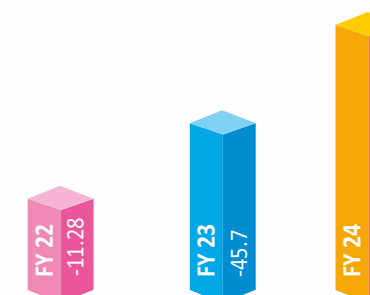
Networth
(Rs. In Lakhs)



Net Profit
(Rs. In Lakhs)



Earning per share
(In Rs.)





Dear Members,

The Board of Directors are pleased to present the Company's 62nd Annual Report and the Company's Audited Financial Statements (Standalone and Consolidated) for the financial year ended March 31, 2024.

1. Financial summary or highlights / Performance of the Company

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

Particulars	(₹ in Lakh)			
	Standalone		Consolidated	
	2023-2024	2022-2023	2023-2024	2022-2023
Revenue from operations	50.58	63.65	43,516.99	85,398.39
Other revenue	6,689.28	2800.61	5,679.53	1,237.22
Total revenue	6,739.86	2,864.26	49,196.52	86,635.61
Profit Before Financial charges, tax and Depreciation	5,479	1,833.63	1,200.97	6,046.70
Less: Finance Charges	189.02	597.84	1,942.71	4,068.43
Less: Depreciation	298.41	360.77	2,032.52	4,377.21
Profit Before Tax and Exceptional Items	4,991.45	875.02	(2,774.26)	(2,398.94)
Less Exceptional items	(1,57,393.64)	15,047.13	(154,728.98)	4,185.88
Profit/Loss before Tax	1,62,385.09	(14,172.11)	151,954.72	(6,584.83)
Add/Less: Current Income Tax	36,436.52	302.97	36,628.15	1,166.11
Less: (Excess)/Short Provision for Income Tax of earlier year	44.30	(69.09)	46.36	(117.54)
Less: MAT Credit				2.31
Add/Less: Deferred tax	138.10	148.64	(1,257.42)	(892.26)
Profit/Loss after tax	1,25,766.17	(14,554.63)	116,537.63	(6,743.44)
Other comprehensive income/Loss	27.66	(6.90)	(64.96)	(21.89)
Total comprehensive income/Loss for the year	1,26,072.90	(14,836.22)	116,427.46	(6,765.33)
Surplus in statement of P & L carried to Balance Sheet	1,25,449.85	(623.05)	122,477.35	12,628.03
Earnings per share (EPS).	846.93	(99.64)	783.05	(45.70)

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

Performance of the Company's affairs:

During the current year, Revenue from operation of the Company, on standalone basis, is Rs. 50.58 Lakhs as against Rs. 63.65 Lakhs of previous year. The Profit/(loss) after tax before other Comprehensive income, for the current year increased to Rs. 1,25,766.17 Lakhs as compared to Rs. (14,554.63) Lakhs loss for previous year. The net Profit/ (loss) after other Comprehensive income is also increased to Rs. 1,26,072.90 Lakhs as compared to Rs. (14,836.22) Lakhs loss of previous year.

The Company discontinued and sold Gwalior Business to its erstwhile Subsidiary Company Kurlon Enterprise Limited which has made significant changes in the values of the standalone financials of the Company. Due to this impact the previous year figures has been regrouped / reclassified, wherever necessary, to confirm with the current year groupings / classifications.

On Consolidated basis, the overall revenue is decreased from Rs. 85,398.39 Lakhs to Rs. 43,516.99 Lakhs, however the Consolidated Profit after tax and other comprehensive income increased to Rs. 1,16,427.46 Lakhs as against the Previous Year of Rs. (6,765.33) Lakhs.

During the year under review, the Company made significant strategic decisions that have reshaped its future trajectory. On July 17, 2023, the Company entered into a Share Purchase Agreement (SPA) with M/s. Sheela Foam Limited, leading to the sale of 94.66% of its equity shareholdings in Kurlon Enterprise Limited for deal price of Rs. 2,150 Crores. Effective from October 20, 2023, Kurlon Enterprise Limited ceased to be a subsidiary of the Company. Consequently, as per the terms of the SPA the Company transferred its Dabaspur Foam Land, Dabaspur Sofa Land, Bhubaneswar Land and Haridwar Land including Company's Gwalior Business to Kurlon Enterprise Limited.

Pursuant to the above transaction, the Company has cleared all its loans to the Banks. Further, the wholly owned subsidiary of the Company "Kanara Consulting and Service Management Private Limited" (formerly known as Kurlon Trading and Invest Management Private Limited) has cleared the loans to the lenders (Bajaj Finance Limited and Kotak Mahindra Investment Limited) and the Company also discharged all the guarantees including mortgages with Bajaj Finance Limited and Kotak Mahindra Investment Limited.

Consequently, effective from June 14, 2023, the Company changed its name from Kurlon Limited to Kanara Consumer Products Limited and expanded its business objectives to align with new strategic directions. With the management's extensive experience, the Company has laid out detailed plans for further strategic investments, aiming for long-term sustainable growth.

2. Dividend

Your Directors are pleased to recommend a Dividend of

Rs 10.00/- (i.e. 100%) per equity share of Rs. 10/- each fully paid up as final dividend for the financial year ended March 31, 2024, payable to those Shareholders whose names appear in the Register of Members as on the Record Date. The dividend on Equity Shares is subject to the approval of the shareholders at the forthcoming Annual General Meeting (AGM) of the Company. Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

3. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof

As Company has not done any one-time settlement during the year under review hence no disclosure is required.

4. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

There is no application made or any proceeding pending by or against the Company under the Insolvency and Bankruptcy Code, 2016 during FY 2023-24.

5. Transfer to Reserves

The Board of Directors have decided to retain the profit after distribution of dividend for the Financial Year 2024 in the Statement of Profit and Loss hence no amount is being recommended to transfer to General reserve

6. Consolidated Financial Statement

Pursuant to Section 129(3) of the Companies Act, 2013 and IND AS 110 issued by Institute of Chartered Accountant of India, the Consolidated Financial Statements presented by the Company include the Audited Financial Statements received from Subsidiary Companies, as approved by its Boards.

7. Change in the Nature of Business

During the year under review, the Company exited from the mattress and related businesses via sale of shares held in Kurlon Enterprise Limited. The Company has then altered the objects clause of the Company and has included as its main objects as Developers, Builders, Managers and Operators of all immovable properties and related activities, investments in securities, dealership in consumer products etc., the Company is progressing towards the new objectives.

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

There are material changes and commitments affecting the financial position of the Company between the end of the Financial Year and the date of this report as listed below.



a) The Company offered its shareholders the option of buying back the equity shares for a price of Rs.1300 per share. The buyback offer was opened on 5th of June 2024 and closed on 19th June 2024. The promoters, except Mr. T Sudhakar Pai, Mrs. Jaya S Pai and Mrs. Jyothi Ashish Pradhan had given their consent for not participating in the buyback. Totally 168 shareholders opted for the buyback option, leading to the repurchase of 7,46,854 shares from the shareholders.

9. Indian Accounting Standards

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

10. Share capital

During the year under the review, the Authorized Share Capital of the Company as on date of Balance Sheet is Rs. 35,00,00,000/- (Rupees Thirty-Five Crores Only) divided into 3,50,00,000 (Three Crores Fifty Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each and The Paid up share capital of the Company as on date of balance sheet is Rs. 14,88,26,050/- (Rupees Fourteen Crores Eighty-Eight Lakhs Twenty-Six Thousand Fifty Only) divided into 1,48,82,605 (One Crore Forty-Eight Lakhs Eighty Two Thousand Six Hundred Five Only) Equity Shares of Rs. 10/- each.

Buy-back of Securities

DIN/PAN	Directors and Key Managerial Personnel	Designation
00043298	Mr. T Sudhakar Pai	Managing Director
00030515	Mrs. Jaya S Pai	Director
02825199	Mrs. Deepa S. Pai	Director
06733156	Mrs. Jyothi Ashish Pradhan	Executive Director
00632775	Mr. K Venugopal Shetty	Independent Director
03268717	Mr. Santhosh Kamath	Independent Director
ABWPR3878C	Mr. Madhusudan Kudlugi Raghavendrarao	Chief Financial Officer
ANZPG8719L	Mrs. Susheela Y Bungale	Company Secretary

None of the Directors of the Company are disqualified under Section 164 of the Companies Act, 2013.

In accordance with the provisions of the Act, Mrs. Deepa Pai, Director of the Company, retires by rotation at the ensuing Annual General Meeting. The Board of Directors on the recommendation of Nomination and Remuneration Committee (“NRC”) has recommended their re-appointment.

Mrs. Jaya Sudhakar Pai (DIN: 00030515) and Mr. Narendra Kudva (DIN: 07459916), were reappointed as Non-Executive Director of the Company in previous Annual General Meeting of the Company, liable to be

The Company has not bought back any of its securities during the year under review.

Issue of sweat equity shares

During the year the Company has neither issued any sweat Equity Shares nor shares with differential voting rights.

Sub-division of equity shares

No subdivision took place during the year under review.

Bonus Shares

The Company has not issued any bonus shares during the year under review.

Employee stock option scheme

The Company has not provided any Stock Option to its employee(s).

11. Name Change of the Company

Pursuant to Share Purchase Agreement (SPA) entered with M/s. Sheela Foam Limited on July 17, 2024 the members of the Company by passing special resolution through postal ballot on 16th May 2023 changed the name of the Company from Kurlon Limited to Kanara Consumer Products Limited with effect from 14th June 2023.

12. Directors and Key Managerial Personnel

Following are the Directors and KMPs of the Company as on date of this report.

retire by rotation. Further Mrs. Jyothi Ashish Pradhan (DIN: 06733156) has been appointed as an Executive Director of the Company in the previous Annual General Meeting of the Company.

Mr. Narendra Kudva (DIN: 07459916) was resigned as a Non-Executive Director with effect from 19th April, 2024.

Mr. Jamsheed Minoo Panday (DIN: 00232768) and Mr. Aspi Nariman Katgara (DIN: 06946494) resigned as Directors of the Company with effect from 29th February, 2024.

Mr. Monu Kumar ceased to be Company Secretary of the Company with effect from 20th October 2023. The Board

places on record its appreciation towards valuable contribution made by Mr. Monu Kumar during his tenure as Company Secretary of the Company. Further, the Board has appointed Ms. Susheela Y Bungale as Company Secretary of the Company w.e.f 14th February 2024 in place of Mr. Monu Kumar.

13. Declaration by Independent Director

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

14. Board Meetings

The Meetings of the Board were held at regular intervals within a time gap of not more than 120 days between two consecutive Meetings. During the year under review 11 (Eleven) Meetings of the Board of Directors were held on 26.05.2023, 17.07.2023, 27.09.2023, 13.10.2023, 25.10.2023, 21.11.2023, 21.12.2023, 11.01.2024, 22.02.2024, 08.03.2024 and 22.03.2024 respectively.

The Agenda of the Meetings are circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

15. Disclosure about receipt of commission or remuneration by Managing Director

In terms of the provisions of section 197(14) of the Act, Mr. T Sudhakar Pai, Managing Director of the Company received remuneration from the Holding Company Viz, Kanara Consumer Products Limited and did not received any commission or remuneration from the Subsidiary Companies.

16. Annual Evaluation of Board and its Committees

The Nomination and Remuneration Committee (“NRC”) has laid down proper criteria and procedure to evaluate and scrutinize performance of the Chairperson, each Director (including Executive, Non-Executive and

Independent Directors), of the Board as a whole and its Committee. The criteria include different aspects covered under Administrative, Strategic, Operational and Compliance headings.

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

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

17. Familiarization Program for Independent Directors

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

18. Deposit from Public

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

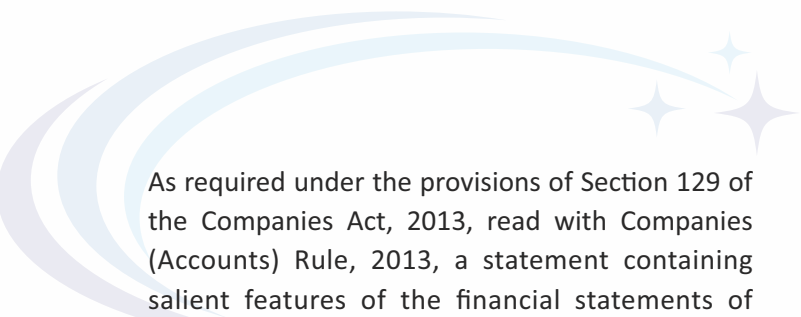
19. Remuneration Policy

The Company follows a policy on remuneration of Directors and Senior Management Employees. The policy is approved by the Nomination and Remuneration Committee and the Board.

20. Details of Subsidiary / Joint Ventures / Associate Companies

The Company has following subsidiaries as on 31st March 2024.

Sl. No.	Name and address of the Company	CIN/GLN	Subsidiary / Associate Joint Venture
1	Manipal Software & e-Commerce Private Limited	U72200KA2011PTC059084	Subsidiary
2	Manipal Natural Private Limited	U24290KA2019PTC130068	Subsidiary
3	Kanara Consulting and Service Management Private Limited	U67190MH2022PTC382693	Subsidiary



As required under the provisions of Section 129 of the Companies Act, 2013, read with Companies (Accounts) Rule, 2013, a statement containing salient features of the financial statements of subsidiaries is provided in the prescribed format AOC-1 as Annexure-A of the Board Report therefore not repeated to avoid duplication.

21. Directors' Responsibility Statement

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

- a. that in the preparation of the annual accounts for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the State of Affairs as at March 31, 2024 and of the Profit of your Company for the Financial Year ended March 31, 2024.
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d. that the annual accounts for the Financial Year ended March 31, 2024 have been prepared on a going concern basis;
- e. They have laid down Internal Financial Controls, which are adequate and are operating effectively.
- f. That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

22. Report on Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance practice as set out in the Act. The Company believes that the essence of

Corporate Governance lies in the phrase 'Your Company'. It is 'Your' Company because it belongs to you – the shareholders. The Chairman and Directors are 'Your' fiduciaries and trustees. Their objective is to take the business forward in such a way that it maximizes 'Your' long-term value.

Your Company is committed to benchmarking itself with global standards for providing good Corporate Governance. It has put in place an effective Corporate Governance System in the Company not only for the good secretarial practice but to ensure that the businesses of the Company are being conducted in transparent manners.

23. Auditors and Auditors' report

Statutory Auditors

Pursuant to Section 139 of the Act and Rules made thereunder, the Company has via postal ballot appointed M/s.Nangia & Company LLP (Registration No. 002391C/N500069) as statutory auditors to fill the casual vacancy caused due to resignation of M/s. S.R.Batliboi & Associates LLP (SRBA)., Chartered Accountants (Registration No. 101049W/E300004). M/s.Nangia & Company LLP (Registration No. 002391C/N500069) were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held for the year ending on 31st March 2024. The resolution for appointment of M/s Nangia & Company LLP (Registration No. 002391C/N500069) as statutory auditors for a period of 5 years from the conclusion of this Annual General Meeting till the conclusion of the 67th Annual General Meeting has been proposed at this Annual General Meeting.

The Company has received confirmation from the Auditors that they are eligible to be appointed as the statutory auditors of the Company. The Reports given by M/s. Nangia and Company (Registration No. 002391C/N500069) on the standalone and consolidated financial statements of the Company for FY 2023-24 are part of the Annual Report.

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

24. Audit Reports

The notes on Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report on standalone financials, does contain qualification, reservation, adverse remark or disclaimer and it is as follows:

"We draw attention to note 7(a) to the accompanying standalone financial statements which describes the management's assessment regarding recovery of loan and investment from one of the wholly owned subsidiary companies as at March 31, 2024, amounting to Rs. 5,645.56 lakhs and Rs. 601.00 lakhs respectively. Further, as stated in the aforesaid note, the recovery of loan and investment is dependent on the future profitability of aforementioned subsidiary company which is uncertain presently. Considering the aforesaid factors, we are unable to comment on the recoverability of loan and investment and consequent provision, if any, cannot be determined at the present."

The Directors of the Company are of the view that MNPL is in the third year of commercial operations and expect the business to meet its objective in three to five years horizon, given the nature of the industry it operates. MNPL operates on global platform which takes three to six months for each customer related actions to fructify into profitable business. The current order book together with projections have been shared with the Auditors, which has been very encouraging.

25. Secretarial Auditor:

The provisions of Section 204 of the Companies act are not applicable to the Company hence your Company is not required to appoint Secretarial Auditor.

26. Cost Auditor:

During the year under the review, Cost audit is not applicable to the Company.

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

Pursuant to the provisions of the Act, read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules,

2016, as amended ('Rules'), the dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF. Accordingly, unclaimed dividends has already been transferred to the IEPF authority within stipulated time period, Further, the shares pertaining to which dividend remains unclaimed for a consecutive period of seven years from the date of transfer of the dividend to the Unpaid Dividend Account, as mandatorily required to be transferred to the IEPF Authority had also been transferred by the company within stipulated time period to IEPF authority established by the Central Government.

However, during the year under review, the Company has not transferred any amount to IEPF as no amounts were due to be transferred in respect of immediate previous 7 years.

Any shareholder whose unclaimed dividend and shares pertaining thereto, have been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in web-form IEPF-5. Upon submitting a duly completed form, shareholders are required to take print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Nodal Officer, at the Registered Office of the Company or to the share transfer agent (RTA) of the Company. The instructions for the web-form can be downloaded from the website of Ministry of Corporate Affairs at www.iepf.gov.in. Shareholders are also requested to contact the RTA for encashing the unclaimed dividend, if any, standing to the credit of their account for the subsequent dividend as and when declared by the company.

Any shareholders who wish to know the status of unclaimed dividend or shares can directly approach to the company or its RTA as the company does not have its own website to disclose list of unclaimed dividends and shares transferred to IEPF authority

28. Loans, Guarantees and investments

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

Category	Date of Board Meeting Approval for Loan / Investment / Security / Guarantee	Details of Loan / investment / Security / Guarantee	Name of the Company in which Investment / Loan / Guarantee is made / given	Purpose of which the loan / guarantee / security is proposed to be utilized by the recipient	Amount (In Lakhs)
Loan	17-07-2023, 25-10-2023	Loan repayable on demand	Manipal Educational Foundation	Working Capital	1000
Loan	25-10-2023, 11-01-2024	Loan repayable on demand	Manipal Natural Private Limited	Operational and Working Capital	4750
Loan	21-11-2023	To be paid quarterly/annually	Sevalal Solar Private Limited	Operational and Working Capital	39.84
Loan	21-11-2023, 21-12-2023	To be paid quarterly/annually	Sirar Dhotre Solar Private Limited	Operational and Working Capital	94.25
Loan	21-11-2023, 21-12-2023	To be paid quarterly/annually	Sirar Solar Energies Private Limited	Operational and Working Capital	113.9
Loan	21-12-2023	To be paid quarterly/annually	Innovative Foam Limited	Operational and Working Capital	233.8
Loan	21-12-2023	To be paid quarterly/annually	Maha Rashtra Apex Corporation Ltd	Operational and Working Capital	1500
Investment	21-12-2023	Liquid Fund	Life Insurance Corporation of India	investment in Mutual Funds	5098
Investment	22-02-2024	compulsorily convertible preference shares	Bridgeup Tech Limited	Investment in Debt Instruments	25.16
Investment	22-03-2024	equity shares	Jitendra Harjivandas Securities Private Limited	Investment in Equity Shares	1981

29. Particulars of Contracts or Arrangements with related parties

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

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is also obtained from

the Audit Committee for the related party transaction which are of repetitive nature.

The information on transactions with related parties pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given elsewhere in this report and the same forms part of this report. (For Related party transaction please refer to Note No.33 to the Standalone Financial Statement)

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

30. Risk Management System

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

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

31. Environment & Safety

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

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

32. Vigil Mechanism/ Whistle Blower Policy

The Company has a vigil mechanism for Directors and Employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of Directors and employees who avail the

mechanism. In exceptional cases, Directors and employees have direct access to the Chairperson of the Audit Committee.

33. Corporate Social Responsibility (CSR)

Your Company has constituted a Corporate Social Responsibility (CSR) Committee which works under the direct supervision of Mrs. Jaya S Pai, Director, who also acts as the Chairperson of the Committee. Mrs. Jyothi A Pradhan, Director and Mr. Kuthethoor Venugopal Shetty, Independent Directors of the Company, are members of the Committee. The Committee manages and overviews the CSR projects of your Company. The CSR activities are based on the CSR policy approved by the Board of directors of the Company. A brief outline of which is appended as Annexure "B" an integral part of this report.

34. Audit Committee

The Board has constituted an Audit Committee with Mr. Santhosh Kamath, Independent Director of the Company as Chairperson, Mr. Kuthethoor Venugopal Shetty, Independent Director and Mrs. Jyothi Ashish Pradhan, Executive Director of the Company as Members. There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

35. Nomination and Remuneration Committee ("NRC")

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

36. Shareholders / Investors Grievance Committee ("SRC")

The Board has constituted a Shareholders/ Investors Grievance Committee (SRC) with Mrs. Jyothi Ashish Pradhan, Executive Director of the

Company as Chairperson, and Mr. K Venugopal Shetty, Independent Director of the Company as Members.

37. Internal Audit and Control

Provisions of Section 138 of the Companies Act, 2013 is not applicable to the Company hence your Company is not required to appoint Internal Auditor.

38. Extract of Annual Return:

Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, The annual return of the Company for FY 2023-24 will be filed to ROC within the prescribed time period. The same will be uploaded in www.kacpl.com .

39. Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

40. Significant and Material Orders

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

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

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

42. Sexual Harassment of Women at

(i)	The steps taken or impact on conservation of energy	NA
(ii)	The steps were taken by the company for utilizing alternate sources of energy	NA
(iii)	The capital investment on energy conservation equipment's	NA

Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWWA)

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

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

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

43. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and out go during the year are as follows:

A. Conservation of Energy

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

B. Technology absorption

(i)	The efforts made towards technology absorption	NA
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	NA
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
	(a) the details of technology imported	NA
	(b) the year of import;	NA
	(c) whether the technology been fully absorbed	NA
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
(iv)	The expenditure incurred on Research and Development	NA

Pursuant to Share Purchase Agreement entered with Sheela Foam Limited as on 17th July, 2023, the Company has sold its Gwalior Business

to Kurlon Enterprise Limited. Hence, the Company is not having any factory as on 31st March, 2024.

C. Foreign exchange earnings and Outgo (Standalone)

	2023-2024	2022-2023
Total foreign exchange inflow	-	69.47
Total foreign exchange outflow	-	2564.77

44. Human Resources

Your Company assigns a great deal of importance to this most precious resource. It has a full-fledged Human Resource Department that seeks to attract and recruit the best possible talent and groom it to fulfill its vision for the future. The Directors wish to acknowledge the efforts all employees in raising the performance of the Company. Industrial relations throughout the year continued to remain cordial.

45. Acknowledgements

The Directors wish to place on record their sincere gratitude for the co-operation,

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

For and on behalf of the Board
For Kanara Consumer Products Limited
(Formerly known as "Kurlon Limited")

Date : 04-09-2024
Place : Bengaluru

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

Sd/-
(Kothethoor Venugopal Shetty)
Independent Director
DIN : 00632775

FORM AOC - 1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures (Pursuant to first proviso to sub-section (3) of section 129 read

with rule 5 of Companies (Accounts) Rules, 2014)

Part A : Subsidiaries including step down subsidiaries.

(₹ in Lakh)

Sl. No.	Particulars	(1)	(2)	(3)
1	Name of Subsidiary/step down subsidiary	MANIPAL NATURAL PRIVATE LIMITED	MANIPAL SOFTWARE AND E-COM PRIVATE LIMITED	KANARA CONSULTING & SERVICE MANAGEMENT PRIVATE LIMITED (Formerly known as Kurlon Trading & Invest Management Private Limited)
2	Date of Incorporation	28/11/2019	09/06/2011	14/05/2022
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting Period	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA
5	Share capital	151	65	0.10
6	Reserves & Surplus	(2,782.05)	118.05	(3,602.67)
7	Total Assets	3,997.97	220.59	84.99
8	Total Liabilities (Excluding Share capital & Reserve & Surplus)	6,629.02	37.54	3,687.56
9	Investments	1,304.90	-	-
10	Turnover/Income from operations	(1,391.34)	413.69	-
11	Profit/(Loss) before Tax	-	23.63	(1,149.16)
12	Provision for Taxation	(48.69)	9.02	-
13	Profit/(Loss) After Tax	(1,342.65)	(50.35)	(1,149.16)
14	Proposed Dividend	-	-	-
15	% of shareholding	100%	98.46%	100%

Notes:

- Names of subsidiaries which are yet to commence operations – None
- Names of subsidiaries which have been liquidated or sold during the year – Pursuant to Share Purchase Agreement entered with Sheela Foam Limited as on 17th July, 2023, the Company has sold 94.66% of its equity shareholdings in Kurlon Enterprise Limited during the year.

Part "B": Associates and Joint Ventures – NOT APPLICABLE

For and on behalf of the Board
For Kanara Consumer Products Limited
(Formerly known as "Kurlon Limited")

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

Sd/-
(Kothethoor Venugopal Shetty)
Independent Director
DIN : 00632775

Date : 04-09-2024
Place : Bengaluru

ANNUAL REPORT ON CSR ACTIVITIES

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

The Board of Directors (the 'Board') of "Kanara Consumer Products Limited (Formerly known as "Kurlon Limited") has adopted a CSR policy, which includes:

- a. To direct Company's CSR Programs, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education including skill development; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India and preserving and promoting sports.
- b. To develop the required capability and self-reliance of beneficiaries at the grass roots, in the belief that these are prerequisites for social and economic development.
- c. To engage in affirmative action / interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons including from disadvantaged sections of society.
- d. To pursue CSR Programs primarily in areas that fall within the economic vicinity of the Company's operations to enable close

supervision and ensure maximum development impact.

- e. To carry out CSR Programs in relevant local areas to fulfill commitments arising from requests by government/regulatory authorities and to earmark amounts of monies and to spend such monies through such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates.
- f. To carry out activities at the time of natural calamity or engage in Disaster Management system.
- g. To contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women.
- h. To contribute or provide funds to technology incubators located within academic institutions which are approved by the Central Government.
- i. To contribute to any fund setup by the Central Government or State Government(s) including Chief Minister's Relief Fund, which may be recognized as CSR activity.
- j. To promote sustainability in partnership with industry associations, like the Confederation of Indian Industry (CII), PHD, FICCI, etc. in order to have a multiplier impact.

2. Composition of CSR Committee :

Sl. No.	Name of Director	Designation /Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01	Mrs. Jaya S. Pai	Chairperson, Non-Independent Non-Executive Director	02	02
02	Mrs. Jyothi Ashish Pradhan	Member, Non-Independent Executive Director	02	02
03	Mr. K. Venugopal Shetty	Member, Independent, Non-Executive Director	02	02

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

The web- link related to Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company is www.kacpl.com

4. Provide the details of Impact assessment of

CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Lakhs)	Amount required to be set- off for the financial year, if any (in Rs.)
01	2022-23	0.13	-
	Total	0.13	-

7. Average Net Profit of the Company as per section 135(5)

Year	Amount (Rs. lakhs)
2020 - 2021	92.91
2021 - 2022	(309.85)
2022 - 2023	438.63
Total	221.69
Average	73.90

8. Prescribed CSR Expenditure for FY 2023-24

Particulars	Amount (Rs. lakhs)
a). Two percent of average net profit of the company as per section 135(5)	1.48
b). Surplus arising out of the CSR projects or programs or activities of the previous financial years.	0.13
c). Amount required to be set off for the financial year, if any	-
Total CSR obligation for the financial year (7a-7b).	1.35

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 1,00,00,000/-	-	-	-	-	-

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

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

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

(1)	(2)	(3)	(4)	(5)	(8)	(10)	(11)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project. State. District.	Amount spent for the project (in Rs.).	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name CSR registration Number
1	Charitable purposes	Clause iii of Schedule VII	No	Maharashtra Mumbai	1,00,00,000	Yes	NA NA

d). Amount spent in Administrative Overheads: NA

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

f). Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 1,00,00,000/-

g). Excess amount for set off, if any: Rs. 98,65,000

Particulars	Amount (Rs. lakhs)
(i). Two percent of average net profit of the company as per section 135(5)	1.48
(ii). Total amount spent for the Financial Year	100.00
(iii). Excess amount spent for the financial year [(ii)-(i)]	98.65
(iv). Surplus arising out of the CSR projects or programs or activities of the previous financial years	-
(v). Amount available for set off in succeeding financial years [(iii)-(iv)]	98.65

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

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

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

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

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

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

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

For and on behalf of Board of Directors of
Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Date : 04-09-2024
Place : Bengaluru

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

Sd/-
(Kothethoor Venugopal Shetty)
Independent Director
DIN : 00632775

Form AOC - 2

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

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain

arm's length transactions under third proviso thereto

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

2. Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2024 are as follows.

Name of related party	Nature of relationship	Nature of Transactions	Duration of Contract	Salient Terms	Date of Board approval	Rs. in Lakhs
Kurlon Enterprises Limited	Subsidiary*	sale of products	NA	as per BTA	15-07-2021	4,540.14
Komfort Universe Products and Services Limited	Step down subsidiary*	sale of products	NA	as per BTA	NA	202.69
Kurlon Enterprises Limited	Subsidiary*	Rental Income	NA	-	15-07-2021	1,489.33
Kurlon Enterprises Limited	Subsidiary*	Purchase of products	NA	as per BTA	15-07-2021	1,087.16
Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited)	Subsidiary	Interest Income	NA	NA	NA	436.61
Manipal Natural Private Limited	Wholly owned subsidiary	Interest Income	NA	NA	NA	241.56
Mega Gyan Edu Foundation	entity significantly Influenced by directors	Interest Income	NA	NA	NA	41.76
Jitendra Harjivandas Securities Private Limited	entity significantly influenced by directors	investment in equity	NA	NA	22-03-2024	2,129.65

Name of related party	Nature of relationship	Nature of Transactions	Duration of Contract	Salient Terms	Date of Board approval	Rs. in Lakhs
Manipal Natural Private Limited	wholly owned subsidiary	Loan given	2 Years	NA	25-10-2023 11-01-2024	5645.46
Manipal Educational Foundation	entity significantly influenced by directors	Loan given	on demand	NA	17-07-2023, 25-10-2023	1811.85
Innovative Foam Limited	entity significantly influenced by directors	Loan given	2 Years	NA	21-12-2023	369.11
Sevalal Solar Private Limited	Step down subsidiary*	Loan given	-	-	21-11-2023 21-12-2023	102.33
Sirar Solar Energies Private Limited	Step down subsidiary*	Loan given	-	-	21-11-2023 21-12-2023	127.26
Sirar Dhotre Solar Private Limited	Step down subsidiary*	Loan given	-	-	21-11-2023 21-12-2023	103.43
Maharashtra Apex Corporation Limited	entity significantly influenced by directors	capital advance	2 Years	NA	21-12-2023	4573.37

*Pursuant to Share Purchase Agreement (SPA) entered with Sheela Foam Limited as on 17th July, 2023, the Company has sold 94.66% of its equity shareholdings in Kurlon Enterprise Limited during the year. Hence, the Subsidiary relation with Kurlon Enterprise Limited and its subsidiaries cease to exist with effect from 20th October 2023.

