

# 33rd Annual Report 2023-2024



**Pokarna Limited**

Innovating for a Sustainable tomorrow

# Innovating for a Sustainable Tomorrow

At Pokarna, we believe that innovation is in the way we do things differently, which is why it is our ongoing endeavour to innovate our processes and make them more streamlined and efficient. Why? We understand that this pursuit of consistent improvement is key to our aspiration to provide world-class products to our clients worldwide.

Right from the outset, we have sought to offer premium products and services using ahead-of-the-curve technologies and state-of-the-art infrastructure. This relentless drive to offer our clients only the finest has enabled us to build an agile and value-accretive business. This robust business model has made us one of the key exporters of quartz surfaces, renowned for their contemporary designs, value for money and high quality that resonate with changing customer aspirations and evolving market dynamics.

We prioritise investments in new technologies and processes to boost our overall efficiency and enable our sustainable growth. This approach has resulted in the implementation of our fully automated production line, which is equipped with cutting-edge technology. Further, we operate sophisticated manufacturing facilities in Telangana and Andhra Pradesh, which deploy the advanced 'Bretonstone' technology to deliver superior product quality.

Committed to **innovating for a sustainable tomorrow**, we are now building on our expansive presence in over 20 countries and a deep distribution network to consolidate our market position and maximise stakeholder value creation.

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## About Pokarna

As one of India's renowned exporters of granite and quartz surfaces, Pokarna Limited is dedicated to delivering world-class products to customers across the globe. Our state-of-the-art manufacturing facilities, equipped with cutting-edge Bretonstone® technology, ensure that every granite and quartz surface we produce meets the highest quality standards. With a strong presence in many countries and a reliable distribution network, we are committed to surpassing customer expectations across the globe.

Our strengths lie in our advanced technology, global presence and relentless pursuit of innovation. We are excited to expand our footprint into new geographies, including Canada, France, Mexico and Russia, while adding new distributors and private label clients in the US. Our focus on digital transformation keeps us ahead of the curve, ensuring we remain leaders in the industry.

### Our five pillars



Value Our People



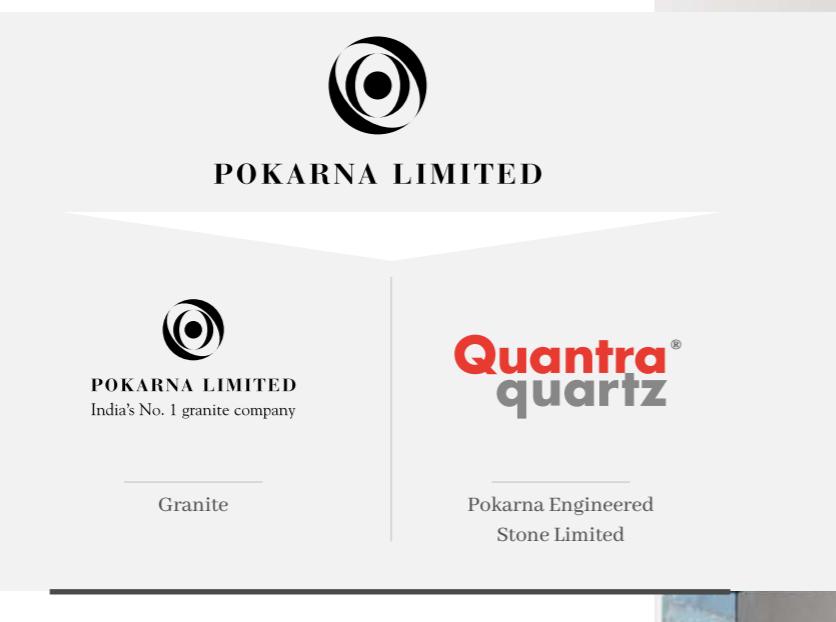
Health, Safety and Sustainability



Embrace Technology and Innovation



Focus on Profitable Growth



### Quick Facts

**30+**

Years of experience  
Captive Quarries located in Andhra Pradesh, Telangana and Tamil Nadu

**4**

state-of-the-art manufacturing facilities

**20+**

Countries of presence

**15%**

5-year CAGR growth of Net worth

**20%**