Note : Transactions like payment of managerial

remuneration and Dividend are as per the terms approved by the shareholders. Transactions pertaining to rental, interest, legal and professional fees, directors sitting fees and tailoring and fabrication, loan, advances, dividend, advertisement expenses, sale and purchases are also entered in the ordinary course of business at an arm's length basis as per business requirements of the Company.

For and on behalf of Board of Directors of
Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Date : 04-09-2024
Place : Bengaluru

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

Sd/-
(Kothethoor Venugopal Shetty)
Independent Director
DIN : 00632775



INDEPENDENT Auditor's Report

To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **STANDALONE** Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Kanara Consumer Products Limited (formerly known as Kurlon Limited) (the "Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income/(loss)), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (referred to as "Ind AS Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the 'Basis of Qualified Opinion' section of our report, the aforesaid Ind AS Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit including other comprehensive income/(loss), the changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

We draw attention to note 7(a) to the accompanying standalone financial statements which describes the management's assessment regarding recovery of loan and investment from one of the wholly owned subsidiary companies as at March 31, 2024, amounting to Rs. 5,645.56 lakhs and Rs. 601.00 lakhs respectively. Further, as stated in the aforesaid note, the recovery of loan and investment is dependent on the future profitability of aforementioned subsidiary company which is uncertain presently. Considering the aforesaid factors, we are unable to comment on the recoverability of loan and investment and consequent provision, if any, cannot be determined at the present.

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors' Report and Annexures thereto, but does not include the Ind AS Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Ind AS Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income/(loss), changes in equity and

cash flows of the Company in accordance with accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Standalone 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 Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Ind AS Standalone Financial Statements.



To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **STANDALONE** Financial Statements

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

- ▶ Identify and assess the risks of material misstatement of the Ind AS Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- ▶ Evaluate the overall presentation, structure and content of the Ind AS Standalone Financial Statements, including the disclosures, and whether the Ind AS Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and



INDEPENDENT Auditor's Report

To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **STANDALONE** Financial Statements

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Ind AS Standalone Financial Statements of the Company for the year ended March 31, 2023, included in these Ind AS Standalone Financial Statements, have been audited by the predecessor auditor who expressed a qualified opinion on those statements on November 21, 2023.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

a. Except for the effects of the matters described in the Basis of Qualified Opinion paragraph, 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 effects of the matters described in the Basis of Qualified Opinion paragraph, the Company does not have servers physically located in India for the daily backup of the books of accounts and other books and papers maintained in electronic mode and for the matters stated in the paragraph (j)(vi) below on the reporting under Rule 11 (g).

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income/(Loss), the Statement of Changes in Equity and the Statement of

Cash Flows dealt with by this Report are in agreement with the relevant books of account.

d. Except for the effects of the matters described in the Basis of Qualified Opinion paragraph, In our opinion, the aforesaid Ind AS Standalone Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of the written representations received from the directors as on March 31, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. The Qualification relating to the maintenance of accounts and other matters connected therewith are stated in the Basis of Qualified Opinion paragraph above and paragraph 2 (b) above on reporting under Section 143(3)(b) and paragraph (j) (vi) below on reporting under Rule 11(g).

g. With respect to the adequacy of the internal financial controls with reference to these Ind AS Standalone Financial Statements and operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.

h. The matters described in the Basis for Qualified Opinion paragraph and matters described under clause (I) (b), (i)(c) and (iii)(b) of statement on the matters specified in paragraphs 3 and 4 of the Order in "Annexure 1", in our opinion, may have adverse effect on the functioning of the Company.

i. In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act as applicable.

j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS Standalone Financial Statements - Refer Note 36 to the standalone financial statements.



To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
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(ii) The Company did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024.

(iii) Following are the instances of delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024:

Financial year	Amount involved (Rs lakhs)	Date of Payment	Number of Day's of Delay
2007-08	0.32	Not paid	Not paid
2008-09	0.75	Not paid	Not paid
2010-11	0.01	Not paid	Not paid

(iv) (a) The management has represented that, to the best of it's knowledge and belief, except as disclosed in the note 43 to the Ind AS Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether 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.

(b) The management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 43 to the Ind AS Standalone 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, that the Company shall, whether 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; and

(c) Based on the audit procedures performed by us that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b), contain any material misstatement.

(v) As stated in note 15 (f) to the Ind AS Standalone Financial Statements, no dividend has been declared and paid during the year by the Company.

As stated in note 15 (f) to the Ind AS Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(vi) As stated in Note 43 (x) to the Ind AS Standalone Financial Statements and according to the information and explanations given to us by the Company and based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and we are unable to comment whether the same has operated throughout the year for all relevant transactions recorded in the software in the absence of availability of audit log backups. The audit trail feature is not enabled at the database level insofar as it relates to SAP accounting software. We are unable to comment whether the audit trail feature being tampered or not during the year in the absence of availability of audit log backups.

For Nangia & Co LLP

Chartered Accountants

ICAI Firm Registration Number : 002391C/N500069

Per Vijaya Kumar Uppiretla

Partner

Membership No.: 255908

Place : Bengaluru

Date : September 04, 2024



INDEPENDENT Auditor's Report

To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **STANDALONE** Financial Statements

"ANNEXURE 1" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Kanara Consumer Products Limited (formerly known as Kurlon Limited) (the "Company") for the year ended March 31, 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(I) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have not been physically verified by the management during the year, hence, we are unable to comment on the discrepancies, if any.

(c) According to the information and explanations given by the management, title deeds of the immovable properties included in property, plant and equipment are held in the erstwhile name of the Company except for certain properties namely Sy.No.437/3 (3 guntas), 438/1A (30 guntas), 438/1B (46 guntas), 438/2 (78 guntas) located at B.H Road, Arasikere, Hassan amounting to Rs 0.29 lakhs are held in the name of Late Mr. Tonse Ramesh Upendra Pai, Father of current Managing Director of the Company and in respect of immovable properties of land that have taken on lease and disclosed as Right-of-use assets in the Ind AS Standalone Financial Statements, the lease agreements are in the erstwhile name of the Company.

Particulars	Loans (Rs. in Lakhs)	Guarantee (Rs. in Lakhs)	Advances in the nature of Loans (Rs. in Lakhs)
Aggregate amount granted/ provided during the year			
- Subsidiaries	10,190.89	-	-
- Others	1,762.47	-	1,223.87
Balance Outstanding (including principal and interest) as at March 31,2024 #			
- Subsidiaries	5,645.56	3,950	-
- Others	488.87	-	0.61

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use Assets) during the year ended March 31, 2024.

(e) As represented to us by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in Note 43 to the Ind AS Standalone Financial Statements.

(ii) (a) The inventory has been physically verified during the year by the management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification of inventories when compared with books of account. There are no inventories lying with third parties.

(b) As disclosed in note 20 to the Ind AS Standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the Ind AS Standalone Financial Statements, the quarterly returns/statements is not required to be filed by the company with such banks as the working capital limits are backed up by fixed deposits which are under lien. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year, the Company has provided loans and advances in the nature of loans to Companies and other parties as follows:

The aforesaid balance outstanding as at balance sheet date in respect of subsidiaries and others is net of provision made for doubtful recovery of loans given to subsidiaries and to others amounting to Rs. 7,458.72 Lakhs and net of provision made for doubtful recovery of advances in the nature of loans amounting to Rs. 4,573.37 Lakhs. Also refer Note 8 and 11 in the Ind AS Standalone Financial Statements and reporting under clause (iii) (b) below.

Apart from the above, the Company has not provided securities to Companies, firms Limited Liability partnerships or any other parties.

(b) The investments made, guarantees provided, loans granted, security given and the terms and conditions of the grant of all loans to Companies, firms, Limited Liability Partnerships or any other parties and advances in the nature of loans given to Companies and other parties (i.e. Employees) are not prejudicial to the Company's interest except for the loans Rs. 7,458.72 lakhs, advances in the nature of loan Rs. 4,573.37 lakhs which has been provided since considered doubtful of recovery as of March 31,2024. Also refer Note 8 and 11 in the Ind AS Standalone Financial Statements as regard to interest rate, accrual of interest and terms of repayment.

(c) The Company has granted loans and advance in the nature of loans during the year to companies, or any other parties (i.e. Employees) where the schedule of

repayment of principal and payment of interest has been stipulated. The aforesaid loans are repayable on demand along with interest and the company has not demanded the same during the year. Also refer Note 8 and 11 in the Ind AS Standalone Financial Statements and reporting under clause(iii)(b) above.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days. Also refer Note 8 and Note 11 in the Ind AS Standalone Financial Statements and reporting under clause(iii)(b) above.

(e) There were no loans or advance in the nature of loans granted to companies, Limited Liability Partnerships or any other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties. Also refer Note 8 and Note 11 in the Ind AS Standalone Financial Statements and reporting under clause(iii)(b) above.

(f) As disclosed in Note 8 and Note 11 in the Ind AS Standalone Financial Statements, the company has granted loans which are repayable on demand to the Companies, firms and other parties. Following are details of the aggregate amount of loans granted to related parties as defined in clause (76) of Section 2 of the Companies Act,2013.

Particulars	Related Parties (Amount Rs. lakhs)
Aggregate amount of loans/advances in nature of loans -Repayable on demand (Gross Amount)	17,667.26
Percentage of loans/advances in nature of loans to the total loans	97.25%

Except for the above, the Company has not granted advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to any other parties. Also refer note 8 in the Ind AS Standalone Financial Statements.

(iv) Loans, investments, Guarantees and security in respect of which provisions of sections 185 and 186 of the companies Act, 2013 are applicable have been complied with by the company. Also refer reporting under clause (iii)(b) above.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost



To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
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INDEPENDENT Auditor's Report

To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
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records under section 148(1) of Companies Act, 2013, related to the manufacture of mattresses and other products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and based on the audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they become payable.

(b) There are dues of goods and services tax, provident fund, employees' state insurance, income tax and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount Disputed (Rs. in Lakhs)*	Period to which the amount relates to	Forum where Dispute is Pending
The Income tax act, 1961	Income tax	44.02	2014-15	High Court of Karnataka
		3.51	2004-05	High Court of Orissa
		48.71	2005-06	
		8.95	2000-01	High Court of Kerala
		0.25	2014-15	
		31.38	1997-98	
		3.64	2000-01	Various States
		1.66	2004-05	Appellate
		19.73	2008-09	Tribunals / Boards
		2.13	2010-11	
		1.10	1995-96	
		17.86	1996-97	
		4.73	1998-99	
		49.82	1999-00	
		44.04	2000-01	
		37.99	2003-04	
		17.50	2004-05	
		49.41	2005-09	
		10.83	2005-06	
Value Added Tax for Various States, Central Sales Act, 1956 and Entry Tax Act for various states	Value Added Tax, Sales Tax and Entry Tax	23.64	2006-07	The joint commissioner / The deputy joint commissioner/ The assistant joint commissioner of Commercial taxes
		192.93	2007-08	
		22.77	2008-09	
		98.47	2009-10	
		3.02	2010-11	
		163.75	2011-12	
		458.03	2012-13	
		443.21	2013-14	
		28.68	2014-15	
		37.25	2015-16	
		50.92	2016-17	
The Central Excise Act, 1944	Excise duty	3,833.68	2013-14	High Court of Karnataka

*Excluding amount paid under protest amounting to Rs. 233.72 lakhs



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(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the Ind AS Standalone Financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On overall examination of the Ind AS Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and associates. The Company does not have any joint venture.

(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 or associate companies. The Company does not have any joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or

convertible debentures (fully or partly or optionally) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order are not applicable to the Company.

(b) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order are not applicable to the Company.

(c) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)© of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS Standalone Financial Statements, as required by the applicable accounting standards.

(xiv) (a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) of the Order is not applicable to the Company.

(b) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the



INDEPENDENT Auditor's Report

To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **STANDALONE** Financial Statements

Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(b) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (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. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

© The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) Based on our audit procedures and according to the information and explanations given to us, the Company has not incurred cash losses during the financial year. In the immediately preceding financial year, the Company had incurred cash losses amounting to 85,24.39 lakhs.

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 42 to the Ind AS Standalone Financial Statements, ageing and expected dates of realization 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) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 135 of the Act. This matter has been disclosed in Note 37 to the Ind AS Standalone Financial Statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section(6) of section 135 of the Companies Act. This matter has been disclosed in Note 37 to the Ind AS Standalone Financial Statements.

For Nangia & Co LLP

Chartered Accountants

ICAI Firm Registration Number : 002391C/N500069

Per Vijaya Kumar Uppiretla

Partner

Membership No.: 255908

Place : Bengaluru

Date : September 04, 2024



To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **STANDALONE** Financial Statements

ANNEXURE '2' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT EVEN DATE ON THE IND AS STANDALONE FINANCIAL STATEMENTS OF KANARA CONSUMER PRODUCTS LIMITED (FORMERLY KNOWN AS KURLON LIMITED)

Report on 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 Ind AS Standalone Financial Statements of Kanara Consumer Products Limited (formerly known as Kurlon Limited) ("the Company") as of March 31, 2024, in conjunction with our audit of Ind AS Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI").

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, 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 the reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial with reference to these Ind AS standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those standards and the Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether adequate internal financial controls with reference to these Ind AS standalone financial statements was established and maintained as 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 these Ind AS standalone financial statements and their operating effectiveness. Our audit of internal financial controls with respect to Ind AS standalone financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of

the Ind AS standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to these Ind AS Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Ind AS Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS Standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, adequate internal financial controls with reference to Ind AS Standalone Financial Statements and such internal financial controls with reference to Ind AS Standalone Financial Statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Nangia & Co LLP

Chartered Accountants

ICAI Firm Registration Number : 002391C/N500069

Per Vijaya Kumar Uppiretla

Partner

Membership No.: 255908

Place : Bengaluru

Date : September 04, 2024



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FINANCIAL Statements

Standalone Balance Sheet as at March 31, 2024

		(₹ in Lakh)	
Particulars	Notes	March 31, 2024	March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	4	5,400.92	10,953.40
Capital work-in-progress	4	-	5.65
Intangible assets	5	0.12	0.24
Right of use assets	6	3,509.08	4,222.68
Financial assets			
Investments	7	16,382.36	17,702.30
Loans	8	6,134.42	1,155.37
Other financial assets	9	1,461.11	1,207.04
Income tax assets (net)	10	1,850.10	713.77
Other non-current assets	11	269.22	361.56
		35,007.33	36,322.01
Current assets			
Inventories	12	11.78	1,301.78
Financial assets			
Investments			
Trade receivables	13	0.26	197.28
Cash and cash equivalents	14	48,123.43	100.17
Other bank balances	14	39,516.16	14.41
Other financial assets	9	9,584.05	45.47
Other current assets	11	1,723.61	281.44
		98,959.29	1,940.55
Total		1,33,966.62	38,262.56
Equity And Liabilities			
Equity			
Equity share capital	15	1,488.26	1,488.26
Other equity	16	1,30,178.90	4,106.00
		1,31,667.16	5,594.26
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	-	1,600.74
Other financial liabilities	17	-	-
Deferred tax liabilities (net)	19	921.10	783.00
Other non current liabilities	22	-	-
		921.10	2,383.74
Current liabilities			
Financial liabilities			
Borrowings	20	-	641.79
Trade payables	21	-	-
Total outstanding dues of micro enterprises and small enterprises		-	28.00
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,222.92	798.15
Other financial liabilities	17	129.89	21,242.02
Provisions	18	11.94	71.91
Other current liabilities	22	13.61	7,502.69
		1,378.36	30,284.56
Total		1,33,966.62	38,262.56
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date

For Nangia & Co LLP

Chartered Accountants
ICAI Firm Registration Number : 002391C/N500069

Per Vijaya Kumar Uppiretla

Partner
Membership No.: 255908

Place : Bengaluru, Date : September 04, 2024

For and on behalf of Board of Directors of
Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Tonse Sudhakar Pai
Managing Director
DIN : 00043298

Madhusudan K. R.
Chief Financial Officer

Place : Bengaluru, Date : September 04, 2024

Kothethoor Venugopal Shetty
Independent Director
DIN : 00632775

Shusheela Y. Godbole
Company Secretary



Standalone Statement of Profit and Loss for the year ended March 31, 2024

		(₹ in Lakh)	
Particulars	Notes	March 31, 2024	March 31, 2023
Continuing Operations			
Income			
Revenue from operations	23	50.58	63.65
Other income	24	6,689.28	2,800.61
Total income		6,739.86	2,864.26
Expenses			
Cost of raw material consumed	25	4.56	10.33
Changes in inventories of finished goods and work-in-progress	26	(11.78)	-
Employee benefit expense	27	194.46	159.03
Finance costs	28	189.02	597.84
Depreciation and amortisation expense	29	298.41	360.77
Other expenses	30	1,073.74	861.27
Total expenses		1,748.41	1,989.24
(Loss)/Profit before exceptional items and tax from continuing operations		4,991.45	875.02
Exceptional items	30(A)	(1,57,393.64)	15,047.13
(Loss)/Profit before tax from continuing operations		1,62,385.09	(14,172.11)
Tax expense			
Current tax	41	36,436.52	302.97
Tax relating to earlier years		44.30	(69.09)
Deferred tax charge/(credit)		138.10	148.64
Total tax expense		36,618.93	382.52
(Loss)/Profit for the year from continuing operations		1,25,766.17	(14,554.63)
Discontinued Operations			
Profit/(loss) before tax for the year from discontinued operations		393.73	(274.69)
Tax Income/ (expense) of discontinued operations		(114.65)	-
Profit/ (loss) for the year from discontinued operations		279.08	(274.69)
Profit/(loss) for the year		1,26,045.24	(14,829.32)
Other comprehensive income/(loss), net of tax			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gain/(loss) on defined benefit plan		39.02	(9.56)
Income tax effect		(11.36)	2.66
Total other comprehensive income/(loss), net of tax		27.66	(6.90)
Total comprehensive income/(loss) for the year, net of tax		1,26,072.90	(14,836.22)
Earnings per equity share :	31		
Earnings per equity share for continuing operations		845.05	(97.80)
Basic and Diluted [Nominal value of shares Rs. 10 (December 31, 2023 : Rs. 10)]			
Earnings per equity share for discontinued operations		1.88	(1.85)
Basic and Diluted [Nominal value of shares Rs. 10 (December 31, 2023 : Rs. 10)]			
Earnings per equity share		846.93	(99.64)
Basic and Diluted [Nominal value of shares Rs. 10 (December 31, 2023 : Rs. 10)]			
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date

For Nangia & Co LLP

Chartered Accountants
ICAI Firm Registration Number : 002391C/N500069

Per Vijaya Kumar Uppiretla

Partner
Membership No.: 255908

Place : Bengaluru, Date : September 04, 2024

For and on behalf of Board of Directors of
Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Tonse Sudhakar Pai
Managing Director
DIN : 00043298

Madhusudan K. R.
Chief Financial Officer

Place : Bengaluru, Date : September 04, 2024

Kothethoor Venugopal Shetty
Independent Director
DIN : 00632775

Shusheela Y. Godbole
Company Secretary



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Since 1925

FINANCIAL Statements

Standalone Cash Flow Statement for the year ended March 31, 2024

Particulars	(₹ in Lakh)	
	March 31, 2024	March 31, 2023
A. Cash flow from operating activities		
(Loss) / Profit before tax Continuing operations	1,62,385.09	(14,172.11)
(Loss) / Profit before tax discontinued operations	393.73	(274.69)
Non cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	466.63	652.21
Provision for doubtful advances	(1,606.43)	3,350.61
Previous year provisions written back	(7,174.97)	-
Provision for doubtful loans	1,762.47	6,192.44
Guarantee loss	6,685.85	-
Finance cost	189.18	593.78
Interest income	(4,093.03)	(303.20)
Rental income	(1,656.94)	(2,346.38)
Gain on sale of investments	(14.44)	-
Dividend income	(646.87)	(161.69)
Loss on sale of property, plant and equipment	39.61	20.01
Gain on sale of investment in subsidiary	(1,43,553.44)	-
Balance payable to subsidiary written back	(23,201.13)	-
Net Loss on account of slump sale	1,469.75	-
Loss on sale of investments subsidiary	7.11	-
Net gain on transfer of Property, Plant and Equipment as per the terms of SPA	(2,059.22)	-
Fair value gain on financial instruments measured through profit and loss account	(224.23)	-
Operating cash flow before working capital changes	(10,831.28)	(6,449.02)
Working capital adjustments :		
Increase/(decrease) in trade payables	1,400.35	(321.09)
Increase/(decrease) in other financial liabilities	(6,095.69)	20,891.79
Increase/(decrease) in other liabilities	717.44	2,542.08
Increase/(decrease) in provisions	(21.53)	10.88
Decrease/(increase) in inventories	(116.22)	402.09
Decrease/(increase) in trade receivables	(235.43)	(197.28)
Decrease/(increase) in loans	(6,252.10)	(5,274.63)
Decrease/(increase) in other financial assets	(8,371.63)	597.95
Decrease/(increase) in other assets	(39,765.77)	3,660.59
Cash generated from/(used in) operating activities	(69,571.86)	15,863.36
Direct taxes paid (net of refunds)	(37,743.17)	(281.63)
Net cash generated from/(used in) operating activities (A)	(1,07,315.02)	15,581.73
B. Cash flow from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(87.78)	(3,766.97)
Dividend received	646.87	161.69
(Investment)/redemption in bank deposit	-	-
Proceeds from sale of investment in subsidiary	1,90,028.00	-
Investment in subsidiary	-	(12,988.20)
Investment in other securities	(44,923.06)	-
Rent received	1,656.94	2,346.38
Proceeds from sale of property, plant and equipment	4,462.33	10.40
Proceeds from Slump sale	3,400.00	-
Movement in earmarked balances, net	(0.58)	(0.56)
Interest received	2,599.59	303.20
Net cash flow (used in)/generated from investing activities (B)	1,57,782.32	(13,934.06)
C. Cash flow from financing activities		
Net (repayment of)/proceeds from short-term borrowings	(2,242.53)	(809.31)
Interest paid	(201.50)	(593.78)
Dividend paid	-	(148.83)
Net cash flow (used in)/generated from financing activities (C)	(2,444.03)	(1,551.92)
Net increase in cash and cash equivalents (A + B + C)	48,023.26	95.74
Cash and cash equivalents at the beginning of the year	100.17	4.43
Cash and cash equivalents at the end of the year	48,123.43	100.17
Components of cash and cash equivalents as at end of the year		
Cash in hand	0.19	0.71
Balances with banks :		
In current accounts	623.24	99.46
Deposits with original maturity of less than three months	47,500.00	-
Total cash and cash equivalents (Refer Note 14)	48,123.43	100.17
Non-cash investing and financing activities		
Acquisitions to right-of-use assets (Refer Note 6)	-	-
Refer Note 20 for change in liabilities arising from financing activities	-	-
Summary of significant accounting policies	3	
The accompanying notes are an integral part of the standalone financial statements		

As per our report of even date

For Nangia & Co LLP

Chartered Accountants
ICAI Firm Registration Number : 002391C/N500069

Per Vijaya Kumar Uppiretla

Partner
Membership No.: 255908

Place : Bengaluru, Date : September 04, 2024

For and on behalf of Board of Directors of

Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Tonse Sudhakar Pai

Managing Director
DIN : 00043298

Madhusudan K. R.

Chief Financial Officer

Place : Bengaluru, Date : September 04, 2024

Kothethoor Venugopal Shetty

Independent Director
DIN : 00632775

Shusheela Y. Godbole

Company Secretary



Statement of Changes in Equity for year ended March 31, 2024

(a) Equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid up

	(₹ in Lakh)			
	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26
Changes during the year	-	-	-	-
At the end of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26

b. Other Equity

	(₹ in Lakh)				
	Securities premium	Capital reserve	General reserve	Retained earnings	Total
Balance as at April 01, 2022	293.81	970.81	3,464.43	14,362.00	19,091.05
Profit for the year	-	-	-	(14,829.32)	(14,829.32)
Other comprehensive income/(loss)	-	-	-	(6.90)	(6.90)
Dividend paid	-	-	-	(148.83)	(148.83)
Balance as at March 31, 2023	293.81	970.81	3,464.43	(623.05)	4,106.00
(Loss)/Profit for the year	-	-	-	1,26,045.24	1,26,045.24
Other comprehensive income/(loss)	-	-	-	27.66	27.66
Dividend paid	-	-	-	-	-
Balance as at March 31, 2024	293.81	970.81	3,464.43	1,25,449.85	1,30,178.90

Securities premium - This reserve is used to record premium on issue of shares and can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

General reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily

transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings - Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For Nangia & Co LLP

Chartered Accountants
ICAI Firm Registration Number : 002391C/N500069

Per Vijaya Kumar Uppiretla

Partner
Membership No.: 255908

Place : Bengaluru, Date : September 04, 2024

For and on behalf of Board of Directors of

Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Tonse Sudhakar Pai

Managing Director
DIN : 00043298

Madhusudan K. R.

Chief Financial Officer

Place : Bengaluru, Date : September 04, 2024

Kothethoor Venugopal Shetty

Independent Director
DIN : 00632775

Shusheela Y. Godbole

Company Secretary



FINANCIAL Statements

Notes to the Standalone Financial Statements for the year ended March 31, 2024

4. Property, plant and equipment

(₹ in Lakh)

	Freehold land	Leasehold Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total	Capital Work in Progress
Cost										
At April 01, 2022	1,459.90	-	9,626.77	3,415.50	260.42	39.65	360.09	31.04	15,193.37	74.18
Additions	-	-	78.26	367.47	18.58	16.71	3.87	-	484.89	97.99
Disposals	-	-	-	-	-	-	(81.97)	(3.71)	(85.68)	(166.52)
At March 31, 2023	1,459.90	-	9,705.03	3,782.97	279.00	56.36	281.99	27.33	15,592.58	5.65
Additions	-	-	3.34	21.44	0.50	2.34	55.59	1.73	84.94	2.88
Disposals	(421.69)	-	(2,110.26)	0.00	(0.00)	(0.00)	(128.48)	(14.64)	(2,675.07)	-
Discontinued operations (Refer note 44)	-	-	(2,402.32)	(3,536.65)	(227.11)	(53.44)	(21.65)	(7.01)	(6,248.18)	(8.53)
At March 31, 2024	1,038.21	-	5,195.79	267.72	52.39	5.26	187.45	7.41	6,754.23	0.00
Depreciation										
At April 01, 2022	-	-	2,256.57	1,391.57	192.46	30.16	206.98	19.22	4,096.96	-
Charge for the year	-	-	325.87	221.92	9.64	5.28	30.44	4.34	597.49	-
Disposals	-	-	-	-	-	-	(51.84)	(3.43)	(55.27)	-
At March 31, 2023	-	-	2,582.44	1,613.49	202.10	35.44	185.58	20.13	4,639.18	-
Charge for the year	-	-	256.13	134.51	7.15	3.50	12.23	2.94	416.46	-
Disposals	-	-	(751.13)	-	-	-	(86.73)	-	(837.86)	-
Discontinued operations (Refer note 44)	-	-	(901.89)	(1,705.79)	(196.20)	(35.84)	(6.66)	(18.10)	(2,864.48)	-
At March 31, 2024	-	-	1,185.60	42.21	13.05	3.10	104.42	4.97	1,353.31	-
Net block										
At March 31, 2023	1,459.90	-	7,122.59	2,169.48	76.90	20.92	96.41	7.20	10,953.40	5.65
At March 31, 2024	1,038.21	-	4,010.23	225.51	39.34	2.16	83.03	2.44	5,400.92	0.00

Capital work-in-progress ageing schedule

	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at March 31, 2024					
Projects in progress	0.00	-	-	-	0.00
Projects temporarily suspended	-	-	-	-	-
Total	0.00	-	-	-	0.00
As at March 31, 2023					
Projects in progress	5.65	-	-	-	5.65
Projects temporarily suspended	-	-	-	-	-
Total	5.65	-	-	-	5.65

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.



Notes to the Standalone Financial Statements for the year ended March 31, 2024

5. Intangible assets

	Computer Software	Total
Cost		
At April 01, 2022	0.85	0.85
Additions	-	-
Disposals	-	-
At March 31, 2023	0.85	0.85
Additions	-	-
Disposals	-	-
Discontinued operations (Refer note 44)	(0.37)	(0.37)
At March 31, 2024	0.48	0.48
Amortisation		
At April 01, 2022	0.52	0.52
Charge for the year	0.09	0.09
Disposals	-	-
At March 31, 2023	0.61	0.61
Charge for the year	0.06	0.06
Disposals	-	-
Discontinued operations (Refer note 44)	(0.31)	(0.31)
At March 31, 2024	0.36	0.36
Net block		
At March 31, 2023	0.24	0.24
At March 31, 2024	0.12	0.12

The Company does not have any intangible assets under development.

6. Right to use assets

	Leasehold Land	Total
Cost		
At April 01, 2022	4,480.92	4,480.92
Additions	-	-
Disposals	-	-
At March 31, 2023	4,480.92	4,480.92
Additions	-	-
Disposals	(647.42)	(647.42)
Discontinued operations (Refer note 44)	(69.20)	(69.20)
At March 31, 2024	3,764.30	3,764.30
Amortisation		
At April 01, 2022	203.61	203.61
Charge for the year	54.63	54.63
Disposals	-	-
At March 31, 2023	258.24	258.24
Charge for the year	50.11	50.11
Disposals	(41.53)	(41.53)
Discontinued operations (Refer note 44)	(11.60)	(11.60)
At March 31, 2024	255.22	255.22
Net block		
At March 31, 2023	4,222.68	4,222.68
At March 31, 2024	3,509.08	3,509.08



FINANCIAL Statements

Notes to the Standalone Financial Statements for the year ended March 31, 2024

7. Investment

(₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
Measured at cost				
Non-current investments, unquoted				
Investments in equity instruments of subsidiaries and step down subsidiaries (all fully paid)				
Kurlon Enterprise Limited (Shares of Rs. 5/- each fully paid up) (Refer Note 30A)	-	-	3,23,38,830	16,638.43
Manipal Natural Private Limited (Shares of Rs. 10/- each fully paid)	15,10,000	601.00	15,10,000	601.00
Manipal Software & E-com Private Limited (Shares of Rs. 10/- each fully paid)	6,40,016	4.00	6,40,016	4.00
Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited) (Shares of Rs. 10/- each fully paid)	1,000	0.10	1,000	0.10
Sevalal Solar Private Limited (Shares of Rs. 100/- each fully paid up) (Refer Note 30A)	-	-	50	0.05
Sirar Solar Energies Private Limited (Shares of Rs. 100/- each fully paid up) (Refer Note 30A)	-	-	50	0.05
Sirar Dhotre Solar Private Limited (Shares of Rs. 100/- each fully paid up) (Refer Note 30A)	-	-	50	0.05
Total (A)	21,51,016	605.10	3,44,89,996	17,243.68
Investments in debt instruments				
Maharashtra Apex Corporation Limited - Bonds	1,09,324	224.83	1,09,324	224.83
Maharashtra Apex Corporation Limited - Redeemable cumulative preference shares	80,100	12.75	80,100	12.75
Bridgeup Tech Private Limited - Compulsary convertible preference shares	120	25.16	-	-
Total (B)	1,89,544	262.74	1,89,424	237.58
Total (A+B)	23,40,560	867.84	3,46,79,420	17,481.26
Measured at fair value through profit and loss				
Current investments, quoted				
Investments in Mutual Funds				
Life Insurance Corporation of India - Direct Growth	3,84,90,704	5,097.71	-	-
Axis Bank - Direct Growth	2,74,60,389	5,074.57	-	-
Aditya Birla Sunlife - Direct Growth	1,04,07,473	2,536.23	-	-
Nippon India ETF Gold Bees	97,041	55.25	-	-
Total (A)	7,64,55,607	12,763.76	-	-
Measured at fair value through profit and loss				
Non current investments, quoted				
Investments in equity instrument				
Industrial Development Bank of India	3,360	2.72	3,360	1.51
Dhanlaxmi Bank Limited	1,25,000	51.56	-	-
Maharashtra Apex Corporation Limited	9,850	12.88	-	-
HDFC Bank Limited	1,750	25.34	-	-
Total (B)	1,39,960	92.50	3,360	1.51
Non current investments, unquoted (Measured at fair value through profit and loss)				
Investments in equity instrument				
General Investment & Commercial Corporation Limited (Shares of Rs. 10/- each fully paid up)	25,000	23.75	25,000	23.75
Jitendra Harjivandas Securities Private Limited (Shares of Rs. 10/- each fully paid up)	25,75,900	2,129.65	5,95,000	148.75
Commercial Corporation of India Limited (Shares of Rs. 1/- each fully paid up)	10,00,000	41.00	10,00,000	41.00



Notes to the Standalone Financial Statements for the year ended March 31, 2024

7. Investment

(₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
Madish Style Bar Private Limited (Shares of Rs. 10/- each fully paid up)	60,000	6.00	60,000	6.00
The Zoroastrain Co operative Bank (Shares of Rs. 25/- each fully paid up)	100	0.03	100	0.03
Kurlon Enterprise Limited (Shares of Rs. 5/- each fully paid up)	70,157	457.83	-	-
Alapasara Finvest Care Advisory Private Limited (Shares of Rs. 10/- each fully paid up)	5,000	5.00	5,000	5.00
Total (C)	37,36,157	2,663.26	16,85,100	224.53
Less : Allowance for impairment		(5.00)		(5.00)
Total (A+B+C)	8,03,31,724	15,514.52	16,88,460	221.04
Total Non current investments	8,26,72,284	16,382.36	3,63,67,880	17,702.30
Aggregate value of unquoted investments		16,382.36		17,700.79
Aggregate book value of quoted investments		12,633.23		2.73
Aggregate market value of quoted investments		12,856.26		1.51

The Company has made investment of Rs. 601.00 lakhs and given loans of Rs. 5,645.56 lakhs to its wholly owned subsidiary, Manipal Natural Private Limited ("Subsidiary Company") as of 31 March 2024. The Subsidiary Company has started its commercial operations from FY 2021-22. Currently, the subsidiary Company operations are in losses as its in initial years of business operations. Though there exists uncertainty on recovery of such loans and investments as at March 31, 2024, the management is confident of obtaining new revenue contracts and profitable operations in near future.

Further Management has assessed the value in use of the other subsidiaries and its step down subsidiaries and other investment considering the expected volume of sales, margins earned, profitability and net worth of such companies. Based on the analysis Management is of the opinion that presently there is no impairment in the carrying value of the above investments.

8. Loans

(₹ in Lakh)

	March 31, 2024	March 31, 2023
Unsecured, at amortised cost		
Loans		
- Subsidiaries (Refer Note 33)	5,645.56	678.15
- Others	488.87	477.22
	6,134.42	1,155.37
Unsecured, credit impaired		
Loans		
- Subsidiaries (Refer Note 33)	4,255.64	5,562.60
- Other related parties (Refer Note 33)	3,192.70	1,200.04
- Others	10.38	10.47
Less : Allowance for doubtful loans	(7,458.72)	(6,773.11)
	6,134.42	1,155.37

8. Loans (contd.)

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

(₹ in Lakh)

Name of the subsidiary	Rate of interest	Due date of repayment	March 31, 2024		March 31, 2023	
			Gross	Allowance	Gross	Allowance
Manipal Natural Private Limited*	9.00%	On demand	5645.56	-	678.15	-
Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited)	9.00%	On demand	4255.64	4,255.64	5489.90	5,489.90
Sirar Solar Energies Private Limited	9.00%	On demand	-	-	9.85	9.85
Sirar Dhotre Solar Private Limited	9.00%	On demand	-	-	6.40	6.40
Sevalal Solar Private Limited	9.00%	On demand	-	-	56.46	56.46
Total			9901.19	4,255.64	6240.76	5562.60

Allowance for doubtful loans is made considering the financials position of the subsidiaries and step down subsidiaries and same has been shown as exceptional item (refer note 30(A)).

*Refer note 7(a).

FINANCIAL Statements

Notes to the Standalone Financial Statements for the year ended March 31, 2024

(b) The details of unsecured loans to other related parties given for the purpose of working capital requirements are as follows :

(₹ in Lakh)

Name of the company	Rate of interest	Due date of repayment	March 31, 2024		March 31, 2023	
			Gross	Allowance	Gross	Allowance
Alapasara Finvest Care Advisory Private Limited	8.00%	On demand	126.34	126.34	126.34	126.34
Manipal Agrotech Private Limited	9.00%	On demand	44.45	44.45	40.77	40.77
Mega Gyan Edu Foundation Foundation	9.00%	On demand	507.93	507.93	459.17	459.17
Manipal Educational Foundation	9.00%	On demand	1811.85	1,811.85	446.91	446.91
Innovative Foam Limited	9.00%	On demand	369.11	369.11	126.85	126.85
Sirar Solar Energies Private Limited	9.00%	On demand	127.26	127.26	-	-
Sirar Dhotre Solar Private Limited	9.00%	On demand	103.43	103.43	-	-
Sevalal Solar Private Limited	9.00%	On demand	102.33	102.33	-	-
Total			3192.70	3192.70	1200.04	1200.04

Allowance for doubtful loans is made considering the financials position of the subsidiaries and step down subsidiaries and same has been shown as exceptional item (refer note 30(A)).

(c) The details of unsecured loans to other parties are as follows :

(₹ in Lakh)

Name of the borrower	Rate of interest	Due date of repayment	March 31, 2024		March 31, 2023	
			Gross	Allowance	Gross	Allowance
Acqua Crest Foods Private Limited	24.00%	On demand	10.47	10.47	10.47	10.47
Great Town Trading Private Limited	24.00%	On demand	488.56	-	460.20	-
Total			499.03	10.47	470.67	10.47

Allowance for doubtful loans is made considering the financials position of the said entities.

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

(E) Except as disclosed under note 8 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.

9. Other financial assets

(₹ in Lakh)

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unsecured, at amortised cost				
Interest accrued on fixed deposits	-	-	1,526.79	33.35
Security deposits	78.65	79.79	-	-
Rent receivable	-	-	12.55	12.12
Deposits with remaining maturity for more than 12 months (Refer note 14)	902.25	1,127.25	-	-
Other advances recoverable in cash	502.88	-	8,044.71	-
- Less Provision for doubtful advances	(22.67)	-	-	-
	1,461.11	1,207.04	9,584.05	45.47

10. Income tax assets (net)

(₹ in Lakh)

	March 31, 2024	March 31, 2023
Advance income tax including tax deducted at source	38,859.79	1,158.27
Provision for current tax	(37,009.69)	(869.13)
MAT Credit entitlement	-	424.63
	1,850.10	713.77

Notes to the Standalone Financial Statements for the year ended March 31, 2024

11. Other assets

(₹ in Lakh)

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unsecured, considered good				
Capital advances (refer note (a) below)	35.50	47.58	-	-
Advance to suppliers				
- Related parties (Refer Note 35)	-	-	18.05	-
- Others (Net of provision for doubtful advances)	-	-	36.35	52.90
Advance to employees	-	-	0.61	2.64
Advance recoverable in cash or kind	-	-	712.46	-
Prepaid expenses	-	-	51.10	182.21
Gratuity Fund	-	-	4.78	-
Balances with statutory/government authorities	233.72	313.98	900.26	43.69
	269.22	361.56	1,723.61	281.44

11. Other assets (Contd.)

(₹ in Lakh)

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unsecured, credit impaired				
Capital advances (refer note (a) below)	4,573.37	3,350.61	-	20.40
Less : Provision for doubtful advances	(4,573.37)	(3,350.61)	-	(20.40)
Total	269.22	361.56	1,723.61	281.44

a) Capital advances includes the following :

i) During the year 2013-2014, the Company had paid an advance of Rs. 3,305.61 lakhs to Maharashtra Apex Corporation Limited (MRACL) (a related party) for purchase of land. Further paid an advance of Rs. 1,222.76 lakhs during the FY 2023-2024. In an earlier year, the Honorable Karnataka High Court (The court) had vide its order dated October 08, 2004 stated that sale of land can be carried out only with its permission. Subsequently, the court vide its order dated April 20, 2012 accorded its consent for the sale of land to Kurlon Limited. Considering the uncertainty and delay in transfer of land, the Company has created provision for doubtful advances. Refer note 30(A).

12. Inventories (valued at lower of cost and net realizable value)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Raw materials	-	821.60
Work in progress	-	282.32
Finished goods	11.78	29.99
Spares and consumables	-	167.87
	11.78	1,301.78

* The carrying value of inventories as reflected above is net of provision nil for aged/slow moving stock of (March 31, 2023 : Rs. 66.08 lakhs).

13. Trade receivables

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Financial assets, at amortised cost		
Unsecured, considered good	0.26	197.28
Unsecured, credit impaired	-	-
	0.26	197.28
Provision for doubtful receivables	-	-
	0.26	197.28



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

Ageing of trade payables (₹ in Lakh)

	Outstanding for following periods from the date of transaction						Total
	Not due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
March 31, 2024							
Undisputed trade receivables - considered good	-	0.26	-	-	-	-	0.26
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	-	0.26	-	-	-	-	0.26
March 31, 2023							
Undisputed trade receivables - considered good	24.94	171.27	1.07	-	-	-	197.28
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	24.94	171.27	1.07	-	-	-	197.28

14. Cash and bank balances (₹ in Lakh)

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Cash and cash equivalents				
Cash in hand	-	-	0.19	0.71
Balances with banks :				
In current accounts	-	-	623.24	99.46
Deposits with original maturity of less than three months	-	-	47,500.00	-
	-	-	48,123.43	100.17
Other bank balances				
Deposits with remaining maturity for less than 12 months	-	-	39,500.00	-
Deposits with remaining maturity for More than 12 months	902.25	1,127.25	-	-
Earmarked balances with banks	-	-	11.51	10.93
Unpaid dividend	-	-	4.65	3.48
	902.25	1,127.25	39,516.16	14.41
Less: Amount disclosed under other non- current financial assets (Refer note 9)	(902.25)	(1,127.25)		
	(0.00)	(0.00)	87,639.59	114.58

15. Equity share capital (₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
Authorised shares				
Equity shares of Rs. 10/- each with voting rights	3,50,00,000	3,500.00	3,50,00,000	3,500.00
	3,50,00,000	3,500.00	3,50,00,000	3,500.00
Issued, subscribed and fully paid-up shares				
Equity shares of Rs. 10/- each with voting rights	1,48,82,605	1,488.26	1,48,82,605	1,488.26
	1,48,82,605	1,488.26	1,48,82,605	1,488.26



Notes to the Standalone Financial Statements for the year ended March 31, 2024

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year (₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. 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.

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 (₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Nos.	%	Nos.	%
Equity shares of Rs. 10/- each with voting rights				
Manipal Holding Private Limited	71,83,919	48.27%	71,83,919	48.27%
Maharashtra Apex Corporation Limited	56,93,020	38.25%	56,93,020	38.25%

d. Details of shares issued for consideration other than cash during the preceding five years

No shares have been issued for consideration other than cash during the preceeding five years

e. Details of shares held by promoters

As at March 31, 2024 (₹ in Lakh)

	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Manipal Holdings Private Limited	71,83,919	-	71,83,919	48.3%	-
Maha Rashtra Apex Corporation Ltd	56,93,020	-	56,93,020	38.3%	-
General Investment And Commercial Corporation Limited	4,85,000	-	4,85,000	3.3%	-
Jaya Sudhakar Pai	3,84,163	-	3,84,163	2.6%	-
Metropolis Builders Pvt Limited	1,67,036	-	1,67,036	1.1%	-
Manipal Home Finance Limited	32,350	-	32,350	0.2%	-
T Sudhakar Pai	29,217	-	29,217	0.2%	-
Tonse Sudhakar Pai Family Trust	12,570	-	12,570	0.1%	-
Mangala Investments Limited	646	-	646	0.0%	-
Rajmahal Trade & Investments Pvt. Limited	501	-	501	0.0%	-
Manipal Stock & Share Brokers Ltd.	350	-	350	0.0%	-
Jai Bharath Mills Private Limited	250	-	250	0.0%	-
	1,39,89,522	-	1,39,89,522	94%	-



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

15. Equity share capital (Contd.)

As at March 31, 2023

(₹ in Lakh)

	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Manipal Holdings Private Limited	71,83,919	-	71,83,919	48.27%	0.00%
Maha Rashtra Apex Corporation Ltd	56,93,020	-	56,93,020	38.25%	0.00%
General Investment & Commercial Corporation Limited	4,87,620	(2,620)	4,85,000	3.26%	-0.54%
Jaya S. Pai	3,78,403	5,760	3,84,163	2.58%	1.52%
Metropolis Builders Private Limited	1,67,036	-	1,67,036	1.12%	0.00%
Manipal Home Finance Limited	32,350	-	32,350	0.22%	0.00%
Tonse Sudhakar Pai	29,217	-	29,217	0.20%	0.00%
Tonse Sudhakar Pai on behalf of Family Trust	12,570	-	12,570	0.08%	0.00%
Mangala Investments Limited	646	-	646	0.00%	0.00%
Rajmahal Trade & Investments Private Limited	501	-	501	0.00%	0.00%
Commercial Corporation Of India Ltd	500	-	500	0.00%	0.00%
Manipal Stock & Share Brokers Limited	350	-	350	0.00%	0.00%
Jai Bharath Mills Private Limited	250	-	250	0.00%	0.00%
	1,39,86,882	3,140	1,39,90,022	94.00%	0.98%

f. Dividend made and proposed

(₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Dividend/Share	Rs.	Dividend/Share	Rs.
Dividend on equity shares declared and paid				
Final dividend for the year ended March 31, 2023 paid in financial year 2023-24: Rs Nil (for the year ended March 31, 2022 paid in financial year 2022-23: Rs. 148.83 lakhs)	-	-	1.00	148.83
Proposed dividend on equity shares				
Proposed dividend for the year ended March 31, 2024 : Rs. 10/- (for the year ended March 31, 2023: Rs Nil)	-	-	-	-
Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31. 2024				

16. Other equity

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Securities premium account		
Balance at the beginning of the year	293.81	293.81
Add : Premium on issue of shares	-	-
Balance as at end of the year	293.81	293.81
Capital reserve		
Balance at the beginning of the year	970.81	970.81
Add : Transferred from statement of profit and loss	-	-
Balance as at end of the year	970.81	970.81



Notes to the Standalone Financial Statements for the year ended March 31, 2024

16. Other equity (Cont.)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
General reserve		
Balance at the beginning of the year	3,464.43	3,464.43
Add : Transferred from surplus in the statement of profit and loss	-	-
Balance as at end of the year	3,464.43	3,464.43
Retained earnings		
Balance at the beginning of the year	(623.05)	14,362.00
Add : (Loss)/Profit for the year	1,26,045.24	(14,829.32)
Add : Other comprehensive income/(loss) for the year	27.66	(6.90)
Less : Dividend paid	-	(148.83)
Balance as at end of the year	1,25,449.85	(623.05)
Total	1,30,178.90	4,106.00

17. Other financial liabilities

(₹ in Lakh)

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unsecured, at amortised cost				
Security deposits*	-	-	66.00	15,360.43
Provision for Guarantee Loss#	-	-	-	5,504.08
Employee related liabilities	-	-	60.32	142.83
Creditors for Capital goods	-	-	-	218.88
Unpaid dividend account	-	-	3.57	3.48
Interest accrued but not due on borrowings	-	-	-	12.32
	-	-	129.89	21,242.02

*Includes lease deposit amount of nil (March 31, 2023 - Rs 15,300 lakhs) received by the Company from Kurlon Enterprise Limited during the year 2022-23, towards various premises given on lease by the Company basis renegotiation of terms and conditions of on-going lease arrangements. As detailed in note 45 with respect to Share purchase agreement dated July 17, 2023 entered by Sheela Foam Limited for acquiring shares held by the Company and Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited) in Kurlon Enterprise Limited and conditions precedent mentioned there in, the Company is required to pay/settle these balances. During the year the company has settled the balance.

18. Provisions

(₹ in Lakh)

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Provision for employee benefits				
Gratuity (Refer Note 38)	-	-	-	50.27
Leave encashment	-	-	11.94	21.64
	-	-	11.94	71.91

19. Deferred tax liabilities (net)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	783.00	925.45
Deferred tax assets	138.10	(142.45)
	921.10	783.00

Refer Note 41 for further details.



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

20. Borrowings	(₹ in Lakh)			
	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Secured borrowings				
Term loan				
From Banks - Refer note (a)	-	1,804.49	-	-
(Less): Current maturities of long term debt	-	(203.75)	-	-
	-	1,600.74	-	-
Working capital loans From banks - Refer note (b)	-	-	-	438.04
Current maturities of long term debt	-	-	-	203.75
	-	-	-	641.79
Total	-	1,600.74	-	641.79

(a) Loan from banks of Rs. nil (March 31, 2023 : Rs. 1,804.49 lakhs)

(i) The Company had obtained term loan of Rs 1,800.00 lakhs from Canara bank for construction of Buildings. The loan is repayable over tenure of 10 years 9 months and carries interest rate of 8.15% per annum. The outstanding balance against the aforesaid facility as of March 31, 2024 is nil (March 31, 2023 : Rs. 1,669.49 lakhs). The loan was hypothecated against immovable properties of the company as per table below. The loan was repaid during the financial year 2023-2024.

(ii) During the year FY 21-22 the Company had obtained term loan of Rs 135.00 lakhs from Canara bank for working capital purposes. The loan is repayable over tenure of 36 months after initial moratorium period of 24 months from sanction date of October 28, 2021. The loan carried interest of 7.5% and secured against immovable properties as per table below. The outstanding balance against the aforesaid facility as of March 31, 2024 is nil (March 31, 2023 : Rs. 135.00 lakhs). The loan was repaid during the financial year 2023-2024

The Company had obtained overdraft facilities from banks for working capital purpose and the outstanding balance as of March 31, 2024 is nil lakhs (March 31, 2023 : Rs. 438.04 lakhs). The said facility is secured against fixed deposit of the Company.

The table below depicts changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes :

Reconciliation of liabilities arising from financing activities					(₹ in Lakh)
	Beginning of the year	Cash flows (net)	Non cash adjustments	End of the year	
March 31, 2024					
Loans from banks	2,242.53	(2,242.53)	-	-	
Total	2,242.53	(2,242.53)	-	-	
March 31, 2023					
Loans from banks	3,051.84	(809.31)	-	2,242.53	
Total	3,051.84	(809.31)	-	2,242.53	



Notes to the Standalone Financial Statements for the year ended March 31, 2024

21. Trade payables			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
At amortised cost			
Total outstanding dues of micro enterprises and small enterprises (Refer Note 34)	-	28.00	
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,222.92	798.15	
	1,222.92	826.15	

Ageing of trade payables							(₹ in Lakh)
	Outstanding for following periods from the date of transaction						
	Accrued expenses	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	
March 31, 2024							
Undisputed trade payables - MSME	-	-	-	-	-	-	
Undisputed trade payables - Non MSME	944.54	23.62	40.20	37.66	176.90	514.62	
	944.54	23.62	40.20	37.66	176.90	514.62	
March 31, 2023							
Undisputed trade payables - MSME	-	28.00	-	-	-	28.00	
Undisputed trade payables - Non MSME	727.97	38.96	31.22	-	-	798.15	
	727.97	66.96	31.22	-	-	826.15	

22. Other liabilities					(₹ in Lakh)
	Non - Current		Current		
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	
Contract liabilities - Advance from customers	-	-	1.08	7,471.04	
Statutory dues payable	-	-	12.53	31.65	
	-	-	13.61	7,502.69	

Contract liabilities are recognised as revenues when the Company performs under the contract (i.e. transfer of control of the related goods).

23. Revenue from operations			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Revenue from contracts with customers			
Other operating revenue			
Scrap sales	17.76	10.30	
Agricultural products	32.82	53.35	
Less : Schemes & rebates			
Revenue from operations	50.58	63.65	

(a) Timing of revenue from operations			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Goods transferred at a point in time	50.58	63.65	
	50.58	63.65	



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

(b) Reconciliation of amount of revenue recognised with contract price (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Revenue as per contract price	50.58	63.65
Less : Schemes and rebates	-	-
	50.58	63.65

(c) Movement in contract liabilities during the year* (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Opening balance	7,471.04	26.23
Less : Revenue recognised during the year	(7,471.04)	(26.23)
Add : Amount of consideration received during the year		7,471.04
	-	7,471.04

*Contract liabilities consists of advances received from customers towards supply of products.

24. Other income (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Interest income		
- On fixed deposits	3,719.91	61.96
- On security deposits		
- On others	372.43	240.19
Fair value gain on Investment at fair value through profit or loss	223.02	-
Rental income	1,656.94	2,324.58
Gain on sale of investments	14.44	-
Dividend income	646.87	161.69
Miscellaneous income	55.67	12.19
Profit on sale of Asset		
Fair value gain/(Loss) on financial assets	-	-
	6,689.28	2,800.61

25. Cost of raw materials consumed (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Inventories at the beginning of the year	-	-
Add: Purchases	4.56	10.33
Less: Inventories at the end of the year	-	-
Cost of raw materials consumed	4.56	10.33



Notes to the Standalone Financial Statements for the year ended March 31, 2024

26. Changes in inventories of finished goods and work-in-progress (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Inventories at the end of the year		
Finished goods	11.78	-
Work in progress	-	-
Traded goods		
	11.78	-
Inventories at the beginning of the year		
Finished goods	-	-
Work in progress	-	-
Traded goods	-	-
	(11.78)	-

27. Employee benefit expense (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Salaries, wages and bonus	180.93	143.19
Gratuity expenses (Refer Note 38)	5.86	11.39
Contribution to provident and other funds	3.81	3.24
Staff welfare expenses	3.86	1.21
	194.46	159.03

28. Finance costs (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Interest on borrowing	148.34	593.41
- On lease liabilities	-	-
Customer financing costs	-	-
Other charges	40.68	4.43
	189.02	597.84

29. Depreciation and amortisation expense (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Depreciation of property, plant and equipment	248.24	306.05
Amortisation of intangible assets	0.06	0.09
Depreciation of right of use assets	50.11	54.63
	298.41	360.77



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

30. Other expenses

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Consumption of stores, spares and consumables	-	-
Power and fuel	5.63	12.74
Freight outward	-	-
Rent	19.08	2.76
Repairs and maintenance	-	-
Buildings	50.79	33.13
Plant and machinery	3.62	0.08
Others	24.97	95.70
Tailoring and fabrication	-	-
Rates and taxes	55.50	223.87
Expenditure on corporate social responsibility	100.12	3.63
Insurance expenses	59.83	43.90
Foreign currency exchange loss (net)	-	(0.27)
Security expenses	5.51	-
Postage and telephone expenses	1.72	1.84
Payment to auditors*	12.62	17.49
Advertisement, promotion and selling expenses	8.71	3.18
Travelling and conveyance expenses	80.27	32.06
Legal and consultancy charges	499.02	240.91
Director's sitting fees	5.20	3.90
Loss on sale of property, plant and equipment	31.68	20.33
Miscellaneous expenditure	109.47	126.02
	1,073.74	861.27
*Payment to auditors (excluding goods and services tax)		
Audit services :		
Statutory audit	10.00	17.00
Limited Review	2.50	-
Out of pocket expenses	0.12	0.49
	12.62	17.49

30a. Exceptional Items

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Provision for Guarantee loss (Refer note 17)	-	5,504.08
Provision for doubtful advances (Refer note 11)	1,606.43	3,350.61
Provision for doubtful loans (Refer note 8)	1,762.47	6,192.44
Excess provision earlier year written back *	(7,174.97)	-
Net Gain on sale of Investment in subsidiary - KEL *	(1,30,859.15)	-
Balance payable to Subsidiary written back *	(23,201.13)	-
Net Loss on sale of undertaking - Gwalior Factory *	2,004.84	-
Net Loss on sale of Investment in Subsidiary	7.11	-
Net Gain on Transfer of Property Plant and Equipment as per the terms of SPA*	(1,539.24)	-
	(1,57,393.64)	15,047.13

* Refer Note

31. Earnings/(loss) per share (EPS)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Profit/(Loss) Attributable to		
Continuing Operations (a)	1,25,766.17	(14,554.63)
Discontinued Operations (b)	279.08	(274.69)
Total profit (c)	126045.24	(14,829.32)
Weighted average number of equity shares for basic and diluted EPS (Numbers in Lakhs) (d)	148.83	148.83
Basic and diluted EPS for profit from continuing operations (a÷d) (Rs.)	845.05	-97.80
Basic and diluted EPS for profit from discontinued operations (b÷d) (Rs.)	1.88	-1.85
Basic and diluted EPS for continuing and discontinued operations (c÷d) (Rs.)	846.93	-99.64



Notes to the Standalone Financial Statements for the year ended March 31, 2024

32. Segment reporting

The Company primarily is in the business of manufacture, purchase and sale of mattress, foam and related products. The Company does not distinguish revenues and expenses between different businesses in its internal reporting and reports costs and expenses by nature as a whole. The CODM reviews the results when making decision about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment. As the Company's long-lived assets are all located in India and the Company's revenues are derived from India, no geographical information is presented.

33. Related party disclosure

Names of related parties and related party relationships

Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiary Companies	Kurlon Enterprise Limited (Up to October 20, 2023) Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited) Manipal Software and E-com Private Limited Manipal Natural Private Limited
Step down subsidiaries	Kurlon Retail Limited (Up to October 20, 2023) Komfort Universe Products and Services Limited (Up to October 20, 2023) Belvedere International Limited (Up to October 20, 2023) Kanvas Concepts Private Limited (Up to October 20, 2023) Starship Value Chain and Manufacturing Private Limited (Formerly Starship Manufacturing and Services Private Limited) (Up to October 20, 2023) Sevalal Solar Private Limited (Up to October 13, 2023) Sirar Solar Energies Private Limited (Up to October 13, 2023) Sirar Dhotre Solar Private Limited (Up to October 13, 2023) Starship Global VCT LLP (Up to October 20, 2023) Home Komfort Retail LLP (Acquired by Belvedere International Limited w.e.f September 01, 2022)
Enterprises owned or significantly influenced by key management personnel /Directors and their relatives	Mega Gyan Edu Foundation (formerly known as Manipal Academy of Health and Education) Manipal Education Foundation Innovative Foam Limited Eldorado Share Services Private Limited Maharsatra Apex Asset Management company Limited Manipal Advertising Services Private Limited Manipal Stock and Share Brokers Limited Manipal Holdings Private Limited Maharastra Apex Corporation Limited Manipal Home Finance Limited General Investment and Commercial Corporation Limited Starship Global VCT LLP Metropolis Builders Private Limited Manipal Home Finance Limited Mangala Investments Limited Jitendra Harjivandas Securities Private Limited Manipal Agrotech Private Limited (Formerly Manipal Nutraceutical Pvt. Ltd.) Manipal Travels Private Limited



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

33. Related party disclosure (Contd.)

Directors and Key Management Personnel (KMP)	Mr. Tonse Sudhakar Pai, Managing Director
	Ms. Jaya Sudhakar Pai, Director
	Ms. Deepa Sudhakar Pai, Director
	Ms. Jyothi Ashish Pradhan, Director
	Mr. Jamsheed Minoo Panday, Director (Up to February 29, 2024)
	Mr. Kuthethoor Venugopal Shetty, Independent Director
	Mr. Santhosh Kamath, Independent Director
	Mr. ASPI Nariman Katgara, Director (Up to February 29, 2024)
	Mr. Narendra Kudva, Director
	Mr. Madhusudan K R, Chief Financial Officer (w.e.f. May 01, 2023)
	Mr. Sanjoy Khan, Chief Financial Officer (Till April 30, 2023)
	Mr. Monu Kumar, Company Secretary (Till October 20, 2023)
	Mrs. Susheela Y. Bungale, Company Secretary (w.e.f. February 14, 2024)
Relative of Directors and Key Management Personnel (KMP)	Ms. Feroza Jamsheed Panday, Relative of Director
	Mr. Jahangir Jamsheed Panday, Relative of Director

The Transactions that have been entered in to with related parties during the year are as follows : (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Sale of products		
Kurlon Enterprise Limited	4,540.14	9,079.51
Komfort Universe Products and Services Limited	202.69	109.78
	4,742.83	9,079.51
Rental Income		
Kurlon Enterprise Limited	1,489.33	2,209.00
Eldorado Share Services Private Limited	7.50	15.00
Starship Global VCT LLP	26.43	25.08
Maharsatra Apex Asset Management company Limited	4.80	-
	1,528.06	2,249.08
Dividend Income		
Kurlon Enterprise Limited	646.87	161.69
	646.87	161.69
Purchases		
Kurlon Enterprise Limited	1,087.16	1,552.07
	1,087.16	1,552.07
Interest Income		
Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited)	436.61	132.74
Manipal Natural Extracts Private Limited	241.56	43.55
Manipal Academy of Health & Education	41.76	37.81
Manipal Education Foundation	91.23	33.55
Innovative Foam Limited	8.48	9.40
Sevalal Solar Private Limited	6.03	4.18
Sirar Solar Energies Private Limited	3.54	0.73
Sirar Dhotre Solar Private Limited	2.76	0.47
Manipal Neutraceutical Private Limited	3.68	3.37
	835.65	265.81



Notes to the Standalone Financial Statements for the year ended March 31, 2024

33. Related party disclosure (Contd.)

	As at March 31, 2024	As at March 31, 2023
Legal and professional expenses		
Jamsheed Minoo Panday	12.00	12.00
Feroza Jamsheed Panday	18.00	18.00
Jahangir Jamsheed Panday	12.00	12.00
ASPI Nariman Katgara	4.80	4.80
Manipal Advertising Services Private Limited	-	3.94
Manipal Agrotech Private Limited	-	-
	46.80	50.74
Advertisement and Sales Promotion Expenses		
Manipal Advertising Services Private Limited	2.24	0.69
	2.24	0.69
Director sitting fees		
Jaya Sudhakar Pai	1.50	0.60
Jyothi Ashish Pradhan	1.50	0.60
Jamsheed Minoo Panday	0.70	0.60
Kuthethoor Venugopal Shetty	1.50	0.60
ASPI Nariman Katgara	0.60	0.50
Santhosh Kamath	1.10	0.40
Narendra Kudva	1.00	0.40
Deepa Sudhakar Pai	0.50	0.20
	8.40	3.90
Managerial remuneration		
Tonse Sudhakar Pai	19.36	24.87
Neha Lakhera	-	1.53
Susheela Y Bungale	1.41	-
Mr. Madhusudan K. R.	32.82	-
N Srinivasa Ulloor	-	0.22
	53.59	26.62
Tailoring & fabrication charges		
Eldorado Share Services Private Limited	120.97	271.51
Maharsatra Apex Asset Management company Limited	83.06	197.02
	204.03	468.53
Finance cost		
Canara steel Limited	-	39.95
	-	39.95
Travel and conveyance expenses		
Manipal Travels Private Limited	16.16	7.45
	16.16	7.45

33. Related party disclosure (Contd.)

	As at March 31, 2024	As at March 31, 2023
Dividend paid		
Manipal Holdings Private Limited	-	71.84
Maha Rashtra Apex Corporation Limited	-	56.93
General Investment And Commercial Corporation Limited	-	4.88
Jaya Sudhakar Pai	-	3.78
Metropolis Builders Private Limited	-	1.67
Manipal Home Finance Limited	-	0.32
T Sudhakar Pai	-	0.29
Tonse Sudhakar Pai on behalf of Family trust	-	0.13
Mangala Investments Limited	-	0.01
Rajmahal Trade & Investments Private Limited	-	0.01
Commercial Corporation Of India Limited*	-	0.00
Manipal Stock & Share Brokers Limited*	-	0.00
Jai Bharath Mills Private Limited*	-	0.00
	-	139.86



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

33. Related party disclosure (Contd.) (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
* Represents full amount of dividend paid as below (in Rs.)		
Commercial Corporation Of India Limited	-	500.00
Manipal Stock & Share Brokers Limited	-	350.00
Jai Bharath Mills Private Limited	-	250.00
	-	1,100.00
Expense Reimbursed by Related Parties		
Kurlon Enterprise Limited	-	122.16
Manipal Natural Extracts Private Limited	8.22	3.17
Manipal Software and E-Com Private Limited	-	2.55
	8.22	127.88

The balances receivable from and payable to related parties as at year end are as follows : (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Investment in subsidiaries		
Kurlon Enterprise Limited (Refer Note 30A)	-	4,138.43
Manipal Natural Extracts Private Limited	601.00	1.00
Manipal Software & E-com Private Limited	4.00	4.00
Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited)	0.10	-
Sevalal Solar Private Limited	-	0.05
Sirar Solar Energies Private Limited	-	0.05
Sirar Dhotre Solar Private Limited	-	0.05
	605.10	4,143.58
Investment in Bonds		
Maharastra Apex Corporation Limited	224.83	224.83
	224.83	224.83
Investment in Redeemable cumulative preference shares		
Maharastra Apex Corporation Limited	12.75	12.75
	12.75	12.75
Investment in equity instruments		
Jitendra Harjivandas Securities Private Limited	2,129.65	148.75
Commercial Corporation of India Limited	41.00	41.00
General Investment & Commercial Corporation Limited	23.75	23.75
	2,194.40	213.50



Notes to the Standalone Financial Statements for the year ended March 31, 2024

33. Related party disclosure (contd.) (₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Loans to subsidiaries		
Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited)	4,255.64	5,489.90
Manipal Natural Private Limited	5,645.56	678.15
Sevalal Solar Private Limited	-	56.46
Sirar Solar Energies Private Limited	-	9.85
Sirar Dhotre Solar Private Limited	-	6.40
	9,901.19	6,240.76
Loans other related parties		
Mega Gyan Edu Foundation	507.93	459.17
Manipal Educational Foundation	1,811.85	446.91
Innovative Foam Limited	369.11	126.85
Alapasara Finvest Care Advisory Private Limited	126.34	126.34
Manipal Agrotech Private Limited	44.45	40.77
Sevalal Solar Private Limited	102.33	-
Sirar Solar Energies Private Limited	127.26	-
Sirar Dhotre Solar Private Limited	103.43	-
	3,192.70	1,200.04
Loss allowance on loans given to related parties		
Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited)	4,255.64	5,489.90
Innovative Foam Limited	369.11	126.85
Alapasara Finvest Care Advisory Private Limited	126.34	126.34
Sevalal Solar Private Limited	102.33	56.46
Manipal Agrotech Private Limited	44.45	40.77
Sirar Solar Energies Private Limited	127.26	9.85
Sirar Dhotre Solar Private Limited	103.43	6.40
	5,128.56	5,856.56
Provision for impairment of equity instruments (Refer note 7)		
Alapasara Finvest Care Advisory Private Limited	5.00	5.00
	5.00	5.00
Provision for Guarantee Loss (Refer note 17)		
Kanara Consulting and Service Management Private Limited	-	5,504.08
	-	5,504.08
Trade Receivables		
Komfort Universe Products & Services Limited	-	165.71
	-	165.71
Capital advance paid (refer note 11)		
Maharastra Apex Corporation Limited	4,573.37	3,305.61
	4,573.37	3,305.61
Provision for doubtful advance		
Maharastra Apex Corporation Limited	4,573.37	3,305.61
	4,573.37	3,305.61



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

33. Related party disclosure (contd.)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Advance from customers		
Kurlon Enterprise Limited	-	7,433.58
	-	7,433.58
Trade Payables		
Eldorado Share Services Private Limited	-	14.46
Maharashtra Apex Corporation Limited	-	13.47
Feroza Jamsheed Panday	-	1.62
Jamsheed Minoo Panday	-	0.90
Jahangir Jamsheed Panday	-	0.90
	-	31.35

33. Related party disclosure (contd.)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Corporate Guarantees given on behalf of related parties		
Manipal Natural Private Limited	3,950.00	3,950.00
Manipal Educational Foundation	629.00	-
Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited)	-	20,000.00
	3,950.00	24,579.00
Securities given on behalf of related parties		
Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited)	-	6,115.21
Manipal Natural Private Limited	-	4,315.76
Manipal Educational Foundation	-	629.00
	-	4,944.76

Others

The Company has passed resolution for providing Corporate Guarantee of Rs. 4,567 lakhs to Maha Rashtra Apex Corporation Limited, which is yet to be executed.

34. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
Principal amount due to micro and small enterprises	-	27.60
Interest due on above	-	0.40
	-	28.00
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	-	-
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.	-	2.71
The amount of interest accrued and remaining unpaid at the end of each accounting year	3.85	3.11
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	3.85	9.76
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.		



Notes to the Standalone Financial Statements for the year ended March 31, 2024

35. Leases

Short-term leases and lease of low-value assets

The Company also has certain leases with lease terms of 12 months or less and leases of properties with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Rental expenses of Rs. 2.76 lakhs (March 31, 2022: Rs. 13.31 lakhs) have been recognised in the statement of profit and loss.

36. Contingent liabilities and capital commitments

Contingent liabilities

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Claims against the Company not acknowledged as debts		
- Sales tax disputed demands under appeal not provided	1,801.52	1,875.92
- Income tax disputed under appeal not provided	44.02	44.02
- Central Excise disputed under appeal not provided	3,833.68	-
- Corporate Guarantee given by the Company to Bankers on behalf of the third parties	3,950.00	24,579.00

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, 2024. 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.

Capital commitments

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Capital commitments (net of advances)	-	282.04

37. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR policies focus on enhancing the quality of life and economic well being of the communities in accordance with the Schedule VII of the Companies Act, 2013.

(₹ in Lakh)

	As at March 31, 2023	As at March 31, 2022
Gross amount required to be spent by the Company during the year	1.48	0.30

Amount spent during the year ended March 31, 2024

(₹ in Lakh)

	In cash	Yet to be paid in cash	Total
Construction/acquisition of assets	-	-	-
On purpose other than above	100.12	-	100.12

Amount spent during the year ended March 31, 2023

	In cash	Yet to be paid in cash	Total
Construction/acquisition of assets	-	-	-
On purpose other than above	3.76	-	3.76

In case of Section 135(5) (Other than ongoing projects)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Opening balance	0.09	(3.37)
Amount required to be spent during the year	1.48	0.30
Amount spent during the year	100.12	3.76
Closing balance	98.73	0.09

The Company does not have any ongoing project as per section 135(6) of the Companies Act, 2013.



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

38. Employee benefits

Defined contribution plans

The Company makes contributions for qualifying employees to Provident Fund, Employee state insurance and labour welfare fund. During the year, the Company recognised Rs. 15.84 lakhs (March 31, 2023 : Rs 24.55 lakhs) towards Provident fund contributions, Rs 1.79 lakhs (March 31, 2023 : Rs 3.12 lakhs) towards Employee State Insurance scheme contributions and Rs. Nil (March 31, 2023 : Rs NIL) lakhs towards Labour Welfare fund.

Post-employment obligation - Gratuity

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act') under which an employee who has completed five years of service is entitled to specific benefit. The amount of benefit provided depends on the employee's length of service and salary at retirement/termination date.

The following tables summarises the amounts recognised in the standalone financial statements :

Balance Sheet			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Defined benefit obligation	18.05	109.68	
Plan assets	22.84	59.41	
Net liability	(4.79)	50.27	
Current	(4.78)	50.27	
Non-current	-	-	

Changes in the present value of defined benefit obligation			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Balance at the beginning of the year	109.68	86.08	
Service cost	3.78	9.18	
Interest cost	8.16	6.42	
Remeasurements - Actuarial loss/(gain)	(103.57)	8.72	
Benefit paid	-	(0.72)	
Balance at end of the year	18.05	109.68	

Changes in the fair value of plan assets			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Balance at the beginning of the year	59.41	56.42	
Contributions made	22.71	0.35	
Interest income	5.27	4.21	
Payments	-	(0.73)	
Actuarial gain/(loss)	(64.55)	(0.84)	
Balance at end of the year	22.84	59.41	

Statement of profit and loss			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Service cost	3.78	9.18	
Interest cost net of income	2.89	2.21	
Total	6.67	11.39	



Notes to the Standalone Financial Statements for the year ended March 31, 2024

Other comprehensive (income)/loss			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Remeasurements - Actuarial loss/(gain)	(103.57)	8.72	
Remeasurements - Actuarial gain/(loss) on plan asset	64.55	0.84	
Total	(39.02)	9.56	

Principal assumptions used in determinining defined benefit obligation			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Discount rate	7.21%	7.44%	
Expected return on plan assets	7.44%	7.49%	
Salary escalation	10% for 5 years 7% thereafter	10% for 5 years 7% thereafter	
Employee turnover	10.00%	10.00%	

38. Employee benefits (Contd.)

The categories of plan assets as a percentage of the fair value of total plan assets are as follows :

			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Investment with insurance companies	100.00%	100.00%	

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumptions, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Discount rate			
0.5% increase	(0.58)	(4.95)	
0.5% decrease	0.61	5.33	
Salary escalation			
0.5% increase	0.58	5.13	
0.5% decrease	(0.56)	(4.81)	
Employee turnover			
0.5% increase	-	(0.29)	
0.5% decrease	-	0.30	



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

Maturity profile of defined benefit obligation

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Within 1 year	0.71	7.71
1 - 2 year	1.01	8.05
2 - 3 year	0.62	8.66
3 - 4 year	3.42	5.50
4 - 5 year	0.31	8.89
5 - 6 years	2.73	19.61
6 years onwards	9.25	54.83

The average duration of the defined benefit obligation at the end of the reporting year is 11.31 years (March 31, 2021 : 10.9 years).

39. Financial instruments

All financial assets and liabilities for which fair value is measured or disclosed in these standalone financial statements are categorised within the fair value hierarchy as below, based on the lowest level input that is significant to the fair value measurement as a whole :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying values and fair value measurement hierarchy of the Company's financial assets and financial liabilities are as below :

(₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets measured at fair value through profit and loss				
Non current assets				
Investments	15,291.50	15,514.52	221.04	221.04
	15,291.50	15,514.52	221.04	221.04
Financial assets measured at amortised cost				
Non-current assets				
Investments	867.84	867.84	17,481.26	17,481.26
Loans	6,134.42	6,134.42	1,155.37	1,155.37
Other financial assets	1,461.11	1,461.11	1,207.04	1,207.04
Current assets				
Trade receivables	0.26	0.26	197.28	197.28
Cash and cash equivalents	48,123.43	48,123.43	100.17	100.17
Other bank balances	39,516.16	39,516.16	14.41	14.41
Other financial assets	9,584.05	9,584.05	45.47	45.47
	1,05,687.27	1,05,687.27	20,201.00	20,201.00
Financial liabilities measured at amortised cost				
Non-current liabilities				
Borrowings	-	-	1,600.74	1,600.74
Other financial liabilities	-	-	-	-
Current liabilities				
Borrowings	-	-	641.79	641.79
Trade payables	1,222.92	1,222.92	826.15	826.15
Other financial liabilities	129.89	129.89	308.37	308.37
	1,352.81	1,352.81	3,377.05	3,377.05



Notes to the Standalone Financial Statements for the year ended March 31, 2024

40. Financial risk management objectives and policies

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse and set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company's Board of Directors is assisted in its oversight role by the internal audit who undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Board of Directors. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(a) Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates which will affect the Company's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables.

i. Currency risk

The Company does not have any exposure to currency risk as at March 31, 2024 and March 31, 2023.

ii. Interest rate 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 interest rate.

40. Financial risk management objectives and policies (contd.)

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables, loans and other assets. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Cash and cash equivalents and other bank balances are neither past due nor impaired. Cash and cash equivalents include short-term highly liquid fixed deposits with banks which having maturity less than three months.

Since the company collects amounts prior to fulfilment of performance obligation, no allowances for expected credit loss created as on March 31, 2024 and March 31, 2023.

(₹ in Lakh)

	Investments		Loans and other advances		Capital Advances	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
At the beginning of the year	5.00	5.00	6,773.11	358.35	3,350.61	3,350.61
Allowance created/(reversed) during the year	-	-	685.61	6,414.76	1,222.76	-
At the end of the year	5.00	5.00	7,458.72	6,773.11	4,573.37	3,350.61

(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:



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

	(₹ in Lakh)			
	Less than 1 year	1 - 5 years	More than 5 years	Total
March 31, 2024				
Borrowings	-	-	-	-
Trade payables	1,222.92	-	-	1,222.92
Other financial liabilities	129.89	-	-	129.89
Total	1,352.81	-	-	1,352.81
March 31, 2023				
Borrowings	641.79	1,600.74	-	2,242.53
Trade payables	826.15	-	-	826.15
Other financial liabilities	21,242.02	-	-	21,242.02
Total	22,709.96	1,600.74	-	24,310.70

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

41. Income tax

Income tax expense in the statement of profit and loss consists of :

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Statement of profit or loss		
Current tax	36,551.18	302.97
Deferred tax charge/(credit)	138.10	148.64
Income tax expense/(credit) related to current year	36,689.28	451.61
Tax relating to earlier years	44.30	(69.09)
Income tax expense/(credit) reported in the statement of profit and loss	36,733.58	382.52
Income tax recognised in other comprehensive income/(loss)		
- Tax arising on income and expense recognised in other comprehensive income/(loss)	(11.36)	2.66
Total	(11.36)	2.66

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian income tax rate to profit before taxes is as follows :

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Profit before tax	1,62,778.82	(14,446.80)
Enacted income tax rate in India	29.12%	27.82%
Computed expected tax expense/(credit)	47,401.19	(4,019.10)
Effect of :		
Disallowance of capital expenditure debited to statement of profit and loss	981.02	2,927.91
Provision for guarantee loss	-	1,531.24
Creation/(reversal) of provision for current tax relating to earlier year	-	(69.09)
Tax charge on disallowance of corporate social responsibility expenditure	29.15	1.06
Tax effect on differential tax rates charged on capital gains	(9,632.28)	-
Tax charge on write back of provisions	(2,089.35)	-
Others	43.84	10.50
Total income tax expense	36,733.57	382.52



Notes to the Standalone Financial Statements for the year ended March 31, 2024

Deferred tax

Deferred tax relates to the following :

	(₹ in Lakh)	
	Balance Sheet	Statement of Profit and Loss
	March 31, 2024	March 31, 2023
Property, plant and equipment	(860.51)	(803.01)
Fair value gain of Financial asset	(64.94)	-
Gross deferred tax liability	(925.45)	(803.01)
Deferred tax asset		
Provision for doubtful loans	-	-
Provision for doubtful advances	-	-
Section 43B disallowance	-	-
Provision for gratuity	-	13.99
Others	4.35	6.02
Net deferred tax assets (net)	(921.10)	(783.00)
Net deferred tax credit/(charge)		

42. Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance exceeding 25% as compared to the preceding period
Current ratio	Current assets	Current liabilities	71.79	0.06	111944%	Increase in ratio is due to discontinued operations & transfer of Gwalior factory (Refer Note 30A)
Debt equity ratio	Total debt	Shareholder's equity	-	0.40	-100%	Decrease in ratio is on account of repayment of borrowings
Debt service coverage ratio	Earnings for debt service = Net profit/(loss) after taxes + Non cash operating expenses	Debt service = Interest and lease payments + Principal repayments	NA	(4.87)	0%	Not applicable since the company has no debt as on March 31, 2024
Return on equity ratio	Net profit/(loss) after taxes - Preference dividend	Average shareholder's equity	1.84	(1.13)	262%	On Account of gain on sale on investment in subsidiary Refer note 30A
Inventory turnover ratio	Cost of goods sold	Average inventory	5.30	4.56	16%	Increase in ratio is due to discontinued operations & transfer of Gwalior factory (Refer Note 30A)
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	3.33	8.78	-62%	Decrease in ratio is due to discontinued operations & transfer of Gwalior factory (Refer Note 30A)
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	0.05	(0.31)	116%	Increase in ratio is due to discontinued operations & transfer of Gwalior factory (Refer Note 30A)
Net profit/(loss) ratio	Net profit/(loss)	Net sales = Total sales - Sales return	25.92	(1.71)	1620%	On Account of gain on sale on investment in subsidiary Refer note 30A



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

42. Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance exceeding 25% as compared to the preceding period
Return on capital employed	Earnings before interest and taxes	Capital employed = Tangible net worth + Total debt + Deferred tax liability	1.23	(1.61)	177%	On Account of gain on sale on investment in subsidiary (Refer note 30A)
Return on investment	Interest (Finance income) + profit on sale of investment	Investment	0.25	0.01	13400%	On account of increase in interest income and fair value gain on Investments.

43. Other statutory information

(i) The Company do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988

and rules made thereunder.

(ii) The Company has balance with the below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of the struck off Company	Nature of transaction with struck off Company	Balance outstanding		Relationship with the Struck off company, if any
		As at March 31, 2024	As at March 31, 2023	
Great Town Trading Private Limited	Loan given	488.56	460.20	None

(iii) The Company do not have any charges or satisfaction which is yet to be registered with the Registrar of Companies ("ROC") beyond the statutory period.

(iv) The Company have not traded or invested in crypto currency or virtual currency during the financial year.

(v) The Company have 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) except as described below:

Name of the intermediary to which the funds are advanced	Date of funds invested	Amount of funds invested	Date on which funds are further advanced or loaned or invested by Intermediaries to other intermediaries or Ultimate Beneficiaries	Amount of fund further advanced or loaned or invested by Intermediaries to other intermediaries or Ultimate Beneficiaries	Ultimate Beneficiary
March 31, 2024 Manipal Academy of Health and Education Private Limited	Various Dates	48.76	Various Dates	48.76	Manipal Educational Foundation.
		48.76		48.76	
March 31, 2023 Manipal Academy of Health and Education Private Limited	Various Dates	47.88	Various Dates	47.88	Manipal Educational Foundation.
		47.88		47.88	



Notes to the Standalone Financial Statements for the year ended March 31, 2024

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries except as described below:

Kurlon Trading & Invest Management Private Limited (KTIMPL), one of the wholly owned subsidiaries of the Company, is formed as a special purpose vehicle to purchase shares in Kurlon Enterprise Limited held by India Business Excellence Fund (a Motilal Oswal Private Equity). KTIMPL has availed loans from financial institutions (Bajaj Finance Limited and Kotak Mahindra Investments Limited) of Rs. 20,000 lakhs for purchasing such shares. The Company has provided guarantee and mortgaged certain immovable properties towards sanction of loans. The principal repayment and interest service is funded by the Company to KTIMPL in the form of advances in the nature of loans. As on March 31, 2023, KTIMPL has outstanding balance of Rs. 17,617.30 lakhs to such financial institutions. Subsequent to year end, KTIMPL has transferred its shares held in Kurlon Enterprise Limited to Sheela Foam Limited for consideration of Rs. 13,314.17 lakhs. Accordingly, the Company has provided for the shortfall arising on account of repayment of liabilities by KTIMPL as provision for guarantee loss. Also refer note 45.

(vi) The Company have 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,

(vii) The Company have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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).

(viii) The Company have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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).

(ix) The Company has its servers physically located in India and does not have system for daily backup of books of accounts in electronic mode. The management is taking steps to ensure that there is a backup server in India and process for daily backup is defined as required under applicable provisions of the Companies Act, 2013.

(x) The Company registered in India have used 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, except that audit trail feature is not enabled at the database level in relation to SAP accounting software. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

44. Discontinued operations

On October 20, 2023 the Company has transferred one of the factory situated at Gwalior along with related assets and liabilities as a Going concern to M.s Kurlon Enterprise Limited. As a result the operations of Gwalior factory were classified as discontinued operations during the period. The business represented the Company's mattress manufacturing segment. Being a discontinued operation, that segment is no longer presented in the segment note.

The Gwalior factory business for the year are presented below



FINANCIAL Statements

Notes to the Standalone Financial Statements for the year ended March 31, 2024

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Revenue from contracts with customers	4812.79	8632.21
Other Income	44.82	22.87
Expenses	(4,295.50)	(8,637.42)
Finance costs	(0.16)	(0.91)
Depreciaion	(168.22)	(291.44)
Profit/(loss) before tax from a discontinued operation	393.73	(274.69)
Tax (expenses)/income:	(114.65)	-
Profit/(loss) for the period from a discontinued operation	279.08	(274.69)

* Up to October 20, 2023

The company has transferred all assets and liabilities pertaining to Discontinued operations to M/s Kurlon entierprise Limited on October 20, 2023 Hence there are no assets and liabilities attributable to discontinued operations held by the company as on March 31, 2024.

45. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Company's capital management is to maximize the shareholders value.

The Company manages its capital structure

and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or may issue new shares. The Company includes within net debt, borrowings net of cash and cash equivalents and other bank balances.

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Borrowings	-	2,242.53
Less: Cash and cash equivalents and other bank balances	(87,639.59)	(114.58)
Net debt (A)	(87,639.59)	2,127.95
Equity	1,31,667.16	5,594.26
Total equity capital (B)	1,31,667.16	5,594.26
Total debt and equity (C)=(A)+(B)	44,027.57	7,722.21
Gearing ratio (A)/(C)	-	27.56%

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.



Notes to the Standalone Financial Statements for the year ended March 31, 2024

46. Subsequent to the Balance sheet date, On May 01, 2024 the Company had passed a resolutoin by its members for buy back up to 2,369,230 fully paid up eqity shares of face value Rs. 10/- (representing 15.98% of the total issued and paid up equity shares of the

company) at a price of Rs. 1,300 per equity share ("Buy Back Offer Price"). Accordingly offer for buy back of shares were opened on June 5, 2024 and Closed on June 19, 2024. As a result 746,854 equity shares were bought back at Rs. 1300 per equity shares.

As per our report of even date

For Nangia & Co LLP

Chartered Accountants

ICAI Firm Registration Number : 002391C/N500069

Per Vijaya Kumar Uppiretla

Partner

Membership No.: 255908

Place : Bengaluru, Date :

September 04, 2024

For and on behalf of Board of Directors of
Kanara Consumer Products Limited

(formerly known as Kurlon Limited)

CIN: U68100KA1962PLC001443

Tonse Sudhakar Pai

Managing Director

DIN : 00043298

Madhusudan K. R.

Chief Financial Officer

Kothethoor Venugopal Shetty

Independent Director

DIN : 00632775

Shusheela Y. Godbole

Company Secretary

Place : Bengaluru,

Date : September 04, 2024



FINANCIAL Statements

Notes to the Standalone Financial Statements for the year ended March 31, 2024

1. Corporate information

Kanara Consumer Products Limited (formerly known as Kurlon Limited) ("the Company") was incorporated under the name and style of "Karnataka Coir Products Limited" on February 09, 1962, and commenced commercial operations during October 1965. The name of the Company was changed to "Karnataka Consumer Products Limited" with effect from October 09, 1980. On December 08, 1995, the name of the company was changed from Karnataka Consumer Products Limited to "Kurlon Limited". Further, effective June 14, 2023 the name of the Company has been changed to "Kanara Consumer Products Limited". The Company operates in diverse areas such as Rubberized coir, Latex Foam, Polyurethane foam, Spring Mattresses, Furniture, Furnishings etc. The company also operates in real estate business as Developers, Builders, Managers, Operators, Hirers and Dealers of all kinds of immovable properties, including but not limited to that of lands, buildings, farms, cinemas, hotels and cold stores and carry on all incidental or allied activities and business as are usually carried on by Builders, Managers, Operators, Hirers and Dealers etc.

The Company's standalone financial statements for the year ended March 31, 2024 were approved by Board of Directors on September 04, 2024.

2. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

This note provides a list of the material accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The standalone financial statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

These standalone financial statements are presented in Indian Rupee, which is also functional currency of the Company. All the values are rounded off to the nearest lakhs, unless otherwise indicated.

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

(a) Measurement of fair values

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



Notes to the Standalone Financial Statements for the year ended March 31, 2024

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(b) Current versus non-current classification

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

An asset is treated 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 twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

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

(c) Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of income and expenses during the period. Actual results may differ from these estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding estimate. Changes in estimate are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

Judgements :

Information about judgements made in applying accounting policies that have the most significant



FINANCIAL Statements

Notes to the Standalone Financial Statements for the year ended March 31, 2024

effects on the amounts recognised in the standalone financial statements is included in the following notes:

Note 3.1 and Note 3.2 - Useful life of property, plant and equipment and intangible assets.

Note 3.8 - Measurement of defined benefit obligations: key actuarial assumptions.

Note 3.9 - Provision for income tax and valuation of deferred tax assets/liabilities.

Note 3.14 - Valuation of financial instrument; and

Note 3.15 - Lease classification and determination of lease term.

Assumption and estimation uncertainties :

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

Note 2(a) - Fair value measurement.

Note 3.3 - Impairment of financial assets.

Note 3.3 - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets.

Note 3.9 - Recognition of deferred tax assets: based upon likely timing and the level of future taxable profits together with future tax planning strategies.

Note 3.11 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

3. Material Accounting Policies

3.1. Property, plant and equipment

Asset description	Useful life in years as per Schedule II	Useful life as per Company
Buildings	30	30
Plant and equipment	15	10 and 15
Furniture and fixtures	10	10
Office equipment	5	5
Vehicles	8	8
Computers	3 and 6	3 and 6

Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation criteria's are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Capital work in progress is stated at cost, net of accumulated impairment loss if any.

Subsequent costs related to an item of property, plant and equipment are recognised 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.2. Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Asset description	Useful life in years
Computer software	6

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Subsequent costs related to intangible assets are recognised 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.

3.3. Impairment

Impairment of financial assets

In accordance with Ind AS - 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS - 115.

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

Trade receivables or contract revenue receivables

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month 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 entity reverts to recognising impairment loss allowance based on 12-month ECL.

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash generating unit's (CGU's) to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed

the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or cash generating unit's (CGU's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.4. Borrowing costs

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.

3.5. Foreign currency transactions

i) Functional and presentation currency:

Items included in the standalone financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The standalone financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.

3.6. Revenue recognition

Revenue from contracts with customer is recognised upon transfer of control of promised goods/services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The

variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Trade receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Interest income

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

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

Dividend income

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head "Other income" in the statement of profit and loss account.

3.7. Interest income or interest expense

Interest income or expense is recognised using the effective interest method. The 'effective interest rate'



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

3.8. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Other long-term employee benefit obligations

The liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The company operates the following post-employment schemes:

- (a) defined benefit plans - gratuity, and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme, ESI, Superannuation, are the defined



Notes to the Standalone Financial Statements for the year ended March 31, 2024

contribution plans. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.

3.9. Income taxes

Income tax comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

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 liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets 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, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on

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Notes to the Standalone Financial Statements for the year ended March 31, 2024

tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about the facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in statement of profit and loss.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.10. Earnings/(loss) per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the period (including treasury share).

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

3.11. Provision and contingent liabilities

Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence 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 that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the standalone financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

3.12. Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on

Notes to the Standalone Financial Statements for the year ended March 31, 2024

hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Standalone Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management

3.13. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.14. Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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Notes to the Standalone Financial Statements for the year ended March 31, 2024

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Notes to the Standalone Financial Statements for the year ended March 31, 2024

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.15. Leases

The Company has lease contracts for various buildings used in its operations. Lease terms generally ranges between 3 and 9 years.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. 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.

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 right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.3 for policy on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Extension and termination option

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease.

3.16. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.17. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the

chief operating decision maker (CODM). The Company has identified one reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Company has only one reportable business segment, which is manufacture, purchase and sale of coir, foam and related products which constitutes a single business segment. Accordingly, the amounts appearing in the standalone financial statements relate to the company's single business segment. Refer Note 32 for segment information and segment reporting.

3.18. Use of judgements, estimates and assumptions

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The areas involving significant estimates or critical judgements are:

(i) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The mortality rate is based on publicly available



Notes to the Standalone Financial Statements for the year ended March 31, 2024

mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note 38.

(ii) Impairment of financial and non-financial assets:

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash 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. In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

3.19. Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

3.20 Changes in Accounting policies and disclosures - New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

(a) Definition of Accounting Estimates – Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

(b) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(c) Deferred Tax related to Assets and Liabilities arising from Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet.

The aforesaid amendments are not expected to have any material impact on the Company's standalone financial statements.

3.21 Standards issued but not yet effective

There are no standards that are noticed and not yet effective as on that date.



INDEPENDENT Auditor's Report

To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **CONSOLIDATED** Financial Statements

Qualified Opinion

We have audited the accompanying consolidated Financial Statements of Kanara Consumer Products Limited (formerly known as Kurlon Limited) ("the Holding Company"), its subsidiaries and its associate (the Holding Company, its subsidiaries and its associate together referred to as "the Group"), comprising of the consolidated Balance sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss, including the statement of Other Comprehensive Income/(loss), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the consolidated financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according the explanation given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, except for the effects of the matters described in the 'Basis of Qualified Opinion' section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the group as at March 31, 2024, their consolidated profit including other comprehensive income/(loss), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Qualified Opinion

We draw attention to note 1 to the accompanying consolidated financial statements which describes the fact of non-consolidation of one of Holding Company's associate financial statements. Accordingly, those associate financial statements are not forming part of these consolidated financial statements. Hence, the impact on consolidated statement of profit and loss and carrying value of investment in associate is not quantifiable.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (Sas) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further

described in the "Auditor's Responsibilities for the Audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income/(loss) and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Accounting Standards) Rules



To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **CONSOLIDATED** Financial Statements

2015, as amended. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

As part of an audit in accordance with the SAs, we

exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated 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 the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group of which we are the



INDEPENDENT Auditor's Report

To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **CONSOLIDATED** Financial Statements

independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors such other auditors remain responsible for the direction supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

a) The consolidated financial statements of the Group for the year ended March 31, 2023, included in these consolidated financial statements, have been audited by the predecessor auditor who expressed a unmodified opinion on those statements on November 21, 2023.

b) We did not audit the financial statements and other financial information, in respect of nine subsidiaries, whose financial statements include total assets of Rs. 4,272.29 lakhs as on March 31, 2024, and total revenues of Rs 44,575.86 lakhs and net cash outflows of Rs 430.41 lakhs (without giving effect to elimination of intercompany transactions) for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

c) We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of Rs. Nil as on March 31, 2024, and total revenues of Rs 70.58 lakhs and net cash outflows of Rs 7.47 lakhs (without giving effect to elimination of intercompany transactions) for the year ended on that date. These financial statements and other financial information have not been audited and whose unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements and other financial information is not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary companies as noted in the 'other Matter Paragraph' we give in the 'Annexure 1' a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, except for the effects of matters described in the Basis for Qualified Opinion paragraph above, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matters' paragraph we report, to the extent applicable, that:

a. Except for the effects of the matters described in the Basis of Qualified Opinion Paragraph, we//the other



To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **CONSOLIDATED** Financial Statements

auditors whose report we have relied upon have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.

b. In our opinion, except of the effects of matters described in the Basis of Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except that the Holding Company and six of its subsidiary companies does not have server physically located in India for the daily back up of the books of account and other books and papers maintained in electronic mode and for the matters stated in the paragraph (j)(vi) below on the reporting under Rule 11 (g);

c. Except for the effects of matters described in the Basis of Qualified Opinion paragraph, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income/(Loss), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

d. Except for the effects of the matters described in the Basis of Qualified Opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with companies (Indian Accounting Standards) Rules 2015, as amended;

e. The Qualification relating to the maintenance of accounts and other matters connected therewith are stated in the Basis of Qualified Opinion paragraph above and paragraph 2 (b) above on reporting under Section 143(3)(b) and paragraph (j) (vi) below on reporting under Rule 11(g);

f. Except for the effects of the matters described in the Basis of Qualified Opinion paragraph, on the basis of the written representations received from the directors of the Holding Company and three subsidiary Companies as on March 31, 2024, taken on record by the Board of Directors of the Holding Company and such subsidiary Companies, none of the directors of the Holding

Company and subsidiary Companies is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;

g. Except for the effects of the matters described in the Basis of Qualified Opinion, with respect to the adequacy of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

h. Except for the effects of the matters described in the Basis of Qualified Opinion, in our opinion and based on the consideration of reports of other statutory auditors of subsidiaries, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Holding Company and its subsidiaries to their directors in accordance with provisions of section 197 read with Schedule V to the Act to the extent applicable; and

i. Except for the effects of the matters described in the Basis of Qualified Opinion, With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanation given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of subsidiaries as noted in the 'Other Matter' paragraph;

(i) The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group- Refer note 39 to the consolidated financial statements;

(ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) Following are the instances of delay in transferring amounts required to be transferred to the Investor Education and Protection Fund ('IEPF') by the Group;

Financial year	Amount involved (Rs lakhs)	Date of Payment	Number of Day's of Delay
2007-08	0.32	Not paid	Not paid
2008-09	0.75	Not paid	Not paid
2010-11	0.01	Not paid	Not paid



INDEPENDENT Auditor's Report

To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **CONSOLIDATED** Financial Statements

iv. a) Except for the effects of matters described in the Basis of Qualified Opinion paragraph above, the respective managements of the Holding Company and its subsidiaries which are companies whose financial statements have been audited under the Act have represented to us and its other auditors of such subsidiaries, respectively, that to the best of its knowledge and belief, except as disclosed in the note 46(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sourced or kind funds) by the Holding Company or any of such subsidiaries 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

(b) Except for the effects of matters described in the Basis of Qualified Opinion paragraph above, the respective managements of the Holding Company and its subsidiaries which are companies and whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively, that to the best of its knowledge and belief, as disclosed in the note 46(vi) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, 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 and

(c) Except for the effects of matters described in the Basis of Qualified Opinion paragraph above, based on the audit procedures that have been considered reasonable and appropriate in the circumstance performed by us and that performed by the auditors of the subsidiaries and whose financial statements haven audited under Act, nothing has come to our or other auditor's notice that has caused us or the other auditor's to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) As disclosed in note 15(f) to the consolidated financial statements no dividend has been declared and paid during the year by the Holding Company.

As stated in note 15(f) to the consolidated financial statements the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(vi) Except for the effects of matters described in the Basis of Qualified Opinion paragraph above, As stated in note 46(viii) to the Consolidated financial statements, the respective managements of the Holding Company and its subsidiaries which are companies and whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, the Holding Company and its subsidiaries has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and we are unable to comment whether the same has operated throughout the year for all relevant transactions recorded in the software in the absence of availability of audit log backups. The audit trail feature is not enabled at the database level insofar as it relates to accounting softwares. We are unable to comment whether the audit trail feature being tampered or not during the year in the absence of availability of audit log backups.

For Nangia & Co LLP

Chartered Accountants

ICAI Firm Registration Number : 002391C/NS00069

Place : Bengaluru, Date : September 04, 2024

Per Vijaya Kumar Uppiretla

Partner

Membership No.: 255908



To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **CONSOLIDATED** Financial Statements

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date on the Consolidated Financial Statements of Kanara Consumer Products Limited (formerly known as Kurlon Limited)

In terms of the information and explanation sought by us and given by the Holding Company and the books of

account and records examined by us in the normal course of audit and to the best of our knowledge and belief we state that:

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report_ Order (CARO) reports of the companies included in the consolidated financial statements are:

Sl. No.	Name	CIN	Holding company / subsidiary	Clause number of the CARO report which is qualified
1	Kanara Consumer Products Limited	U17214KA1962PLC001443	Holding Company	3(i)(b), (i)(c), 3(iii)(a), (iii)(b), (iii)(c), iii(f) 3(vii)(b),
2	Manipal Natural Private Limited	U24290KA2019PTC130068	Subsidiary	3(ii)((b), 3(xvii),
3	Manipal Software and E-Com Private Limited	U72200KA2011PTC059084	Subsidiary	3(i)(b), 3(iii)(b) (iii)(f)
4	Kanara Consulting & Service Management Private Limited (formerly known as Kurlon Trading & Invest Management Private Limited)	U67190MH2022PTC382693	Subsidiary	3(xvii)

For Nangia & Co LLP

Chartered Accountants

ICAI Firm Registration Number : 002391C/NS00069

Place : Bengaluru, Date : September 04, 2024

Per Vijaya Kumar Uppiretla

Partner

Membership No.: 255908

ANNEXURE '2' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KANARA CONSUMER PRODUCTS LIMITED (FORMERLY KNOWN AS KURLON LIMITED)

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

Limited (formerly known as Kurlon Limited) ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, as of that date.

Management's Responsibility for Internal Financial Controls



INDEPENDENT Auditor's Report

To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **CONSOLIDATED** Financial Statements

The respective Board of Directors of the Holding Company, its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's Internal financial Controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those standards and the Guidance Notes require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether adequate internal financial controls with reference to these standalone financial

statements was established and maintained as 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with respect to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of the consolidated financial statements for external purposes with accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and



To the Members of Kanara Consumer Products Limited (formerly known as Kurlon Limited)
Report on the Audit of the **CONSOLIDATED** Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company, has maintained, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

a)Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to consolidated financial statements insofar as it relates to nine subsidiary companies is based on the corresponding report of the auditors of such companies.

b)We draw reference to Basis of Qualified Opinion paragraph mentioned in our audit report, Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to consolidated financial statements does not cover one of the Holding Company's associate company as the same has not consolidated as a part of these consolidated financial statements.

For Nangia & Co LLP

Chartered Accountants

ICAI Firm Registration Number : 002391C/NS00069

Place : Bengaluru, Date : September 04, 2024

Per Vijaya Kumar Uppiretla

Partner

Membership No.: 255908



FINANCIAL Statements

Consolidated Balance Sheet as at March 31, 2024

Particulars	Notes	(₹ in Lakh)	
		March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	7,043.95	31,631.60
Capital work-in-progress	4	153.51	105.93
Goodwill	5	-	2,103.16
Other Intangible assets	5	26.58	145.01
Intangible assets under development	5	-	2.93
Right of use assets	6	3,509.08	10,286.50
Financial assets			
Investments	7	15,777.26	458.62
Loans	8	489.94	482.57
Other financial assets	9	1,467.37	4,188.91
Deferred tax assets(net)			
Income tax assets (net)	10	1,890.55	3,127.53
Other non-current assets	11	339.60	1,934.74
		30,697.84	54,467.51
Current assets			
Inventories	12	1,363.39	9,904.20
Financial assets			
Investments	7	-	1,602.30
Trade receivables	13	214.42	5,944.46
Cash and cash equivalents	14	48,278.04	692.66
Other bank balances	14	39,516.16	563.95
Loans	8	-	59.30
Other financial assets	9	9,587.77	339.73
Other current assets	11	2,280.40	3,668.09
		1,01,240.18	22,774.69
Total		1,31,938.02	77,242.20
Equity And Liabilities			
Equity			
Equity share capital	15	1,488.26	1,488.26
Other equity	16	1,27,206.40	18,766.99
Non controlling interest	17	2.81	2,505.62
		1,28,697.47	22,760.87
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	22	-	17,440.10
Lease liabilities	18	-	3,911.16
Other financial liabilities	19	-	5,835.60
Provisions	20	6.90	454.47
Deferred tax liabilities (net)	21	890.19	1,401.12
		897.09	29,042.45
Current liabilities			
Financial liabilities			
Borrowings	22	330.87	7,214.13
Lease liabilities	18	-	1,346.50
Trade payables	23	-	-
Total outstanding dues of micro enterprises and small enterprises		178.94	658.30
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,600.10	11,971.18
Other financial liabilities	19	129.89	1,575.42
Provisions	20	30.47	780.81
Other current liabilities	24	73.18	1,208.44
Liabilities for current tax (net)	25	-	684.10
		2,343.45	25,438.88
Total		1,31,938.02	77,242.20
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the Consolidated financial statements			

As per our report of even date

For Nangia & Co LLP

Chartered Accountants
ICAI Firm Registration Number : 002391C/N500069

Per Vijaya Kumar Uppiretla

Partner
Membership No.: 255908

Place : Bengaluru, Date : September 04, 2024

For and on behalf of Board of Directors of
Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Tonse Sudhakar Pai

Managing Director
DIN : 00043298

Madhusudan K. R.
Chief Financial Officer

Place : Bengaluru, Date : September 04, 2024

Kothethoor Venugopal Shetty

Independent Director
DIN : 00632775

Shusheela Y. Godbole
Company Secretary



Consolidated Statement of Profit and Loss for the year ended March 31, 2024

Particulars	Notes	(₹ in Lakh)	
		March 31, 2024	March 31, 2023
Income			
Revenue from operations	25	43,516.99	85,398.39
Other income	26	5,679.53	1,237.22
Total income		49,196.52	86,635.61
Expenses			
Cost of raw material consumed	27	24,280.41	35,086.67
Purchase of traded goods	28	479.93	9,281.95
Changes in inventories of finished goods, work-in-progress & traded goods	29	(1,428.08)	1,664.31
Employee benefit expense	30	4,958.84	8,038.05
Finance costs	31	1,942.71	4,068.44
Depreciation and amortisation expense	32	2,032.52	4,377.20
Other expenses	33	19,704.45	26,517.95
Total expenses		51,970.78	89,034.57
Profit/(Loss) before tax		(2,774.26)	(2,398.95)
Exceptional items	33A	(1,54,728.98)	4,185.88
Profit/(Loss) before tax		1,51,954.72	(6,584.83)
Tax expense			
Current tax		36,628.15	1,166.11
Tax relating to earlier years		46.36	(117.54)
MAT Credit		-	2.31
Deferred tax charge/(credit)		(1,257.42)	(892.26)
Total tax expense/(credit)		35,417.09	158.62
Profit/(Loss) for the year		1,16,537.63	(6,743.45)
Profit/(Loss) for the year attributable to :			
Owners of the Company		1,16,538.41	(6,801.03)
Non-controlling interest		(0.78)	57.58
Other comprehensive income/(loss), net of tax			
Items that will not be reclassified subsequently to profit or loss			
Re-measurement gain/(loss) on defined benefit plan		(53.60)	(34.90)
Income tax relating to items that will not be reclassified to profit or loss		(11.36)	13.01
Total other comprehensive income/(loss)		(64.96)	(21.89)
Total comprehensive income/(Loss)		1,16,472.67	(6,765.34)
Total comprehensive income/(Loss)			
Owners of the Company		1,16,473.45	(6,821.94)
Non-controlling interest		(0.78)	56.60
Earnings/(loss) per equity share :			
Basic & Diluted [Nominal value of shares Rs. 10 (March 31, 2023 : Rs. 10)]	34	783.05	(45.70)
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the Consolidated financial statements			

As per our report of even date

For Nangia & Co LLP

Chartered Accountants
ICAI Firm Registration Number : 002391C/N500069

Per Vijaya Kumar Uppiretla

Partner
Membership No.: 255908

Place : Bengaluru, Date : September 04, 2024

For and on behalf of Board of Directors of
Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Tonse Sudhakar Pai

Managing Director
DIN : 00043298

Madhusudan K. R.
Chief Financial Officer

Place : Bengaluru, Date : September 04, 2024

Kothethoor Venugopal Shetty

Independent Director
DIN : 00632775

Shusheela Y. Godbole
Company Secretary



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FINANCIAL Statements

Consolidated Cash Flow Statement for the year ended March 31, 2024

Particulars	(₹ in Lakh)	
	March 31, 2024	March 31, 2023
A. Cash flow from operating activities		
(Loss) before tax	1,51,954.72	(6,584.83)
Non cash adjustment to reconcile (loss) before tax to net cash flows		
Depreciation and amortisation expense	2,032.52	4,377.21
Provision for doubtful advances	1,612.76	3,627.29
Provision for bad and doubtful debts	1,085.26	73.78
Provision for doubtful loans	1,827.43	835.27
Provision for warranty	100.14	363.07
Interest expenses	1,942.71	2,966.68
Loss on sale of property, plant and equipment	5,782.09	324.20
Advance to suppliers written off	-	1.42
Bad debts written off	-	25.44
Provision for advance to suppliers	6.33	-
Impairment of goodwill	2,103.16	-
Provision for slow moving inventory	5.55	-
Fair value loss / (gain) on mutual fund at fair value through profit or loss	(223.02)	511.28
Interest income	(4,080.43)	(422.07)
Rental income	(330.27)	(108.96)
Gain on sale of investments	(1,54,060.28)	(491.04)
Gain on modification of lease	-	(62.90)
Liabilities no longer required written back	(7,240.86)	(59.50)
Profit on sale of property, plant and equipment	(1,539.24)	-
Operating cash flow before working capital changes	978.56	5,376.35
Movements in working capital :		
Increase/(decrease) in trade payables	(10,784.54)	(911.98)
Increase/(decrease) in other financial liabilities	(7,252.40)	550.57
Increase/(decrease) in other liabilities	(1,135.26)	(312.13)
Increase/(decrease) in provisions	(1,298.05)	382.90
Decrease/(increase) in inventories	8,535.26	4,131.21
Decrease/(increase) in trade receivables	4,644.78	(317.22)
Decrease/(increase) in loans	5,399.47	212.48
Decrease/(increase) in other financial assets	(5,039.04)	(2,133.74)
Decrease/(increase) in other assets	1,363.74	(5,022.24)
Cash generated from operating activities	(4,587.48)	1,956.19
Direct taxes paid (net of refunds)	(35,440.41)	(1,510.45)
Net cash generated from operating activities (A)	(40,027.89)	445.75
B. Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(268.88)	1,648.48
Deposits matured / (made) during the year (net)	(38,966.05)	4,599.03
Proceeds from sale of long term investment	-	111.90
Investments in securities	(13,493.32)	-
Sale of investments in mutual funds	1,54,060.28	9,128.86
Rent received	329.84	108.96
Proceeds from sale of property, plant and equipment	25,432.36	1,321.46
Movement in earmarked balances, (net)	13.84	(388.92)
Interest received	2,593.41	356.75
Acquisition of non controlling interest	-	(32,500.00)
Adjustments due to sale of subsidiary	(10,534.51)	-
Net cash flow (used in) investing activities (B)	1,19,166.97	(15,613.48)
C. Cash flows from financing activities		
Net (repayment of)/proceeds from short-term borrowings	(29,581.03)	19,207.52
Repayment of lease liabilities	-	(1,028.74)
Interest paid	(1,971.44)	(2,563.42)
Dividend paid	-	(342.11)
Net cash flow generated from financing activities (C)	(31,552.46)	15,273.25
Net increase/(decrease) in cash and cash equivalents (A + B + C)	47,586.62	105.52
Cash and cash equivalents at the beginning of the year	691.42	585.91
Cash and cash equivalents at the end of the year	48,278.04	691.43
Components of cash and cash equivalents as at end of the year		
Cash in hand	0.45	7.48
Balances with banks :		
· In current accounts	771.80	683.94
Deposits with original maturity less than three months	47,505.79	-
Total cash and cash equivalents (Refer Note 14)	48,278.04	691.42
Non-cash investing and financing activities		
Acquisitions to right-of-use assets (Refer Note 6)	-	4,316.61
Refer Note 22 for change in liabilities arising from financing activities	-	-
Summary of significant accounting policies (Refer note 3)	-	-
The accompanying notes are an integral part of the Consolidated financial statements	-	-

As per our report of even date

For Nangia & Co LLP

Chartered Accountants

ICAI Firm Registration Number : 002391C/NS00069

Per Vijaya Kumar Uppiretla

Partner

Membership No.: 255908

Place : Bengaluru, Date : September 04, 2024

For and on behalf of Board of Directors of

Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Tonse Sudhakar Pai

Managing Director

DIN : 00043298

Madhusudan K. R.

Chief Financial Officer

Place : Bengaluru, Date : September 04, 2024

Kothethoor Venugopal Shetty

Independent Director

DIN : 00632775

Shusheela Y. Godbole

Company Secretary



Statement of Changes in Equity for year ended March 31, 2024

(a) Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid up

	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26
Changes during the year	-	-	-	-
At the end of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26

b. Other Equity

	Attributable to the equity holders of the Holding Company					
	Securities premium	Capital reserve	General reserve	Retained earnings	Total	Non-controlling interests
Balance as at April 01, 2022	293.81	1,283.05	4,558.39	47,485.69	53,620.94	7,071.89
Changes in accounting policy or reclassification (Refer note below)	-	-	-	-	-	-
Restated as at April 01, 2022	293.81	1,283.05	4,558.39	47,485.69	53,620.94	7,071.89
Loss for the year	-	-	-	(6,743.44)	(6,743.44)	57.58
Other comprehensive income/(loss) for the year	-	-	-	(21.89)	(21.89)	(0.98)
Add : Capital reserve arising on acquisition	-	3.71	-	-	3.71	-
"Acquisition of non controlling interest (Refer note 48(c))"	-	-	-	-	-	(4,613.10)
Transfer to non-controlling interest	-	-	-	(56.60)	(56.60)	-
Gain on transaction with Non controlling interest	-	-	-	-	-	-
Dividend paid (Refer note below)	-	-	-	(148.83)	(148.83)	(9.77)
Loss on acquisition non controlling interest (Refer note 48(c))	-	-	-	(27,886.90)	(27,886.90)	-
Balance as at March 31, 2023	293.81	1,286.76	4,558.39	12,628.03	18,766.99	2,505.62
Loss for the year	-	-	-	1,16,537.63	1,16,537.63	(0.78)
Other comprehensive income/(loss) for the year	-	-	-	(64.96)	(64.96)	-
Transfer to non-controlling interest	-	-	-	(0.78)	(0.78)	-
Dividend paid	-	-	-	-	-	-
Transfer from surplus in the statement of profit and loss	-	-	-	-	-	-
"Acquisition of non controlling interest (Refer note 48(c))"	-	-	-	-	-	-
Sale of subsidiary	-	(315.95)	(1,093.96)	(6,622.57)	(8,032.48)	(2,502.03)
Balance as at March 31, 2024	293.81	970.81	3,464.43	1,22,477.35	1,27,206.40	2.81

Securities premium - This reserve is used to record premium on issue of shares and can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

General reserve - Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general

reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

Retained earnings - Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss/(gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Changes in accounting policy or reclassification - Security premium and dividends pertaining to non controlling interest has been reclassified to retained earnings and Non controlling interest respectively.

The accompanying notes are an integral part of the Consolidated financial statements.

As per our report of even date

For Nangia & Co LLP

Chartered Accountants

ICAI Firm Registration Number : 002391C/NS00069

Per Vijaya Kumar Uppiretla

Partner

Membership No.: 255908

Place : Bengaluru, Date : September 04, 2024

For and on behalf of Board of Directors of

Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Tonse Sudhakar Pai

Managing Director

DIN : 00043298

Madhusudan K. R.

Chief Financial Officer

Place : Bengaluru, Date : September 04, 2024

Kothethoor Venugopal Shetty

Independent Director

DIN : 00632775

Shusheela Y. Godbole

Company Secretary

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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

4. Property, plant and equipment and Capital work in progress (₹ in Lakh)

	Land Freehold	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment	Vehicles	Computers	Total	Capital Work in Progress
Cost									
At April 01, 2022	2,451.32	19,129.28	25,399.46	4,453.13	978.69	822.31	763.79	53,997.98	489.34
Additions	-	467.42	1,064.22	291.24	112.86	64.44	45.03	2,045.21	442.30
Disposals	-	(981.95)	(1,036.20)	(800.50)	(18.42)	(128.11)	(27.74)	(2,992.92)	(825.71)
At March 31, 2023	2,451.32	18,614.75	25,427.48	3,943.87	1,073.13	758.64	781.08	53,050.27	105.93
Additions	-	3.34	24.30	0.93	3.27	56.39	10.25	98.48	154.37
Disposals**	(421.70)	(2,110.26)	-	-	-	(128.48)	(14.64)	(2,675.08)	-
Adjustment due to sale of subsidiary	(991.42)	(11,271.51)	(23,793.01)	(3,563.56)	(929.65)	(476.98)	(737.21)	(41,763.34)	(106.79)
At March 31, 2024	1,038.20	5,236.32	1,658.77	381.24	146.75	209.57	39.48	8,710.33	153.51
Depreciation									
At April 01, 2022	-	3,532.48	12,726.40	2,242.44	575.17	379.63	575.03	20,031.15	-
Charge for the year	-	610.15	1,588.36	289.58	99.19	80.82	75.61	2,743.71	-
Disposals	-	(230.60)	(479.70)	(538.70)	(16.68)	(68.56)	(21.95)	(1,356.19)	-
At March 31, 2023	-	3,912.03	13,835.06	1,993.31	657.68	391.90	628.69	21,418.67	-
Charge for the year	-	257.54	216.37	38.35	19.30	15.65	12.22	559.43	-
Disposals**	-	(751.08)	-	-	-	(86.73)	-	(837.81)	-
Adjustment due to sale of subsidiary	-	(2,229.79)	(13,835.28)	(1,949.81)	(639.00)	(206.18)	(613.85)	(19,473.91)	-
At March 31, 2024	-	1,188.70	216.15	81.85	37.97	114.64	27.06	1,666.38	-
Net block									
At March 31, 2023	2,451.32	14,702.72	11,592.42	1,950.56	415.45	366.74	152.39	31,631.60	105.93
At March 31, 2024	1,038.20	4,047.62	1,442.62	299.38	108.78	94.93	12.42	7,043.95	153.51

Represents reclass adjustments between Property, plant and equipment and Right to use assets.

Note 1 : The Group has hypothecated certain properties against term loan obtained from banks.

Asset block	Gross block	Accumulated depreciation	Net block
Buildings	981.95	230.60	751.35
Plant & Equipment	1,018.10	470.87	547.23
Furniture & Fixtures	73.23	64.05	9.18
Office Equipment	4.68	4.22	0.46
Computers	4.43	4.21	0.22
Total	2,082.39	773.95	1,308.44

Capital work-in-progress ageing schedule

	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
As at March 31, 2024					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As at March 31, 2023					
Projects in progress	7.68	29.25	37.31	10.84	85.08
Projects temporarily suspended	-	-	-	-	-
Total	7.68	29.25	37.31	10.84	85.08

The Group does not have any projects under capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

5. Goodwill and other Intangible assets (₹ in Lakh)

	Other intangible assets							
	Goodwill	Computer Software	Trade Marks	Patents	Licenses	Total other intangible assets	Total	Intangible assets under development
Cost								
At April 01, 2022	2,103.16	1,099.38	0.17	0.90	12.65	1,113.10	3,216.26	2.93
Additions	-	1.77	-	-	-	1.77	1.77	-
Disposals	-	(10.78)	-	-	-	(10.78)	(10.78)	-
At March 31, 2023	2,103.16	1,090.37	0.17	0.90	12.65	1,104.09	3,207.25	2.93
Additions	-	15.97	-	0.06	-	16.03	16.03	-
Disposals	-	-	-	-	-	-	-	-
Adjustments due to sale of subsidiary	(2,103.16)	(1,089.23)	-	-	-	(1,089.23)	(3,192.39)	-
At March 31, 2024	-	17.11	0.17	0.96	12.65	30.89	30.89	2.93
Amortisation								
At April 01, 2022	-	824.21	0.01	0.04	0.46	824.72	824.72	-
Charge for the year	-	134.96	0.01	0.04	1.20	136.21	136.21	-
Disposals	-	(1.85)	-	-	-	(1.85)	(1.85)	-
At March 31, 2023	-	957.32	0.01	0.07	1.66	959.08	959.08	-
Charge for the year	-	0.79	0.01	0.05	1.20	2.05	2.05	-
Disposals	-	-	-	-	-	-	-	2.93
Adjustments due to sale of subsidiary	-	(956.82)	-	-	-	(956.82)	(956.82)	-
At March 31, 2024	-	1.28	0.02	0.12	2.87	4.31	4.31	2.93
Net block								
At March 31, 2023	2,103.16	133.05	0.16	0.83	10.99	145.01	2,248.17	2.93
At March 31, 2024	-	15.82	0.15	0.84	9.78	26.58	26.58	-

5. Intangible assets (Contd.)

	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
As at March 31, 2024					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As at March 31, 2023					
Projects in progress	2.93	-	-	-	2.93
Projects temporarily suspended	-	-	-	-	-
Total	2.93	-	-	-	2.93

The Group does not have any projects under intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan.

Goodwill of Rs. 2,103.16 lakhs was recognised upon amalgamation of Spring Air Bedding Company India Limited ('SABCIL') with the one of the subsidiary company

Kurlon Enterprise Limited 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').



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

In view of the synergies, the subsidiary company including SABCIL has been considered as a single cash generating unit. The Holding Company tests whether goodwill has suffered any impairment on an annual basis. There is no impairment as per the assessment performed by the management at the year end. Management has performed sensitivity analysis around the basic

assumption and have concluded that no reasonable / possible change in key assumptions would cause the recoverable amount lower than the carrying amount of goodwill. In estimating the value in use, the management of Holding Company considered terminal growth rate of 5% and discount rate of 10.19% as assumptions.

6. Right to use assets

	Leasehold Land	Buildings	Total
Cost			
At April 01, 2022	5,626.19	3,597.22	9,223.41
Additions	-	4,316.61	4,316.61
Disposals	-	(703.65)	(703.65)
Adjustments *	-	-	-
At March 31, 2023	5,626.19	7,210.18	12,836.37
Additions	-	-	-
Disposals	(647.42)	-	(647.42)
Adjustments due to sale of subsidiary	(1,214.47)	(7,210.18)	(8,424.65)
At March 31, 2024	3,764.30	-	3,764.30
Amortisation			
At April 01, 2022	261.96	1,281.07	1,543.03
Charge for the year	73.78	1,423.51	1,497.29
Disposals	-	(490.45)	(490.45)
Adjustments **	-	-	-
At March 31, 2023	335.74	2,214.13	2,549.87
Charge for the year	50.11	-	50.11
Disposals	(41.53)	-	(41.53)
Adjustments due to sale of subsidiary	(89.10)	(2,214.12)	(2,303.22)
At March 31, 2024	255.22	0.01	255.23
Net block			
At March 31, 2023	5,290.45	4,996.05	10,286.50
At March 31, 2024	3,509.08	(0.01)	3,509.08

* The Holding Company has hypothecated certain leasehold properties for loans obtained by Subsidiary companies.

** Represents reclass adjustments between property, plant and equipment and right of use asset.

7. Investment

	March 31, 2024 Nos.	March 31, 2024 Amount	March 31, 2023 Nos.	March 31, 2023 Amount
Measured at cost				
Investments in debt instruments				
Maharashtra Apex Corporation Ltd - Bonds	1,09,324	224.83	1,09,324	224.83
Maharashtra Apex Corporation Ltd - Redeemable cumulative preference shares	80,100	12.75	80,100	12.75
Bridgeup Tech Private Limited - Compulsary convertible preference shares	120	25.16	-	-
Total (A)	1,89,544	262.74	1,89,424	237.58
Measured at fair value through profit and loss				
Non Current investments, quoted				
Investments in Mutual Funds	3,84,90,704	5,097.71	-	-
Life Insurance Corporation of India - Direct Growth	2,74,60,389	5,074.57	-	-
Axis Bank - Direct Growth	1,04,07,473	2,536.23	-	-
Aditya Birla Sunlife - Direct Growth	97,041	55.25	-	-
Nippon India ETF Gold Bees				
Total (B)	7,64,55,607	12,763.76	-	-

(₹ in Lakh)

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

7. Investment

	March 31, 2024 Nos.	March 31, 2024 Amount	March 31, 2023 Nos.	March 31, 2023 Amount
Measured at fair value through profit and loss				
Non current investments, quoted				
Industrial Development Bank of India	3,360	2.72	3,360	1.51
Dhanlaxmi Bank Limited	1,25,000	51.56	-	-
Maharashtra Apex Corporation Limited	9,850	12.88	-	-
HDFC Bank Limited	1,750	25.34	-	-
Total (C)	3,360	92.50	3,360	1.51
Non current investments, unquoted				
Investments in equity instrument				
General Investment & Commercial Corporation Ltd (Shares of Rs. 10/- each fully paid up)	25,000	23.75	25,000	23.75
Jitendra Harjivandas Securities Pvt Limited (Shares of Rs. 10/- each fully paid up)	5,95,000	2,129.65	5,95,000	148.75
Commercial Corporation of India Limited (Shares of Rs. 1/- each fully paid up)	10,00,000	41.00	10,00,000	41.00
Madish Style Bar Pvt Ltd (Shares of Rs. 10/- each fully paid up)	60,000	6.00	60,000	6.00
The Zoroastrain Co operative Bank (Shares of Rs. 25/- each fully paid up)	100	0.03	100	0.03
Kurlon Enterprise Limited (Shares of Rs. 5/- each fully paid up)	70,157	457.83	-	-
Alapasara Finvest Care Advisory Private Limited (Shares of Rs. 10/- each fully paid up)	5,000	5.00	5,000	5.00
Total (D)	17,55,257	2,663.26	16,85,100	224.53
Less : Allowance for impairment	-	(5.00)	-	(5.00)
Total (A+B+C+D)	7,84,03,768	15,777.26	18,77,884	458.62
Total Non current investments	7,84,03,768	15,777.26	18,77,884	458.62
Aggregate book value of quoted investments		12,633.23		1,603.81
Aggregate market value of quoted investments		12,856.26		1,603.81

8. Loans

	Non - Current March 31, 2024	Non - Current March 31, 2023	Current March 31, 2024	Current March 31, 2023
Unsecured, at amortised cost				
Loans				
- Related parties (Refer Note 36)	-	-	-	49.30
- Others	489.94	482.57	-	10.00
	489.94	482.57	-	59.30
Unsecured, credit impaired				
Loans				
-Related parties (Refer Note 36)	3,257.66	1,476.72	-	-
- Others	10.38	10.47	-	-
Less : Allowance for doubtful loans	(3,268.04)	(1,487.18)	-	-
	489.94	482.57	-	59.30

(₹ in Lakh)

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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(a) The details of unsecured loans to other related parties given for the purpose of working capital requirements are as follows :

Name of the company	Rate of interest	Due date of repayment	March 31, 2024		March 31, 2023	
			Gross	Allowance	Gross	Allowance
Alapasara Finvest Care Advisory Private Limited	9.00%	On demand	126.34	126.34	126.34	126.34
Manipal Nutraceutical Private Limited	9.00%	On demand	44.45	44.45	40.77	40.77
Manipal Academy of Health and Education Private Limited	9.00%	On demand	507.93	507.93	459.17	459.17
Manipal Educational Foundation	9.00%	On demand	1876.81	1,876.81	446.91	446.91
Innovative Foam Limited	9.00%	On demand	369.11	369.11	126.85	126.85
Anant Solar Systems (Refer Note 1 below)	8.00%	On demand	-	-	250.35	250.35
Sham Sunder (Refer Note 1 below)	8.00%	On demand	-	-	26.33	26.33
Sirar Solar Energies Private Limited	9.00%	On demand	127.26	127.26	-	-
Sirar Dhotre Solar Private Limited	9.00%	On demand	103.43	103.43	-	-
Sevalal Solar Private Limited	9.00%	On demand	102.33	102.33	-	-
Total			3257.66	3257.66	1476.72	1,476.72

Note 1 : The Group has provided loans to one of its erstwhile director of subsidiaries and to the entity in which such director holds substantial interest amounting to Rs. nil (March 31, 2023 : 276.68 lakhs). The Group has taken legal action against aforesaid director and entity for recovering the aforesaid loan amount. Considering the uncertainty in recoverability of above loans, management has provided for the loan receivable during financial year ending March 31, 2024.

*Allowance for doubtful loans is made considering the financials position of the related parties and same has been shown as exceptional item (refer note 33(A)).

(b) The details of unsecured loans to parties other than related parties are as follows :

Name of the borrower	Rate of interest	Due date of repayment	March 31, 2024		March 31, 2023	
			Gross	Allowance	Gross	Allowance
Acqua Crest Foods Private Limited	24.00%	On demand	10.47	10.47	10.47	10.47
Great Town Trading Private Limited	24.00%	On demand	488.56	-	460.20	-
Total			499.03	10.47	470.67	10.47

*Allowance for doubtful loans is made considering the financials position of the entities.

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

9. Other financial assets

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unsecured, at amortised cost				
Interest accrued on fixed deposits	-	-	1,526.79	39.76
Security deposits	78.65	1,011.84	-	283.71
Rent receivable	-	-	12.55	12.12
Deposits with remaining maturity for more than 12 months	908.51	1,154.78	-	-
Insurance receivable	-	2,022.29	-	-
Other advances recoverable in cash	502.88	-	8,044.71	-
- Less Provision for doubtful advances	(22.67)	-	-	-
Others	-	-	3.72	4.14
	1,467.37	4,188.91	9,587.77	339.73

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

10. Income tax assets (net)

	March 31, 2024	March 31, 2023
Advance income tax net of provision for current tax & including tax deducted at source	1,890.55	2,702.39
Provision for current tax	-	-
MAT Credit entitlement	-	425.14
	1,890.55	3,127.53

11. Other assets

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unsecured, considered good				
Capital advances (refer note (a) below)	54.38	1,574.67	64.24	-
Advances recoverable in cash or kind				
- Related parties (Refer Note 35)	-	-	2.00	-
- Others	-	-	36.35	1,761.86
Advance to employees	-	-	0.61	77.80
Prepaid expenses	2.37	2.92	61.26	714.34
Interest Accrued but not due	-	1.30	-	-
Balances with statutory/government authorities	271.84	351.42	1,355.58	1,053.34
Gratuity Fund	-	-	4.78	-
Advance Tax, TDS & TCS Receivable	-	-	-	-
Dividend receivable	-	-	40.74	-
Others	11.01	4.43	714.83	60.76
	339.60	1,934.74	2,280.40	3,668.09
Unsecured, credit impaired				
Capital advance (refer note (a) below)	4,573.37	3,350.61	-	-
Advances recoverable in cash or kind	-	-	-	-
- Others	-	-	-	45.32
Less : Provision for doubtful advances	(4,573.37)	(3,350.61)	-	(45.32)
Total	339.60	1,934.74	2,280.40	3,668.09

a) Capital advances includes the following :

i) During the year 2013-2014, the Company had paid an advance of Rs. 3,305.61 lakhs to Maharashtra Apex Corporation Limited (MACL) (a related party) for purchase of land. Further paid an advance of Rs. 1,222.76 lakhs during the FY 2023-2024. In an earlier year, the Honorable Karnataka High Court (The court) had vide its order dated October 08, 2004 stated that sale of land can be carried out only with its permission. Subsequently, the court vide its order dated April 20, 2012 accorded its consent for the sale of land to Kurlon Limited. Considering the uncertainty and delay in transfer of land, the Company has created provision for doubtful advances. Refer note 33(A).

12. Inventories (valued at lower of cost and net realizable value)

	As at March 31, 2024	As at March 31, 2023
Raw materials (includes in transit Rs. Nil (March 31, 2022 - Rs. 835.71 lakhs)	232.90	3,957.87
Provision for slow Moving inventory	(4.23)	-
Work in progress	15.57	1,322.16
Finished goods	1,040.19	3,251.32
Provision for slow Moving inventory	(1.33)	-
Spares and consumables	-	648.96
Packing Material	19.68	5.53
Stock in Transit	7.14	75.11
Traded goods	53.47	643.25
	1,363.39	9,904.20

* The carrying value of inventories as reflected above is net of provision for aged/slow moving stock of Rs. nil (March 31, 2023 : Rs. 702.00 lakhs).



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

13. Trade receivables

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Financial assets, at amortised cost		
Unsecured, considered good	307.18	5,944.46
Unsecured, credit impaired	-	1,666.42
	307.18	7,610.88
Provision for doubtful receivables	(92.76)	(1,666.42)
	214.42	5,944.46

Notes :

(i) Trade receivables are non-interest bearing and are generally on terms of 7 to 90 days.

Ageing of trade payables

(₹ in Lakh)

	Outstanding for following periods from the date of transaction						Total
	Not due	Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
March 31, 2024							
Undisputed trade receivables - considered good	-1.22	205.68	10.16	92.47	-	-	307.09
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	(1.22)	205.68	10.16	92.47	-	-	307.09
March 31, 2023							
Undisputed trade receivables - considered good	2,632.55	2,592.98	455.57	48.34	215.01	-	5,944.45
Undisputed trade receivables - credit impaired	-	-	181.29	208.73	514.78	475.90	1,380.70
Disputed trade receivables - credit impaired	-	0.87	7.04	17.70	16.60	243.51	285.72
Total	2,632.55	2,593.85	643.90	274.77	746.39	719.41	7,610.87

14. Cash and bank balances

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Cash in hand	0.45	7.48
Balances with banks :		
In current accounts	771.80	683.94
Deposits with original maturity for less than 3 months	47,505.79	1.24
	48,278.04	692.66
Other bank balances		
Deposits with remaining maturity for less than 12 months	39,500.00	0.05
Earmarked balances with banks*	11.51	545.41
Unpaid dividend	4.65	18.49
	39,516.16	563.95
	87,794.20	1,256.61

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



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

15. Equity share capital

(₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
Authorised shares				
Equity shares of Rs. 10/- each with voting rights	3,50,00,000	3,500.00	3,50,00,000	3,500.00
	3,50,00,000	3,500.00	3,50,00,000	3,500.00
Issued, subscribed and fully paid-up shares				
Equity shares of Rs. 10/- each with voting rights	1,48,82,605	1,488.26	1,48,82,605	1,488.26
	1,48,82,605	1,488.26	1,48,82,605	1,488.26

a. Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

(₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,48,82,605	1,488.26	1,48,82,605	1,488.26

b. Terms and rights attached to equity shares

The Holding Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Holding 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.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding 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

(₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Nos.	%	Nos.	%
Equity shares of Rs. 10/- each with voting rights				
Manipal Holding Private Limited	71,83,919	48.27%	71,83,919	48.27%
Maharashtra Apex Corporation Limited	56,93,020	38.25%	56,93,020	38.25%

d. Details of shares issued for consideration other than cash during the preceding five years

No shares have been issued for consideration other than cash during the preceding five years

e. Details of shares held by promoters

As at March 31, 2024

(₹ in Lakh)

	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Manipal Holdings Private Limited	71,83,919	-	71,83,919	48.27%	0.00%
Maha Rashtra Apex Corporation Ltd	56,93,020	-	56,93,020	38.25%	0.00%
General Investment And Commercial Corporation Ltd	4,85,000	-	4,85,000	3.26%	0.00%
Jaya S Pai	3,84,163	-	3,84,163	2.58%	0.00%
Metropolis Builders Pvt Ltd	1,67,036	-	1,67,036	1.12%	0.00%



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e. Details of shares held by promoters

As at March 31, 2024

(₹ in Lakh)

	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Manipal Home Finance Limited	32,350	-	32,350	0.22%	0.00%
Tonse Sudhakar Pai	29,217	-	29,217	0.20%	0.00%
Tonse Sudhakar Pai on behalf of Family trust	12,570	-	12,570	0.08%	0.00%
Mangala Investments Limited	646	-	646	0.00%	0.00%
Rajmahal Trade & Investments Private Limited	501	-	501	0.00%	0.00%
Commercial Corporation of India Ltd	500	-	500	0.00%	0.00%
Manipal Stock & Share Brokers Ltd	350	-	350	0.00%	0.00%
Jai Bharath Mills Private Limited	250	-	250	0.00%	0.00%
	1,39,89,522	-	1,39,89,522	94.00%	0.00%

As at March 31, 2023

(₹ in Lakh)

	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% change during the year
Manipal Holdings Private Limited	71,83,919	-	71,83,919	48.27%	0.00%
Maha Rashtra Apex Corporation Ltd	56,93,020	-	56,93,020	38.25%	0.00%
General Investment And Commercial Corporation Limited	4,87,620	(2,620)	4,85,000	3.26%	-0.54%
Jaya S Pai	3,78,403	5,760	3,84,163	2.58%	1.52%
Metropolis Builders Pvt Limited	1,67,036	-	1,67,036	1.12%	0.00%
Manipal Home Finance Limited	32,350	-	32,350	0.22%	0.00%
Tonse Sudhakar Pai	29,217	-	29,217	0.20%	0.00%
Tonse Sudhakar Pai on behalf of Family trust	12,570	-	12,570	0.08%	0.00%
Mangala Investments Limited	646	-	646	0.00%	0.00%
Rajmahal Trade & Investments Private Limited	501	-	501	0.00%	0.00%
Commercial Corporation of India Ltd	500	-	500	0.00%	0.00%
Manipal Stock & Share Brokers Ltd	350	-	350	0.00%	0.00%
Jai Bharath Mills Private Ltd.	250	-	250	0.00%	0.00%
	1,39,86,382	3,140	1,39,89,522	94.00%	0.00%

f. Dividend made and proposed

(₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Dividend/Share	Rs.	Dividend/Share	Rs.
Dividend on equity shares declared and paid				
Final dividend for the year ended March 31, 2024 paid in financial year 2023-24: Rs Nil (for the year ended March 31, 2023 paid in financial year 2021-22: Rs. 148.83 lakhs)	-	-	1.00	148.83
Proposed dividend on equity shares				
Proposed dividend for the year ended March 31, 2024 : Rs. 10/- (for the year ended March 31, 2023: Rs Nil)	10	1,413.58	-	-
Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at March 31, 2024				



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

16. Other equity

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Securities premium account		
Balance at the beginning of the year	293.81	293.81
Add : Premium on issue of shares	-	-
Less : Transfer to Non controlling interest on issue of shares	-	-
Balance as at end of the year	293.81	293.81
Capital reserve		
Balance at the beginning of the year	1,286.76	1,283.05
Add : Capital reserve arising on acquisition (Refer Note (a) below and 48)	-	3.71
Add : Arising on consolidation	-	-
Less: Due to sale of subsidiary	(315.95)	-
Balance as at end of the year	970.81	1,286.76
General reserve		
Balance at the beginning of the year	4,558.39	4,558.39
Add : Transfer from surplus in the statement of profit and loss	-	-
Less: Due to sale of subsidiary	(1,093.96)	-
Balance as at end of the year	3,464.43	4,558.39
Retained earnings		
Balance at the beginning of the year	12,628.03	47,485.69
Add: Changes in accounting policy or reclassification *	-	-
Balance as restated	12,628.03	47,485.69
Add : Loss for the year	1,16,537.63	(6,743.44)
Add : Other comprehensive income/(loss) for the year	(64.96)	(21.89)
Less : Non-controlling interest	(0.78)	(56.60)
Add : Gain on transaction with Non controlling interest	-	-
Less : Dividend paid *	-	(148.83)
Less : Loss on acquisition non controlling interest (Refer note 48(C))	-	(27,886.90)
Less: Due to sale of subsidiary	(6,622.57)	-
Balance as at end of the year	1,22,477.35	12,628.03
Total	1,27,206.40	18,766.99

(a) During the year ended March 31, 2023, the Holding Company's stepdown subsidiary, Belvedere International Limited has acquired business from Home Komfort Retail LLP which was carrying on business on behalf of the subsidiary company.

17. Non controlling interest

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Opening balance	2,505.62	7,071.89
Add : Share of profit/(loss)	(0.78)	57.58
Add : Share of Other comprehensive income/(loss)	-	(0.98)
Add : Acquisition of non controlling interest during the year (Refer note 48©)	-	(4,613.10)
Less : Dividend paid to non controlling interest *	-	(9.77)
Less: Due to sale of subsidiary	(2,502.03)	-
	2.81	2,505.62

18. Lease liabilities

(₹ in Lakh)

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Lease liabilities	-	3,911.16	-	1,346.50
	-	3,911.16	-	1,346.50



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

The movement of lease liabilities during the year is as below:

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	5,257.73	2,588.64
Additions	-	3,734.28
Interest expense	155.29	419.98
Loss/(Gain) on modification of lease on account of consolidation	-	(6.52)
Payments	-	(1,022.22)
Termination of leases	-	(456.42)
Adjustments due to sale of subsidiary	(5,413.02)	-
At the end of the year	-	5,257.73

19. Other financial liabilities

(₹ in Lakh)

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Unsecured, at amortised cost				
Security deposits	-	5,835.60	66.00	146.08
Employee related liabilities	-	-	60.32	1,144.92
Creditors for Capital goods	-	-	-	223.72
Unpaid dividend account	-	-	3.57	18.62
Interest accrued but not due on borrowings	-	-	-	28.73
Others payables	-	-	-	13.35
	-	5,835.60	129.89	1,575.42

20. Provisions

(₹ in Lakh)

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Provision for warranty	-	332.58	-	486.27
Provision for employee benefits	-	-	-	-
Gratuity (Refer Note 37)	-	113.88	-	131.87
Leave encashment	3.37	8.02	17.68	162.67
Sick Leave Compensation Fund	3.53	-	0.20	-
Liabilities for Expenses	-	-	12.59	-
	6.90	454.47	30.47	780.81

* Provision for warranty :

The Group 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 Lakh)

	As at March 31, 2024	As at March 31, 2023
Balance as at beginning of the year	853.27	798.84
Provisions created during the year	100.14	363.07
Amounts utilised during the year	-	(308.64)
Adjustments due to sale of subsidiary	(953.41)	-
Balance as at end of the year	-	853.27
Current	-	520.69
Non-current	-	332.58



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

21. Deferred tax liabilities (net)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	660.07	3,158.11
Deferred tax (assets)/liabilities	230.12	(1,756.99)
	890.19	1,401.12

22. Borrowings

(₹ in Lakh)

	Non - Current		Current	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Secured borrowings				
Term loan				
From Banks (Refer note (a) below)	-	3,328.94	-	-
From Others (Refer note (b) below)	-	17,617.30	-	-
Less - Current maturities of long term debt	-	(3,506.54)	-	-
	-	17,439.70	-	-
Working capital loans From banks (Refer note (c) below)	-	-	57.37	2,824.45
Current maturities of long term debt	-	-	-	3,506.54
	-	-	57.37	6,330.99
Unsecured borrowings				
From related parties	-	-	272.76	-
From banks- Credit Card Dues	-	-	0.74	-
Loans from others (Refer note (d) below)	-	0.40	-	883.14
	-	0.40	273.50	883.14
Total	-	17,440.10	330.87	7,214.13

(a) Loan from banks of Rs. nil (March 31, 2023 : Rs. 3,328.94 lakhs)

(i) The Group has obtained term loan of Rs 1,800.00 lakhs from Canara bank for construction of Buildings. The loan is repayable over tenure of 10 years 9 months and carries interest rate of 8.15% per annum. The outstanding balance against the aforesaid facility as of March 31, 2023 is nil (March 31, 2023 : Rs. 1,669.49 lakhs). The loan is hypothecated against immoveable properties of the Group as per table below.

(ii) During the year the Group has obtained term loan of Rs 135.00 lakhs from Canara bank for working capital purposes. The loan is repayable over tenure of 36 months after initial moratorium period of 24 months from sanction date of October 28, 2021. The loan carries interest of 7.5% and secured against immoveable properties. The outstanding balance against the aforesaid facility as of March 31, 2024 is nil (March 31, 2023 Rs. 135.00 lakhs).

(iii) The Group has obtained term loan of Rs. 1450.00 lakhs from Canara bank for Towards purchase of Plant & Machinery and other movable fixed assets for setting up of manufacturing facility. The loan is repayable over tenure of 96 months starting April, 2023. The loan carries interest of 8.5%. The outstanding balance against the aforesaid facility as of March 31, 2024 is nil (March 31, 2023 : Rs. 1,449.45 lakhs).

(iv) During the year the Group has obtained term loan of Rs 75.00 lakhs from Canara bank for Towards Working Capital Requirements. The loan is repayable over tenure of 36 months starting February 2024. The loan carries interest of RLLR+0.6% .The outstanding

balance against the aforesaid facility as of March 31, 2023 is nil (March 31, 2023 : Rs. 75.00 lakhs).

(b) Term Loan from other parties March 31, 2024 Rs. nil (March 31, 2023 : 17,617.30 lakhs).

(i) During the previous financial year i.e FY 2022-2023, the Group has obtained term loans of Rs. 12,500 lakhs and Rs. 7,500 lakhs from Kotak Mahindra Investments Limited and Bajaj Finance Limited for purchase of shares in Kurlon Enterprise Limited (KEL), one of the subsidiaries of the Company. The term loan is secured by immovable property, hypothecation of leased premises and pledge of 51% shares of KEL held by the Company and its Corporate Guarantee. The loans carried interest pf 12.50% p.a. and 12.00% respectively and repayable over a tenure of 5 years including moratorium period of 15 months. The outstanding balance of aforesaid facilities as of March 31, 2024 is nil (March 31, 2023 - Rs. 17,617.30 lakhs).

(ii) The Group has obtained term loan from The Zorostran co-operative bank Ltd for purchase of vehicles and hypothecated against such vehicles. Loan carries interest of 8.75% per annum. During the current year, the Group has repaid the said term loan.

(c) Working capital loans From banks of Rs. 57.37 (March 31, 2023 : Rs. 2,824.65 lakhs).

(i) The Group has obtained GECL for working capital purpose from Canara Bank and the outstanding balance as of March 31, 2024 is nil (March 31, 2023 : Rs. 438.04 lakhs). The said facility is secured against fixed deposit of the Company.



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(ii) The group has obtained corporate credit cards from banks and the outstanding balance as of March 31, 2024 is nil (March 31, 2023 : Rs. 13.04 lakhs).

22 Borrowings (continued)

(iii) The Group has obtained Cash Credit for working capital purpose from Canara Bank and the outstanding balance as of March 31, 2024 is Rs. 57.37 lakhs (March 31, 2023 : Rs. 1371.66 lakhs). The said facility is secured against fixed deposit of the Company.

(iv) The Group has obtained various facilities from Axis Bank , Kotak Mahindra Bank and IDBI Bank. The loan is secured by first pari passu charge on entire current assets of the Holding Company. The loan is repayable on demand and carries interest rate of 3 months MCLR + 0.2% p.a., 6 months MCLR +0.2%p.a., and 1 year MCLR + 0.15% p.a. on the cash credit and working capital loan facilities respectively. The outstanding balance against the

aforesaid facility as of March 31, 2024 is nil (March 31, 2023 - Rs. 1,001.71 Lakhs).

(d) Unsecured Loan from other parties of Rs. nil (March 31, 2023 : Rs. 883.54 lakhs).

(i) The Group has obtained a loan from public financial institution outstanding balance against the aforesaid facility is 272.76 lakhs (March 31, 2023 - Rs. 229.76 lakhs carrying interest at 8% per annum.)

(ii) The Group has obtained a loan from Mrs. Jaya S Pai, Director. The loan is unsecured and is repayable on demand and carries interest rate of 10% during the year. The outstanding balance against the aforesaid facility as of March 31, 2024 is nil (March 31, 2023 : Rs. 653.08 lakhs).

The table below depicts changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes:

Reconciliation of liabilities arising from financing activities				(₹ in Lakh)
	Beginning of the year	Cash flows (net)	Non cash adjustments	End of the year
March 31, 2024				
Loans from banks	6,153.39	(6,096.02)	-	57.37
Loans from other parties	18,500.84	(18,227.35)	-	273.50
Total	24,654.23	(24,323.36)	-	330.87
March 31, 2023				
Loans from banks	4,734.12	1,419.27	-	6,153.39
Loans from other parties	712.59	17,788.25	-	18,500.84
Total	5,446.71	19,207.52	-	24,654.23

23. Trade payables			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
At amortised cost			
Total outstanding dues of micro enterprises and small enterprises (Refer Note 33)		178.94	658.30
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,600.10	11,971.18
-	1,779.04		12,629.48

Ageing of trade payables							(₹ in Lakh)
	Outstanding for following periods from the date of transaction						Total
	Accrued expenses	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years		
March 31, 2024							
Undisputed trade payables - MSME	-	99.42	10.95	21.51	1.39		133.27
Undisputed trade payables - Non MSME	1,131.30	221.24	51.95	37.80	176.90		1,619.19
Disputed Dues-MSME	-	-	-	-	-		-
Disputed Dues-Others	-	-	-	-	26.58		26.58
Total	1,131.30	320.66	62.90	59.31	204.87		1,779.04
March 31, 2023							
Undisputed trade payables - MSME	-	658.30	-	-	-		658.30
Undisputed trade payables - Non MSME	192.11	11,779.07	-	-	-		11,971.18
Disputed Dues-MSME	-	-	-	-	-		-
Disputed Dues-Others	-	-	-	-	-		-
Total	192.11	12,437.37	-	-	-		12,629.48



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

24. Other current liabilities			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Contract liabilities - Advance from customers	10.44	486.21	
Payable to related parties	-	36.13	
Statutory dues	48.22	589.28	
Employee Related Liabilities	1.06	-	
Other liabilities	13.46	96.82	
	73.18	1,208.43	

Contract liabilities are recognised as revenues when the Group performs under the contract (i.e. transfer of control of the related goods).

25. Liabilities for current tax (net)			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Current tax liabilities	0.00	684	
	-	684.10	

25. Revenue from operations			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Revenue from contracts with customers			
Sale of products			
Finished goods	40,408.09	89,525.02	
Traded goods	1,283.36	5,203.14	
Supply of Electricity	70.58	-	
Less : Schemes & rebates	-	(10,297.42)	
Sale of Services	1,355.77	387.59	
Other operating revenue			
Scrap sales	366.37	367.92	
Others -	158.79		
Agricultural products	32.82	53.35	
Revenue from operations	43,516.99	85,398.39	

(a) Timing of revenue from operations			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Goods transferred at a point in time	42,161.22	85,010.80	
Services transferred over time	1,355.77	387.59	
	43,516.99	85,398.39	

(b) Reconciliation of amount of revenue recognised with contract price			(₹ in Lakh)
	As at March 31, 2024	As at March 31, 2023	
Revenue as per contract price	43,516.99	95,695.81	
Less : Discounts	-	(10,297.42)	
	43,516.99	85,398.39	



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(c) Movement in contract liabilities during the year*

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Opening balance	486.21	643.14
Less : Revenue recognised during the year	(486.21)	(643.14)
Add : Amount of consideration received during the year	10.44	486.21
	10.44	486.21

* Contract liabilities consists of advances received from customers towards supply of products.

26. Other income

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Interest income		
- On fixed deposits	3,733.28	181.11
- On Bank deposits	15.43	-
- On security deposits	19.08	37.56
- On others	312.65	203.40
Interest Reversal	19.01	-
Fair value gain on investments at fair value through profit or loss	223.02	-
Rental income	330.27	108.96
Gain on sale of investments	14.44	491.04
Dividend income	692.00	0.00
Liabilities no longer required written back	65.89	59.50
Gain on modification of lease	-	62.90
Foreign currency exchange gain (net)	8.76	6.26
Subsidy from government	-	4.75
Duty Drawback	1.15	-
Freight Outward	0.61	-
Other non - operating income	0.21	-
Miscellaneous income	243.73	81.74
	5,679.53	1,237.22

27. Cost of raw materials consumed

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Inventories at the beginning of the year	3,963.41	6,386.62
Add: Purchases	23,280.40	32,663.45
Less: Inventories at the end of the year	(228.67)	(3,963.41)
Less: Adjustment due to sale of Subsidiary	(2,734.73)	-
Cost of raw materials consumed	24,280.41	35,086.67

28. Purchase of traded goods

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Purchase of traded goods	479.93	9,281.95
	479.93	9,281.95



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

29. Changes in inventories of finished goods, work-in-progress and traded goods

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Inventories at the end of the year		
Finished goods	1,038.86	3,303.36
Work in progress	15.57	1,345.24
Traded goods	60.61	643.24
	1,115.04	5,291.84
Inventories at the beginning of the year		
Finished goods	3,303.36	3,810.16
Work in progress	1,345.24	2,306.31
Traded goods	643.25	839.68
	5,291.84	6,956.16
Less: Adjustment due to sale of Subsidiary	(5,604.88)	-
	(1,428.08)	1,664.31

30. Employee benefit expenses

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Salaries, wages and bonus	4,487.08	7,203.57
Leave encashment Expense	4.69	10.18
Gratuity expenses (Refer Note 41)	62.72	112.99
Admin Charges	0.32	-
Contribution to provident and other funds	210.70	370.72
Staff welfare expenses	193.32	340.58
	4,958.84	8,038.05

31. Finance costs

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Interest expenses		
- On borrowings	1,691.99	2,546.70
- On lease liabilities	155.29	419.98
Customer financing costs	54.38	157.23
Bank Charges - Others	41.05	944.53
	1,942.71	4,068.44

32. Depreciation and amortisation expense

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Depreciation of property, plant and equipment	1,152.53	2,743.71
Amortisation of intangible assets	26.48	136.21
Amortisation of right to use assets	853.51	1,497.29
	2,032.52	4,377.20



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

33. Other expenses

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Consumption of stores, spares and consumables	270.42	461.85
Boiler Expenses	63.87	-
Factory Expenses	13.00	-
Labour Charges	170.11	-
Customs duty	17.13	-
Power and fuel	808.76	1,593.28
Freight outward	3,567.60	7,588.65
Rent	359.59	63.36
Maintenance Expense	25.78	-
Repairs and maintenance		
Buildings	179.97	212.48
Plant and machinery	140.50	158.79
Others	352.04	591.89
Tailoring and fabrication	1,928.59	3,854.96
Testing Charges	58.20	-
Manpower charges	207.15	813.11
Office expenses	-	58.96
Rates and taxes	362.94	529.73
Expenditure on corporate social responsibility	212.50	139.28
Insurance expenses	449.17	558.70
Foreign currency exchange loss (net)	-	14.33
Security expenses	515.51	644.65
Postage and telephone expenses	83.46	168.26
Payment to auditors *	18.04	95.50
Advertisement, promotion and selling expenses	2,253.43	3,324.08
Travelling and conveyance expenses	788.49	1,106.18
Legal and consultancy charges	1,722.48	2,286.03
Certification charges	15.61	-
Director's sitting fees	5.20	7.65
Loss on sale of property, plant and equipment	1,177.55	324.20
Advance to suppliers written off	-	1.42
Bad debts written off	-	25.44
Provision for bad and doubtful debts	1,085.26	73.78
Provision for doubtful advances	-	276.68
Provision for warranty	100.14	363.07
Provision for Advances to Suppliers	6.33	-
Provision for slow Moving inventory	5.55	-
Royalty expenses	29.63	37.71
Impairment of goodwill	2,103.16	-
Fair value loss on mutual funds at fair value through profit or loss	-	511.28
Web Hosting & Software Maintenance & Subscription	16.24	-
Waste Discharge Expenses- ETP Charges	6.77	-
Printing and Stationary	3.14	-
Miscellaneous expenditure	581.14	632.65
	19,704.45	26,517.95



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

* Payment to auditors (excluding goods and service tax)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Audit services		
Statutory audit	14.04	94.00
Limited Review	2.50	-
Out of pocket expenses	1.50	1.50
	18.04	95.50

33A. Exceptional Items

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Provision for doubtful loans (Refer note 8)	1,827.43	835.27
Provision for doubtful advances (Refer note 11)	1,606.43	3,350.61
Excess provision earlier year written back	(7,174.97)	-
Net Gain on sale of Investment in subsidiary - KEL	(1,30,859.15)	-
Balance payable to Subsidiary written back	(23,201.13)	-
Net Loss on sale of undertaking - Gwalior Factory	2,004.84	-
Net Loss on sale of Investment in Subsidiary	7.11	-
Net Gain on Transfer of Property Plant and Equipment as per the terms of SPA	(1,539.24)	-
Loss due to assets written off		
- Property, plant and equipment	389.61	-
- Insurance receivable	1,870.14	-
- Right to use asset	112.66	-
- Other assets	227.30	-
	(1,54,728.98)	4,185.88

*On October 20, 2023 the company had sold its investment in subsidiary M/s Kurlon Enterprise Limited (KEL) to M/s Sheela Foams Limited (SFL) as per the terms of Share Purchase agreement (SPA) dated July 17, 2023. Investment in held by the company's subsidiary Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited) (KCSM) were also sold to SFL as per the terms of SPA. The company has written back the balances payable to KEL as per the terms of the SPA. Further the

company transferred one of the factory at Gwalior to KEL (Refer note 44) and following immovable assets to KEL as per the terms of the SPA.

- (a) Land and Building at Dabaspeth
- (b) Land and building at Uttarakhand
- (c) Lease hold Land and building at Bhubaneswar

The summary of the transaction and other exceptional items are tabulated below"



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Particulars	Sale of Investment in Subsidiary - KEL (As per SPA)	Write back of balances payable to Subsidiary KEL (Net) (As per SPA)	Sale of Business unit (Gwalior Factory) (As per SPA)
Gross Amount	1,75,627.01	23,201.13	-
Sale consideration received through other than cash	-	-	-
Less: Adjustment of sale consideration towards Other assets transferred as part of SPA	(7,845.56)	-	3,400.00
Total Income	1,67,781.45	23,201.13	3,400.00
Book value of Assets/investments written off	24,228.01	-	4,872.83
Gain/(Loss)	1,43,553.44	23,201.13	(1,472.83)
Less: Expenditure Incurred towards above exceptional items	-	-	-
Stamp duty and registration expenditure incurred by KCPL	6,008.44	-	532.01
Part of consideration transferred to Subsidiary KTIMPL as minimum guaranteed price	6,685.85	-	-
Total Expenditures	12,694.29	-	532.01
Net Gain (Loss)	1,30,859.15	23,201.13	(2,004.84)

34. Earnings / (loss) per share (EPS)

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
(Loss) attributable to equity holders of the Parent Company	1,16,538.41	(6,801.03)
Weighted average number of equity shares outstanding (Basic and diluted)	1,48,82,605	1,48,82,605
(Loss) per share (Basic and diluted)	783.05	(45.70)



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Transfer of other Property Plant and Equipment (As per SPA)	Sale of Investment in Subsidiary - Solar entities - Other exceptional Item	Provision for Loan to subsidiary written back - Other exceptional item	Provision for doubtful loans - Other exceptional item	Provision for doubtful advances - Other exceptional item
-	7.11	7,174.97	-	-
-	-	-	-	-
4,445.56	-	-	-	-
4,445.56	7.11	7,174.97	-	-
2,386.34	14.22	-	1,827.43	1,606.43
2,059.22	(7.11)	7,174.97	(1,827.43)	(1,606.43)
-	-	-	-	-
519.98	-	-	-	-
-	-	-	-	-
519.98	-	-	-	-
1,539.24	(7.11)	7,174.97	(1,827.43)	(1,606.43)

35. Segment reporting

The Group primarily is in the business of manufacture, purchase and sale of mattress, foam and related products. In addition, certain subsidiaries of the Holding Company are engaged in certain other business which are not material at Group level. Accordingly, the Group reviews revenues and expenses as a whole at Group level and does not distinguish revenues and expenses

between different businesses in its internal reporting. The CODM reviews the results when making decision about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group operates and manages its business as a single segment. As the Group's long-lived assets are all located in India and the Group's revenues are derived from India, no geographical information is presented.



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

36. Related party disclosure

Names of related parties and related party relationships

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Subsidiary Companies	Kurlon Enterprise Limited (Up to October 20, 2023)
	Manipal Software & E-com Private Limited
	Manipal Natural Private Limited
	Kanara Consulting And Service Management Private Limited
	(formerly known as Kurlon Trading and Invest Management Private Limited)
Step down subsidiaries	Kurlon Retail Limited (Upto October 20, 2023)
	Komfort Universe Products & Services Limited (Upto October 20, 2023)
	Belvedere International Limited (Upto October 20, 2023)
	Kanvas Concepts Private Limited (Upto October 20, 2023)
	Starship Value Chain and Manufacturing Private Limited (Formerly Starship Manufacturing & Services Private Limited) (Upto October 20, 2023)
	Sevalal Solar Private Limited (Upto October 13, 2023)
	Sirar Solar Energies Private Limited (Upto October 13, 2023)
	Sirar Dhotre Solar Private Limited (Upto October 13, 2023)
	Starship Global VCT LLP (Upto October 13, 2023)
Enterprises owned or significantly influenced by key management personnel /Directors and their relatives	Mega Gyan Edu Foundation
	Manipal Education Foundation
	Innovative Foam Limited
	Eldorado Share Services Private Limited
	Maharsatra Apex Asset Management company Limited
	Manipal Advertising Services Private Limited
	Manipal Agrotech Private Limited
	Manipal Stock and Share Brokers Limited
	Manipal Holdings Private Limited
	Maharastra Apex Corporation Limited
	Manipal Home Finance Limited
	General Investment & Commercial Corporation Limited
	Metropolis Builders Private Limited
	Manipal Home Finance Limited
	Mangala Investments Limited
	Anant Solar Systems Private Limited
	Jitendra Harjivandas Securities Private Limited



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

36. Related party disclosure (contd.)

Names of related parties and related party relationships

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Directors and Key Management Personnel (KMP)	Mr. Tonse Sudhakar Pai, Managing Director
	Ms. Jaya Sudhakar Pai, Director
	Ms. Deepa Sudhakar Pai, Director
	Ms. Jyothi Ashish Pradhan, Director
	Mr. Ashish Pradhan, Director of Subsidiary
	Mr. Jamsheed Minoo Panday, Director (Up to February 29, 2024)
	Mr. Kuthethoor Venugopal Shetty, Independent Director
	Mr. Santhosh Kamath, Independent Director
	Mr. ASPI Nariman Katgara, Director (Up to February 29, 2024)
	Mr. Narendra Kudva, Director
	Mr. Monu Kumar, Company Secretary (w.e.f July 01, 2022 until October 20, 2023)
	Mr. Sanjoy Khan, Chief Financial Officer (Up to April 30, 2023)
	Mr. H. N. Shrinivas, Director of Subsidiary (Up to October 20, 2023)
	Mr. Nagarajan S, Director of Subsidiary (Up to October 20, 2023)
	Mr. Ashoka Bhima Dhotre, Director of Subsidiary (Up to October 20, 2023)
	Ms. Savitha Ashok Dhotre, Director of Subsidiary (Up to October 20, 2023)
	Mr. Basaka Bhima Dhotre, Director of Subsidiary (Up to October 20, 2023)
	Ms. Shakuntala Naik, Director of Subsidiary (Up to October 20, 2023)
	Mr. Sunil Roopsingh Rathod, Director of Subsidiary (Up to October 20, 2023)
	Mr. Sham Sunder, Director of Subsidiary (Up to October 20, 2023)
	Mrs. Susheela Y Godbole, Company Secretary (w.e.f February 14, 2024)
	Mr. Madhusudan K R Chief Financial Officer (w.e.f May 01, 2023)
	Mr. Nitin G Khot, Non - Executive Director of Subsidiary (Up to October 20, 2023)
Relative of Directors and Key Management Personnel (KMP)	Ms. Feroza Jamsheed Panday, Relative of Director
	Mr. Jahangir Jamsheed Panday, Relative of Director

The transactions that have been entered into with related parties during the year are as follows: (₹ in Lakh)		
	As at March 31, 2024	As at March 31, 2023
Sale of Products and Services		
Manipal Advertising Services Private Limited	0.03	0.05
Manipal Educational Foundation	-	-
	0.03	0.05



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Rental Income		
Eldorado Share Services Private Limited	7.50	15.00
Maharsatra Apex Asset Management company Limited	4.80	-
	17.10	15.00

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Interest Income		
Mega Gyan Edu Foundation	41.76	37.81
Manipal Education Foundation	91.23	33.55
Innovative Foam Limited	8.48	9.40
Manipal Agrotech Private Limited	3.68	3.37
	145.15	84.13

36. Related party disclosure (contd.)

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Legal and professional expenses		
Feroza Jamsheed Panday	18.00	18.00
Jamsheed Minoo Panday	12.00	12.00
Jahangir Jamsheed Panday	12.00	12.00
ASPI Nariman Katgara	4.80	4.80
Manipal Advertising Services Private Limited	-	3.94
Jayamahal Trade and Investment Private Limited	-	1.50
Manipal Metropolis Builders Private Limited	-	1.50
	46.80	59.74

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Advertisement and Sales Promotion Expenses		
Manipal Advertising Services Private Limited	308.85	713.46
	308.85	713.46

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Expenses/ Purchase of assets		
Manipal Advertising Services Private Limited	7.12	-
Manipal Travels India Private Limited	5.09	-
	12.21	-



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Sitting fees to directors		
Jaya Sudhakar Pai	1.50	1.62
S. Nagarajan	0.13	1.17
H. N. Shrinivas	0.13	1.17
Jamsheed Minoo Panday	1.10	0.99
Kuthethoor Venugopal Shetty	1.50	0.60
Jyothi Ashish Pradhan	1.50	0.60
ASPI Nariman Katgara	0.60	0.50
Narendra Kudva	1.00	0.40
Santhosh Kamath	1.10	0.40
Deepa Sudhakar Pai	0.50	0.20
	9.06	7.65

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Dividend Paid		
Manipal Holdings Private Limited	-	71.84
Maha Rashtra Apex Corporation Limited	-	56.93
General Investment And Commercial Corporation Limited	-	4.88
Jaya Sudhakar Pai	-	3.78
Manipal Metropolis Builders Private Limited	-	1.67
Manipal Home Finance Limited	-	0.32
T. Sudhakar Pai	-	0.29
Tonse Sudhakar Pai on behalf of Family trust	-	0.13
Mangala Investments Limited	-	0.01
Rajmahal Trade & Investments Pvt. Limited	-	0.01
CCI, Limited.*	-	0.00
Manipal Stock & Share Brokers Limited.*	-	0.00
Jai Bharath Mills Private Ltd.*	-	0.00
	-	139.86

* Represents full amount of dividend paid as below (in Rs.)

CCI, Limited	-	500
Manipal Stock & Share Brokers Limited	-	350
Jai Bharath Mills Private Limited	-	250
	-	1,100



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

36. Related party disclosure (Contd.)

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Managerial remuneration		
Tonse Sudhakar Pai	58.19	100.79
Jyothi Ashish Pradhan	34.62	73.89
Hebbani Nagarajappa Shivprasad	65.76	65.76
Vivek Kumar Bajpai	-	56.30
Abhilash Kamti	15.00	18.00
Monu Kumar	9.84	13.63
Neha Lakhera	-	1.53
N. Srinivasa Ulloor	-	0.22
Susheela Y. Godbole	1.41	-
Mr. Madhusudan K. R.	32.82	-
	217.64	330.12

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Rent		
Manipal Metropolis Builders Private Limited	7.50	29.78
Jayamahal Trade and Investments Private Limited	6.95	22.94
Shakuntala Naik	-	21.30
Sharada Bhimu Naik	-	11.22
Motilal Demmanna Naik	-	11.22
Savitha Ashok Dhotre	-	9.68
Ashoka Bhima Dhotre	-	9.68
Basaka Bhima Dhotre	-	6.45
Jai Bharath Mills Private Limited	3.00	6.00
	17.45	128.27

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Tailoring & fabrication charges		
Eldorado Share Services Private Limited	120.97	271.51
Maharsatra Apex Asset Management company Limited	83.06	197.02
	204.03	468.53

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Interest Expenses		
Jaya S. Pai	-	62.63
	-	62.63



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Travel and Conveyance Expenses		
Manipal Travels Private Limited	142.95	289.77
Ashish Pradhan	-	2.88
	142.95	292.65
Printing & Stationary Expenses		
Manipal Advertising Services Private Limited	0.64	0.08
	0.64	0.08
Website Charges Paid		
Manipal Education Foundation	-	0.36
	-	0.36
Reimbursement of Expenses		
Shakuntala Naik	-	17.35
Manipal Travels Private Limited	-	0.63
Ashish Pradhan	2.11	2.11
	2.11	20.09

36. Related party disclosure (contd.)

The balances receivable from and payable to related parties as at year end are as follows :

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Investment in Bonds		
Maharastra Apex Corporation Limited	224.83	224.83
	224.83	224.83

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Investment in Redeemable cumulative preference shares		
Maharastra Apex Corporation Limited	12.75	12.75
	12.75	12.75

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Investment in equity instruments		
Jitendra Harjivandas Securities Private Limited	2,129.65	148.75
CCI, Limited	41.00	41.00
General Investment & Commercial Corporation Limited	23.75	23.75
	2,194.40	213.50



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Loans other related parties		
Mega Gyan Edu Foundation	507.93	459.17
Manipal Educational Foundation	1,876.81	446.91
Anant Solar Systems	-	250.36
Innovative Foam Limited	369.11	126.85
Alapasara Finvest Care Advisory Private Limited	126.34	126.34
Manipal Agrotech Private Limited	44.45	40.77
Sham Sunder	-	26.33
	2,924.64	1,476.73

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Loss allowance on loans given to related parties		
Anant Solar Systems	-	250.36
Innovative Foam Limited	369.11	126.85
Alapasara Finvest Care Advisory Private Limited	126.34	126.34
Manipal Agrotech Private Limited	44.45	40.77
Sham Sunder	-	26.33
Mega Gyan Edu Foundation	507.93	-
Manipal Educational Foundation	1,876.81	-
	2,924.64	570.65

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Security deposit		
Manipal Metropolis Builders Private Limited	-	30.00
Jai Bharath Mills Private Limited	-	30.00
Jayamahal Trade and Investments Private Limited	-	9.00
	-	69.00

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Capital advance paid (refer note 11)		
Maharashtra Apex Corporation Limited	4,573.37	4,528.37
	4,573.37	4,528.37

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Provision for doubtful advance		
Maharashtra Apex Corporation Limited	4,573.37	3,305.61
	4,573.37	3,305.61



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Advance to related parties		
Manipal Advertising Services Private Limited	1.28	-
	1.28	-

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
36. Related party disclosure (Contd.)		
Borrowings		
Jaya S. Pai	-	650.00
Ashish Pradhan	-	1.65
T. Sudhakar Pai	-	1.65
	-	653.30

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Trade Receivables		
Manipal Educational Foundation	-	-
Manipal Travels India Private Limited	-	-
	-	-

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Managerial remuneration payable		
T Sudhakar Pai	-	-
Savitha Ashok Dhotre	-	0.68
Basaka Bhime Dhotre	-	0.45
Ashoka Bhima Dhotre	-	0.68
	-	1.81

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Lease liabilities		
Manipal Metropolis Builders Private Limited	-	86.67
Jayamahal Trade and Investments Private Limited	-	153.70
Sunil Roopsingh Rathod	-	170.13
Ashoka Bhima Dhotre	-	231.32
	-	641.82



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Trade Payables		
Manipal Advertising Services Private Limited	4.34	25.87
Eldorado Share Services Private Limited	-	14.46
Shakuntala Naik	-	14.23
Maharashtra Apex Corporation Limited	-	13.47
Ashish Pradhan	-	2.11
Feroza Jamsheed Panday	-	1.62
Sharada Bhimu Naik	-	0.96
Motilal Demmanna Naik	-	0.96
Jahangir Jamsheed Panday	-	0.90
Jamsheed Minoo Panday	-	0.90
Manipal Travels India Private Limited	0.34	0.36
	4.68	75.84
Corporate Guarantees given on behalf of related parties		
Manipal Educational Foundation	-	629.00
	-	629.00
Securities given on behalf of related parties		
Manipal Educational Foundation	-	629.00
	-	629.00

37. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	602.72
Interest due on above	-	55.58
	-	658.30
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	-	-
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.	-	4.29
The amount of interest accrued and remaining unpaid at the end of each accounting year	3.85	33.29
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	3.85	37.30

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



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

38. Leases

Short-term leases and lease of low-value assets

The Group also has certain leases with lease terms of 12 months or less and leases of properties with low value. The

Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Rental expenses of Rs. 359.59 lakhs (March 31, 2023 : Rs. 63.36 lakhs) have been recognised in the statement of profit and loss.

39. Contingent liabilities and capital commitments

Contingent liabilities

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Claims against the Group not acknowledged as debts		
Disputed demands under appeal not provided		
- Income tax	44.02	1,116.47
- Sales tax	1,801.52	6,169.72
- Excise duty	3,833.68	2,212.13
- GST	-	636.97
- Corporate Guarantee given by the Company to Bankers on behalf of the third parties	3,950.00	24,579.00
Bank guarantee	19.80	-

The Group 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, 2024. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

Capital commitments

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Capital commitments (net of advances)	-	173.47

40. Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Group. The primary function of the Committee is to assist the Board of Directors in

formulating a CSR Policy and review the implementation and progress of the same from time to time. The CSR policies focus on enhancing the quality of life and economic well being of the communities in accordance with the Schedule VII of the Companies Act, 2013.

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Gross amount required to be spent by the Group during the year	1.48	217.31

Amount spent during the year ended March 31, 2024

	(₹ in Lakh)		
	In cash	Yet to be paid in cash	Total
Construction/acquisition of assets	-	-	-
On purpose other than above	100.12	-	100.12



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Amount spent during the year ended March 31, 2023	(₹ in Lakh)		
	In cash	Yet to be paid in cash	Total
Construction/acquisition of assets	-	-	-
On purpose other than above	206.75	-	206.75

In case of Section 135(5) (Other than ongoing projects)	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Opening balance	8.07	18.63
Amount required to be spent during the year	9.46	217.31
Amount spent during the year	100.12	206.75
Closing balance *	98.73	8.07

* Closing balance represents excess amount spent by the group.

The group does not have any ongoing project as per section 135(6) of the Companies Act, 2013.

41. Employee benefits

Defined contribution plans

The Group makes contributions for qualifying employees to Provident Fund, Employee state insurance and labour welfare fund. During the year, the Group recognised Rs. 31.03 lakhs (March 31, 2023 : Rs 348.23 lakhs) towards Provident fund contributions, Rs 3.79 lakhs (March 31, 2023 : Rs 14.52 lakhs) towards Employee State Insurance scheme contributions and Rs. nil (March 31, 2023 : Rs 0.06 lakhs) lakhs towards Labour Welfare fund.

Post-employment obligation - Gratuity

The group has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act') under which an employee who has completed five years of service is entitled to specific benefit. The amount of benefit provided depends on the employee's length of service and salary at retirement/termination date.

The following tables summarises the amounts recognised in the Consolidated financial statements :

Balance Sheet	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Defined benefit obligation	26.95	825.98
Plan assets	42.56	684.77
Net liability	(15.61)	141.21
Current	-	153.24
Non-current	(15.61)	(12.03)

Changes in the present value of defined benefit obligation	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	926.07	825.98
Service cost	8.23	96.85
Interest cost	8.56	56.30
Remeasurements - Actuarial loss/(gain)	(104.87)	35.51
Benefit paid	-	(88.57)
Less: Adjustment due to sale of subsidiary	(811.04)	-
Balance at end of the year	26.95	926.07



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Changes in the fair value of plan assets	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	684.77	520.71
Contributions made	32.13	211.92
Interest income	6.33	41.74
Payments	-	(87.85)
Expenses on plan assets	-	-
Return on plan assets	-	(0.38)
Actuarial gain/(loss)	(65.09)	(1.37)
Less: Adjustment due to sale of subsidiary	(615.58)	-
Balance at end of the year	42.56	684.77

Statement of profit and loss	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Service cost	8.23	98.43
Interest cost net of income	2.23	14.56
Expenses on plan assets	-	0.26
Total	10.46	113.25

41. Employee benefits (continued)

Other comprehensive (income)/loss	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Remeasurements - Actuarial loss/(gain)	(104.87)	35.51
Remeasurements - Actuarial gain/(loss) on plan asset	64.74	1.03
Total	(40.13)	36.54

Principal assumptions used in determinining defined benefit obligation	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Discount rate	7.21%	7.44%
Expected return on plan assets	7.44%	7.49%
Salary escalation	10% for 5 years 7% thereafter	10% for 5 years 7% thereafter
Employee turnover	10.00%	10.00%

The categories of plan assets as a percentage of the fair value of total plan assets are as follows : (₹ in Lakh)

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2024
Investment with insurance companies	100.00%	100.00%
The group assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.		



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumptions, holding other

assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Discount rate		
1% increase	(1.50)	(54.10)
1% decrease	1.72	61.22
Salary escalation		
1% increase	1.66	57.01
1% decrease	(1.48)	(52.07)
Employee turnover		
1% increase	(0.27)	4.23
1% decrease	(0.28)	(4.66)

Maturity profile of defined benefit obligation

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Within 1 year	1.14	88.71
1-2 year	1.03	82.84
2-3 year	0.64	88.75
3-4 year	3.44	84.42
4-5 year	0.33	43.93
5-6 year	2.73	248.85
6 years onwards	17.63	258.80

The average duration of the defined benefit obligation at the end of the reporting year is 9.12 to 15.28 years (March 31, 2023 : 9.73 to 16.75 years).

All financial assets and liabilities for which fair value is measured or disclosed in these Consolidated financial statements are categorised within the fair value hierarchy as below, based on the lowest level input that is significant to the fair value measurement as a whole :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within

Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying values and fair value measurement hierarchy of the Group's financial assets and financial liabilities are as below :

	(₹ in Lakh)			
	March 31, 2024		March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets measured at fair value through profit and loss				
Non current investments	15,514.52	15,514.52	221.04	221.04
Current investments	-	-	1,602.30	1,602.30
	15,514.52	15,514.52	1,823.34	1,823.34



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

	(₹ in Lakh)			
	March 31, 2024		March 31, 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets measured at amortised cost				
Non-current assets				
Investments	262.74	262.74	237.58	237.58
Loans	489.94	489.94	482.57	482.57
Other financial assets	1,467.37	1,467.37	4,188.91	4,188.91
Current assets				
Trade receivables	214.42	214.42	5,944.46	5,944.46
Cash and cash equivalents	48,278.04	48,278.04	692.66	692.66
Other bank balances	39,516.16	39,516.16	563.95	563.95
Loans	-	-	59.30	59.30
Other financial assets	9,587.77	9,587.77	339.73	339.73
	99,816.44	99,816.44	12,509.17	12,509.17
Financial liabilities measured at amortised cost				
Non-current liabilities				
Borrowings	-	-	17,440.10	17,440.10
Lease liabilities	-	-	3,911.16	3,911.16
Other financial liabilities	-	-	5,835.60	5,835.60
Current liabilities				
Borrowings	330.87	330.87	7,214.13	7,214.13
Lease liabilities	-	-	1,346.50	1,346.50
Trade payables	1,779.04	1,779.04	12,629.48	12,629.48
Other financial liabilities	129.89	129.89	1,575.42	1,575.42
	2,239.80	2,239.80	49,952.39	49,952.39

43. Financial risk management objectives and policies

The Group's risk management policies are established to identify and analyse and set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Group's Board of Directors is assisted in its oversight role by the

internal audit who undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Board of Directors. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(a) Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates which will affect the Group's income or the value of its financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables.

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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

42. Financial instruments (continued)

i. Currency risk

The Company's exposure to currency risk as at year end is as below :

(₹ in Lakh)

	March 31, 2024			March 31, 2023		
	Currency	Foreign Currency	Rs. Lakhs	Currency	Foreign Currency	Rs. Lakhs
Trade payables	USD	-	-	USD	1,19,988	99.59
	EUR	-	-	EUR	31,113	27.03
Advances from customers	USD	-	-	USD	-	-
Advance to suppliers	USD	-	-	USD	-	-
	EUR	-	-	EUR	-	-
Trade receivables	USD	83.34	0.28	USD	27,814	26.37

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Basis point	Effect on profit before tax	
+5%	1.17	11.14
-5%	(1.17)	(11.14)

ii. Interest rate 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 Group's borrowings are at fixed and floating interest rate and are carried at amortised cost.

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 Group's loss before tax is affected through the impact on floating rate borrowings, as follows :

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Fixed rate instruments		
Financial Liabilities	5,967.48	916.13
Variable rate instruments		
Financial Liabilities	57.37	2,896.11

(₹ in Lakh)

	As at March 31, 2024	As at March 31, 2023
Basis point	Effect on profit before tax	
+1%	(0.57)	(33.87)
-1%	0.57	33.87

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables, loans and other assets.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating review and individual credit limits are defined in accordance with this assessment. The Company regularly monitors its outstanding customer receivables.

An impairment analysis is performed at each

reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Cash and cash equivalents and other bank balances are neither past due nor impaired. Cash and cash equivalents include short-term highly liquid fixed deposits with banks which having maturity less than three months.

The movement in respect of allowance for expected credit losses is as follows:

(₹ in Lakh)

	Trade Receivables		Loans and other advances & Other Assets		Other assets	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
At the beginning of the year	1,666.42	1,592.89	4,883.11	329.73	-	5.00
Allowance created/(reversed) during the year	92.76	73.53	3,234.98	4,553.38	-	(5.00)
Less Adjustment due to sale of subsidiary	(1,666.42)	-	(276.68)	-	-	-
At the end of the year	92.76	1,666.42	7,841.41	4,883.11	-	-

42. Financial instruments (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group'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 Group's reputation.

The table below provides details regarding the undiscounted contractual maturities of financial liabilities : (₹ in Lakh)

	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
March 31, 2024					
Borrowings	-	330.87	-	-	330.87
Lease liabilities	-	-	-	-	-
Trade payables	-	1,779.04	-	-	1,779.04
Other financial liabilities	-	129.89	-	-	129.89
Total	-	2,239.80	-	-	2,239.80



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

	(₹ in Lakh)				
	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Borrowings	775.40	6,438.73	17,440.10	-	24,654.23
Lease liabilities	-	1,878.62	5,187.70	442.72	7,509.04
Trade payables	-	12,629.48	-	-	12,629.48
Other financial liabilities	-	1,575.42	5,835.60	-	7,411.02
Total	775.40	22,522.25	28,463.40	442.72	52,203.77

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

44. Income tax

Income tax expense in the statement of profit and loss consists of :

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Statement of profit or loss		
Current tax	36,628.15	1,166.11
Deferred tax charge/(credit)	(1,257.42)	(892.26)
Income tax expense/(credit) related to current year	35,370.73	273.85
Tax credit relating to earlier years	46.36	(117.54)
Income tax expense/(credit) reported in the statement of profit and loss	35,417.09	156.31
Income tax recognised in other comprehensive income/(loss)		
- Tax arising on income and expense recognised in other comprehensive income/(loss)	(11.36)	13.01
Total	(11.36)	13.01

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian income tax rate to profit before taxes is as follows :

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Profit before tax	1,51,954.72	(6,584.83)
Enacted income tax rate in India	29.12%	27.82%
Computed expected tax expense/(credit)	44,249.21	(1,831.89)
Effect of :		
Disallowance of capital expenditure debited to statement of profit and loss	-	1,375.71
Effect of non creation of deferred tax asset in absence of reasonable certainty for subsidiaries	739.80	1,046.55
Creation/(reversal) of provision for current tax relating to earlier year	-	(114.54)
Tax charge on disallowance of corporate social responsibility expenditure	-	35.16
Tax effect on differential tax rates charged on capital gains	(9,632.28)	-
Tax charge on write back of provisions	(2,089.35)	-
Adjustments due to sale of subsidiary	3,134.73	-
Others	(998.09)	(354.67)
Total income tax expense/(credit)	35,404.02	156.32



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Deferred tax

Deferred tax relates to the following :

	(₹ in Lakh)				
	Balance Sheet		Statement of Profit and Loss		
	March 31, 2024	Adjustments due to Sale of subsidiary	March 31, 2023	March 31, 2024	March 31, 2023
Property, plant and equipment	(953.19)	(1,599.01)	(2,402.02)	150.18	(93.26)
Right of use assets	-	(688.61)	(688.61)	-	172.31
Goodwill	-	(231.58)	(231.58)	-	-
Marked to market on mutual fund investment	(64.94)	-	-	64.94	(143.47)
Gross deferred tax liability	(1,018.13)	(2,519.20)	(3,322.21)	215.12	(64.42)
Deferred tax asset					
Temporary differences arising on account of disallowance under section 36(1)(vii)	-	2,533.31	1,185.98	(1,347.33)	(556.39)
Section 43B disallowance	-	72.45	72.45	-	(2.80)
Section 35DD disallowance on amalgamation expenses	-	4.45	4.45	-	8.17
Disallowance under Sec 40a(ia)	-	0.38	0.38	-	54.66
Provision for Leave Encashment	2.64	29.86	29.86	(2.64)	(24.91)
Lease liabilities	-	457.37	457.37	-	(205.02)
Provision for gratuity	-	39.20	53.19	13.99	10.24
Marked to market on mutual fund investment	-	128.68	128.68	-	(128.68)
Others	125.29	-	(11.27)	(136.56)	16.89
Net deferred tax assets (net)	(890.20)	(1,157.22)	(1,401.12)	(1,257.42)	(892.26)
Net deferred tax credit/(charge)				(1,257.42)	(892.26)

45. Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance exceeding 25% as compared to the preceding period
Current ratio	Current assets	Current liabilities	43.20	0.90	4725%	Due to higher availment of loans during the year.
Debt equity ratio	Total debt	Shareholder's equity	0.00	0.32	-99%	Increase as a result of higher debt availment during the year to fund operations.
Debt service coverage ratio	Earnings for debt service = Net profits after taxes + Non cash operating expenses	Debt service = Interest and lease payments + Principal repayments	-0.73	-0.37	-95%	Due to decrease in operating losses
Return on equity ratio	Net profits after taxes - Preference dividend	Average shareholder's equity	1.54	-0.32	579%	Due to reduction in profit during the year.
Inventory turnover ratio	Cost of goods sold	Average inventory	4.14	3.89	7%	



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

45. Ratio analysis and its elements (Contd.)

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance exceeding 25% as compared to the preceding period
Trade receivable turnover ratio	Net credit sales = Gross credit sales - sales return	Average trade receivable	14.13	13.57	4%	
Trade payable turnover ratio	Net credit purchases = Gross credit purchases - purchase return	Average trade payables	6.03	5.40	12%	
Net capital turnover ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	0.44	-32.05	101%	Due to increase in sales & better working capital management
Net profit ratio	Net profit/(loss)	Net sales = Total sales - Sales return	2.68	-0.08	3491%	Due to reduction in profit during the year.
Return on capital employed	Earnings before interest and taxes	Capital employed = Tangible net worth + Total debt + Deferred tax liability	1.18	-0.05	2398%	Due to reduction in profit during the year.
Return on investment	Interest (Finance income) + profit on sale of investment	Investment	0.13	0.08	57%	

46. Other statutory information

(i) The Group do not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

(ii) The group has balance with the below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956:

Name of the struck off Company	Nature of transaction with struck off Company	Balance outstanding		Relationship with the Struck off company, if any
		As at March 31, 2024	As at March 31, 2023	
Great Town Trading Private Limited	Loan given	460.20	452.54	None

(iii) The Group do not have any charges or satisfaction which is yet to be registered with the Registrar of Companies ("ROC") beyond the statutory period.

(iv) The Group have not traded or invested in crypto currency or virtual currency during the financial year.

(v) The Group have 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) except as described below:



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

Name of the intermediary to which the funds are advanced	Date of funds invested	Amount of funds invested	Date on which funds are further advanced or loaned or invested by Intermediaries to other intermediaries or Ultimate Beneficiaries	Amount of fund further advanced or loaned or invested by Intermediaries to other intermediaries or Ultimate Beneficiaries	Ultimate Beneficiary
March 31, 2024					
Mega Gyan Edu Foundation	Various Dates	48.76	Various Dates	48.76	Manipal Educational Foundation.
		48.76		48.76	
March 31, 2023					
Mega Gyan Edu Foundation	Various Dates	47.89	Various Dates	47.89	Manipal Educational Foundation.
		47.89		47.89	

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries except as described below:

Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited)(KTIMPL), one of the wholly owned subsidiaries of the Company, is formed as a special purpose vehicle to purchase shares in Kurlon Enterprise Limited held by India Business Excellence Fund (a Motilal Oswal Private Equity). KTIMPL has availed loans from financial institutions (Bajaj Finance Limited and Kotak Mahindra Investments Limited) of Rs. 20,000 lakhs for purchasing such shares. The Company has provided guarantee and mortgaged certain immovable properties towards sanction of loans. The principal repayment and interest service is funded by the Company to KTIMPL in the form of advances in the nature

of loans. The loan was repaid during the year.

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

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

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

(vii) The Group have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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).

47. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

A. Contribution of net assets/(liability) in the consolidated financial statements:

(₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Amount	%	Amount	%
Holding Company				
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	1,31,667.16	102.31%	5,594.26	24.58%
Subsidiaries				
Kurlon Enterprise Limited*	-	0.00%	47,809.96	210.05%
Manipal Natural Private Limited	(2,630.99)	-2.04%	(1,289.53)	-5.67%
Manipal Software & E-com Private Limited	182.75	0.14%	233.37	1.03%
Kurlon Trading and Invest Management Private Limited	(3,602.57)	-2.80%	(2,453.41)	-



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

47. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements

A. Contribution of net assets/(liability) in the consolidated financial statements: (₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Amount	%	Amount	%
Step-down Subsidiaries*	-			
Kurlon Retail Limited	-	0.00%	(1,894.56)	-8.32%
Sirar Dhotre Private Limited (SDPL)	-	0.00%	(75.47)	-0.33%
Sirar Solar Energies Private Limited (SSEPL)	-	0.00%	(96.87)	-0.43%
Sevalal Solar Private Limited (SSPL)	-	0.00%	(80.80)	-0.35%
Belvedere International Limited	-	0.00%	(132.74)	-0.58%
Komfort Universe Products and Services Limited	-	0.00%	(381.48)	-1.68%
Starship Value Chain and Manufacturing Private Limited	-	0.00%	789.20	3.47%
Kanvas Concepts Private Limited	-	0.00%	(112.84)	-0.50%
Home Komfort Retail LLP	-	0.00%	0.08	0.00%
Total	1,25,616.35	98%	47,909.17	221.27%
Adjustments arising out of consolidation	3,081.13	2.39%	(25,148.30)	-110.49%
Total	1,28,697.47	100.00%	22,760.87	110.78%

*On October 20, 2023 Investment in Kurlon Enterprise Limited and all of the stepdown subsidiaries except SDPL, SSEPL, SSPL were sold to Sheela foam as per the terms of Share Purchase Agreement dated July 17, 2023. Further, investment in SDPL, SSEPL and SSPL were sold by the Company on October 13, 2023.

B. Contribution of profit/(loss) in the consolidated financial statements: (₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Amount	%	Amount	%
Holding Company				
Kanara Consumer Products Limited (formerly known as Kurlon Limited)	1,26,045.25	108.16%	(14,829.32)	219.91%
Subsidiaries				
Kurlon Enterprise Limited	(6,966.15)	-5.98%	(1,317.45)	19.54%
Manipal Natural Private Limited	(1,342.67)	-1.15%	(1,302.12)	19.31%
Manipal Software & E-com Private Limited	(50.65)	-0.04%	113.25	-1.68%
Kurlon Trading and Invest Management Private Limited	(1,149.17)	-0.99%	(2,453.51)	36.38%
Step-down Subsidiaries				
Kurlon Retail Limited	128.08	0.11%	(59.21)	0.88%
Sirar Dhotre Private Limited	5.24	0.00%	(116.70)	1.73%
Sirar Solar Private Limited	4.17	0.00%	(43.32)	0.64%
Sevalal Solar Private Limited	(28.46)	-0.02%	(134.07)	1.99%
Belvedere International Limited	(18.87)	-0.02%	(99.85)	1.48%
Komfort Universe Products and Services Limited	(365.47)	-0.31%	(9.08)	0.13%
Starship Value Chain and Manufacturing Private Limited	317.36	0.27%	242.37	-3.59%
Kanvas Concepts Private Limited	(0.83)	0.00%	(0.65)	0.01%
Home Komfort Retail LLP	-	0.00%	(0.88)	0.01%
Total	1,16,577.83	100.03%	(20,010.53)	296.74%
Adjustments arising out of consolidation	(40.20)	-0.03%	13,267.08	-196.74%
Total	1,16,537.63	100.00%	(6,743.45)	100.00%



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

47. Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements (continued.)

C. Share in other comprehensive income/(loss): (₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Amount	%	Amount	%
Holding Company				
Kurlon Limited	27.66	-42.58%	(6.90)	31.52%
Subsidiaries				
Kurlon Enterprise Limited	(91.71)	141.18%	(31.47)	143.76%
Manipal Natural Private Limited	(1.11)	0.02	2.43	(0.11)
Manipal Software & E-com Private Limited	-	-	-	-
Kanara Consulting & Service Management Private Limited	-	-	-	-
Step-down Subsidiaries				
Kurlon Retail Limited	3.24	-4.99%	(2.98)	13.61%
Sirar Dhotre Private Limited	-	-	-	-
Sirar Solar Private Limited	-	-	-	-
Sevalal Solar Private Limited	-	-	-	-
Belvedere International Limited	0.65	-1.00%	-	-
Komfort Universe Products and Services Limited	1.46	-2.25%	16.44	-75.10%
Starship Value Chain and Manufacturing Private Limited	(5.15)	7.93%	0.59	-2.70%
Kanvas Concepts Private Limited	-	-	-	-
Home Komfort Retail LLP	-	0.00%	-	-
Total	(64.96)	100.00%	(21.89)	100.00%
Adjustments arising out of consolidation	-	-	-	-
Total	(64.96)	100.00%	(21.89)	100.00%

D. Share in total comprehensive income/(loss): (₹ in Lakh)

	March 31, 2024		March 31, 2023	
	Amount	%	Amount	%
Holding Company				
Kurlon Limited	1,26,072.91	108.2%	(14,836.22)	344.08%
Subsidiaries				
Kurlon Enterprise Limited	(7,057.86)	-6.1%	(1,348.92)	31.28%
Manipal Natural Private Limited	(1,343.78)	-1.2%	(1,299.69)	30.14%
Manipal Software & E-com Private Limited	(50.65)	0.0%	113.25	-2.63%
Kanara Consulting & Service Management Private Limited	(1,149.17)	-1.0%	-	-
Step-down Subsidiaries				
Kurlon Retail Limited	131.32	0.1%	(62.19)	1.44%
Sirar Dhotre Private Limited	5.24	0.0%	(116.70)	2.71%
Sirar Solar Private Limited	4.17	0.0%	(43.32)	1.00%
Sevalal Solar Private Limited	(28.46)	0.0%	(134.07)	3.11%
Belvedere International Limited	(18.22)	0.0%	(99.85)	2.32%
Komfort Universe Products and Services Limited	(364.01)	-0.3%	7.36	-0.17%
Starship Value Chain and Manufacturing Private Limited	312.21	0.3%	242.96	-5.63%
Kanvas Concepts Private Limited	(0.83)	0.0%	(0.65)	0.02%
Home Komfort Retail LLP	-	0.0%	(0.88)	0.02%
Total	1,16,512.87	100.03%	(17,578.92)	407.69%
Adjustments arising out of consolidation	(40.20)	-0.03%	13,267.08	-307.69%
Total	1,16,472.67	100.00%	(4,311.84)	100.00%



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

48 Business combinations

(a) Acquisition of Home Komfort Retail LLP under common control during the year ended March 31, 2023.

During the year ended March 31, 2023, the Holding Company's stepdown subsidiary, Belvedere International Limited has acquired business from Home Komfort Retail LLP which was carrying on business on behalf of the Holding Company. Pursuant to the Appendix C of Ind AS 103 - Business

Combinations, the subsidiary company has accounted the acquired business under the common control method. The subsidiary company has entered into Business Transfer agreement dated September 08, 2022 with Home Komfort Retail LLP to sell its assets and liabilities that constitute a business for a consideration of Rs. 0.11 lakhs and has recorded Rs. 3.71 lakhs as 'Capital Reserve'.

The following table presents the purchase consideration, fair value of asset acquired and Capital Reserve recognised on April 01, 2022.

Fair value recognised on acquisition	(₹ in Lakh)
	Amount
Total Assets	247.39
Total Liabilities	(243.57)
Total fair value of net assets acquired (A)	3.82
Purchase consideration (B)	0.11
Capital Reserve arising on acquisition (A-B)	3.71

(c) Acquisition of additional interest in Kurlon Enterprise Limited.

On 1 June, 2022, the Group acquired an additional 10% interest in the voting shares of Kurlon Enterprise Limited, increasing its ownership interest to 94.67%. Cash consideration of Rs. 32,500.00 lakhs was paid to the non-controlling

shareholders. The carrying value of the net assets of Kurlon Enterprise Limited was Rs. 46,131.02 Lakhs. The carrying value of the additional interest acquired at the date of acquisition was Rs. 4,613.10 Lakhs. Following is a schedule of additional interest acquired in Kurlon Enterprise Limited:

	(₹ in Lakh)
Cash consideration paid to non-controlling shareholders	3,361.57
Carrying value of the additional interest in Kurlon Enterprise Limited	(4,893.33)
Difference recognised in retained earnings within equity	(1,531.76)

49. Capital management

For the purpose of the Holding Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Holding Company's capital management is to maximize the shareholders value.

The Holding Company manages its capital structure and makes adjustments in light of

changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Holding Company may adjust the dividend payment to shareholders, return capital to shareholders or may issue new shares. The Holding Company includes within net debt, borrowings net of cash and cash equivalents and other bank balances.



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

	(₹ in Lakh)	
	As at March 31, 2024	As at March 31, 2023
Borrowings	330.87	24,654.23
Less: Cash and cash equivalents and other bank balances	87,794.20	1,256.61
Net debt (A)	(87,463.33)	23,397.61
Equity	1,28,697.47	22,760.87
Total equity capital (B)	1,28,697.47	22,760.87
Total debt and equity (C)=(A)+(B)	41,234.15	46,158.48
Gearing ratio (A)/(C)	-	50.69%

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

50. Subsequent to the Balance sheet date, On May 01, 2024 the Company had passed a resolution by its members for buy back up to 2,369,230 fully paid up equity shares of face value Rs. 10/- (representing 15.98% of the total issued and paid up equity shares of the

company) at a price of Rs. 1,300 per equity share ("Buy Back Offer Price"). Accordingly offer for buy back of shares were opened on June 5, 2024 and Closed on June 19, 2024. As a result 746,854 equity shares were bought back at Rs. 1300 per equity shares.

As per our report of even date

For Nangia & Co LLP
Chartered Accountants
ICAI Firm Registration Number : 002391C/NS00069
Per Vijaya Kumar Uppiretla
Partner
Membership No.: 255908

Place : Bengaluru, Date : September 04, 2024

For and on behalf of Board of Directors of
Kanara Consumer Products Limited (formerly known as Kurlon Limited)
CIN: U68100KA1962PLC001443

Tonse Sudhakar Pai
Managing Director
DIN : 00043298
Madhusudan K. R.
Chief Financial Officer

Place : Bengaluru, Date : September 04, 2024

Kothethoor Venugopal Shetty
Independent Director
DIN : 00632775
Shusheela Y. Godbole
Company Secretary



FINANCIAL Statements

Notes to the Consolidated Financial Statements for the year ended March 31, 2024

1. Corporate information

Kanara Consumer Products limited (formerly known as Kurlon Limited) (referred to as “the Holding Company” together with its subsidiaries (collectively referred to as the “Group”). The Holding Company was incorporated under the name and style of “Karnataka Coir Products Limited” on February 09, 1962 and commenced commercial operations during October 1965. The name of the Holding Company was changed to “Karnataka Consumer Products Limited” with effect from October 09, 1980. On December 08, 1995 the

name of the Holding company was changed from Karnataka Consumer Products Limited to “Kurlon Limited”, to fully reflect all its business activities in diverse areas such as Rubberized coir, Latex Foam, Polyurethane foam, Spring Mattresses, Furniture, Furnishings etc. Further with effect from June 14, 2023, the name of the Holding Company was changed to Kanara Consumer Products Limited from “Kurlon Limited”.

The Group in addition to the Holding Company comprises the following consolidated entities:

Sl. No.	Name of the Subsidiary	Parent entity	Country of incorporation	% Ownership interest as at March 31, 2024	% Ownership interest as at March 31, 2023
1	Manipal Software & E-Commerce Private Limited	Kanara Consumer Products Limited (formerly known as Kurlon Limited)	India	98.46%	98.46%
2	Manipal Natural Private Limited	Kanara Consumer Products Limited (formerly known as Kurlon Limited)	India	100%	100%
3	Kanara Consulting And Service Management Private Limited (formerly known as Kurlon Trading and Invest Management Private Limited)	Kanara Consumer Products Limited (formerly known as Kurlon Limited)	India	100%	100%
4	Kurlon Enterprises Limited*	Kanara Consumer Products Limited (formerly known as Kurlon Limited)	India	- (Refer note below)	88.47%
5	Kurlon Retail Limited*	Kurlon Enterprises Limited	India	- (Refer note below)	100%
6	Belvedere International Limited*	Kurlon Enterprises Limited	India	- (Refer note below)	100%
7	Komfort Universe Products and Services Limited*	Kurlon Enterprises Limited	India	- (Refer note below)	100%
8	Starship Value chain and Manufacturing Private Limited*	Kurlon Enterprises Limited	India	- (Refer note below)	100%
9	Kanvas Concepts Private Limited*	Kurlon Enterprises Limited	India	- (Refer note below)	100%
10	Sevalal Solar Private Limited#	Kurlon Enterprises Limited	India	- (Refer note below)	93.8%
11	Sirar Dhotre Solar Private Limited#	Kurlon Enterprises Limited	India	- (Refer note below)	93.8%
12	Sirar Solar Energies Private Limited#	Kurlon Enterprises Limited	India	- (Refer note below)	93.8%



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

*On October 20, 2023 the company had sold its investment in subsidiary M/s Kurlon Enterprise Limited (KEL) to M/s Sheela Foams Limited (SFL) as per the terms of Share Purchase agreement (SPA) dated July 17, 2023. Accordingly the Holding Company lost control on KEL and its subsidiaries (Except Sevalal Solar Private Limited, Sirar Dhotre Private Limited and Sirar Solar Private Limited) with effect from October 20, 2023.

#On October 13, 2020 the investment in three subsidiaries namely, Sevalal Solar Private Limited; Sirar Dhotre Private Limited and Sirar Solar Private Limited were sold by the Holding Company.

The Holding Company has acquired 1,980,900 shares in Jitendra Harjivandas Securities Private Limited on March 26, 2024 and increased its stake in the total paid equity shares in Jitendra Harjivandas Securities Private Limited to 48.76%. However the audited financial statements of Jitendra Harjivandas Securities Private Limited is not included the above consolidated financial statements of the Holding Company for the year ended March 31, 2024

The Group's Consolidated financial statements for the year ended March 31, 2024 were approved by Board of Directors on September 04, 2024. The Holding company has prepared the consolidated financial statements of based on the audited financial statements of all the subsidiaries except for the following subsidiaries whose unaudited financial statements were considered for the preparation of the consolidated financial statements.

a) Sevalal Solar Private Limited

b) Sirar Dhotre Solar Private Limited

c) Sirar Solar Energies Private Limited

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The Consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant Ind AS:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

These consolidated financial statements are presented in Indian Rupee, which is also functional currency of the Group. All the values are rounded off to the nearest lakhs, unless otherwise indicated.

The Group has prepared the Consolidated financial statements on the basis that it will continue to operate as a going concern.

(a) Measurement of fair values

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(b) Current versus non-current classification

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

An asset is treated 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 twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(c) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and

assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the period. Actual results may differ from these estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding estimate. Changes in estimate are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 3.1 - Business combination: Whether the Group has de facto control over an investee;

- Note 3.2 and Note 3.3 - Useful life of property, plant and equipment and intangible assets;

Note 3.9 - Measurement of defined benefit obligations: key actuarial assumptions.

Note 3.10 - Provision for income tax and valuation of deferred tax assets/liabilities.

Note 3.15 - Valuation of financial instrument; and

Note 3.16 - Lease classification and determination of lease term;

Assumption and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

Note 2(a) - Fair value measurement

Note 3.4 - Impairment of financial assets

Note 3.4 - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;

Note 3.10 - Recognition of deferred tax assets: based upon likely timing and the level of future taxable profits together with future tax planning strategies;

Note 3.12 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resource.

3. Summary of material accounting policies

3.1. Business Combination:

In accordance with Ind AS 103, the Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in Other Comprehensive Income ("OCI") and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the consolidated statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If business combination is achieved in stages, any previous held equity interest in the acquiree is re-measured to its acquisition date fair value and any resulting gain or loss is recognised in consolidated statement of profit and loss or OCI, as appropriate.

Business combinations (common control business combinations)

Business combinations arising from transfer of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative presented period or, if later, at the date that the common control was established; for this purpose comparatives are revised.

The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the consolidated financial statements of the Group in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

Basis of consolidation

Subsidiaries and controlled trust

Subsidiaries and controlled trust are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries and controlled trust are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The financial statements of the subsidiaries and controlled trust are consolidated on a line by line basis. Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Non-controlling interest ("NCI")

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions.

Goodwill

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired ("net assets") exceeds the cost of business acquisition, the excess of net assets over cost of business acquisition is recognised immediately in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Loss of control

When the Group loses control over a subsidiary or a controlled trust, it derecognizes the assets and liabilities of the subsidiary or the controlled trust, and any related NCI and other components of equity. Any interest



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Notes to the Consolidated Financial Statements for the year ended March 31, 2024

retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the consolidated statement of profit and loss.

Equity accounted investee

The Group's interest in equity accounted investees comprise interests in associate. An associate is an entity in which Group has significant influence, but no control or joint control over the financial and operating policies. Interest in associate are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit and loss and OCI of equity- accounted investees until the date on which significant influence ceases.

Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

3.2. Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation criteria's are met,

directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Capital work in progress is stated at cost, net of accumulated impairment loss if any.

Subsequent costs related to an item of property, plant and equipment are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of profit and loss during the reporting period when they are incurred.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation is calculated using the straight-line method over their estimated useful lives as follows:

Asset description	Useful life in years as per Schedule II	Useful life as per Company
Buildings	30	30
Plant and equipment	15	10 and 15
Furniture and fixtures	10	10
Office equipment	5	5
Vehicles	8	8
Computers	3 and 6	3 and 6

The useful lives have been determined based on managements' internal technical assessment, which in certain instances are different from those specified by Schedule II to the Act, in order to reflect the actual usage of the assets.

The assets residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.3. Goodwill and Other Intangible assets

Recognition and measurement

Goodwill

Goodwill being the excess of the aggregate consideration transferred over the net identifiable assets acquired and liabilities assumed, is stated at cost, less impairment, if any. Any goodwill that arises from business combination is tested for impairment annually.

Other Intangible Assets

Intangible assets acquired separately are measured on



Notes to the Consolidated Financial Statements for the year ended March 31, 2024

initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between

the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Asset description	Useful life in years
Computer software	6

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of the each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Subsequent costs related to intangible assets are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

3.4. Impairment

Impairment of financial assets

In accordance with Ind AS - 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS- 115.

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

Trade receivables or contract revenue receivables

The application of simplified approach does not require the Group to track changes in credit risk.

Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month 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 entity reverts to recognising impairment loss allowance based on 12-month ECL.

Impairment of non-financial assets

The Group assesses, at each reporting date,

whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's cash generating unit's (CGU's) to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years,

unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or cash generating unit's (CGU's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.5. Borrowing costs

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.

3.6. Foreign currency transactions

i) Functional and presentation currency :

Items included in the consolidated financial statements of the group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The group financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Group.

ii) Transactions and balances :

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit and loss.

3.7. Revenue recognition

Revenue from contracts with customer is recognised upon transfer of control of promised goods/services to customers at an amount that reflects the consideration to which the Group expect to be entitled for those goods/services.

To recognize revenues, the Group applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;

- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.

Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Others

- The Group accounts for variable consideration like volume discounts, rebates, returns and pricing incentives to customers as reduction of revenue on a systematic and rationale basis over the period of the contract. The Group estimates an amount of such variable consideration using expected value method or the single most likely amount in a range possible consideration depending on which method better predicts the amount of consideration to which the Group may be entitled.
- Revenues are shown net of allowances /returns, goods and service tax and applicable discounts and allowances.
- The Group typically provides warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are



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accounted under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Trade receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

Interest income

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

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

3.8. Interest expense

Interest expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the amortised cost of the financial liability. In calculating interest expense, the effective interest rate is applied to the amortised cost of the liability.

3.9. Employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The liabilities for leave balance are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



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Post-employment obligations

The group operates the following post-employment schemes:

- (a) defined benefit plans - gratuity, and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

Defined contribution plan

Retirement benefit in the form of provident fund scheme, ESI, Superannuation, are the defined

contribution plans. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.

3.10. Income taxes

Income tax comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts, and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of



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assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets 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, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences 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 assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in statement of profit and loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes



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levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.11. Earnings/(loss) per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders by the weighted average number of equity shares outstanding during the period (including treasury share).

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

3.12. Provision and contingent liabilities Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for warranty-related cost are recognized when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses it in the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

3.13. Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

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3.14. Cash flow statement

Cash flows are reported using the indirect method, whereby net (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

3.15. Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

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Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets at FVTOCI

If the Group decides to classify an equity

instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of the investments.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

3.16. Leases

The Group has lease contracts for various buildings used in its operations. Lease terms generally ranges between 3 and 9 years.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. 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.

If ownership of the leased asset transfers to the Group 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 right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.3 for policy on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce

inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Extension and termination option

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially

exposed arising due to extension and termination options.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating lease is recognized on a straight-line basis over the term of the relevant lease.

3.17. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.18. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Group has identified one reportable segment based on the dominant source, nature of risks and return and the internal organisation and



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management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group has only one reportable business segment, which is manufacture, purchase and sale of coir, foam and related products which constitutes a single business segment. Accordingly, the amounts appearing in the consolidated financial statements relate to the Group's single business segment. Refer Note 35 for segment information and segment reporting.

3.19. Use of judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The areas involving significant estimates or critical judgements are:

(i) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly

sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates.

Further details about the gratuity obligations are given in Note 41.

(ii) Deferred taxes

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all the deductible temporary differences, carry forward of unused tax credits and unused tax losses, however the same is restricted to the extent of the deferred tax liabilities unless it is probable that sufficient taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. In the absence of reasonable certainty over recoverability of deferred taxes on carry forward losses no deferred tax assets have been recognised up to the reporting date.

(iii) Impairment of financial and non-financial assets:

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. In case of non-financial assets group estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less



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costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

3.20. Insurance claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is certain to expect ultimate collection.

3.21. Changes in accounting policies and disclosures - New and amended standards

The Group applied for the first time the following standards and amendments, which are effective for annual periods beginning on or after April 1, 2022, as per the Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 notified by the Ministry of Corporate Affairs:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

(a) Definition of Accounting Estimates – Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

(b) Disclosure of Accounting Policies – Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(c) Deferred Tax related to Assets and Liabilities arising from Single Transaction – Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet.

The aforesaid amendments are not expected to have any material impact on the Company's standalone financial statements.

3.22. Standards issued but not yet effective

There are no standards that are noticed and not yet effective as on that date.



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Manipal Natural
PRIVATE LIMITED

Corporate Office :
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Factory :
Plot No. 29, Avverhalli Industrial Area, Dabaspet,
Bengaluru, Karnataka - 562 111. INDIA.



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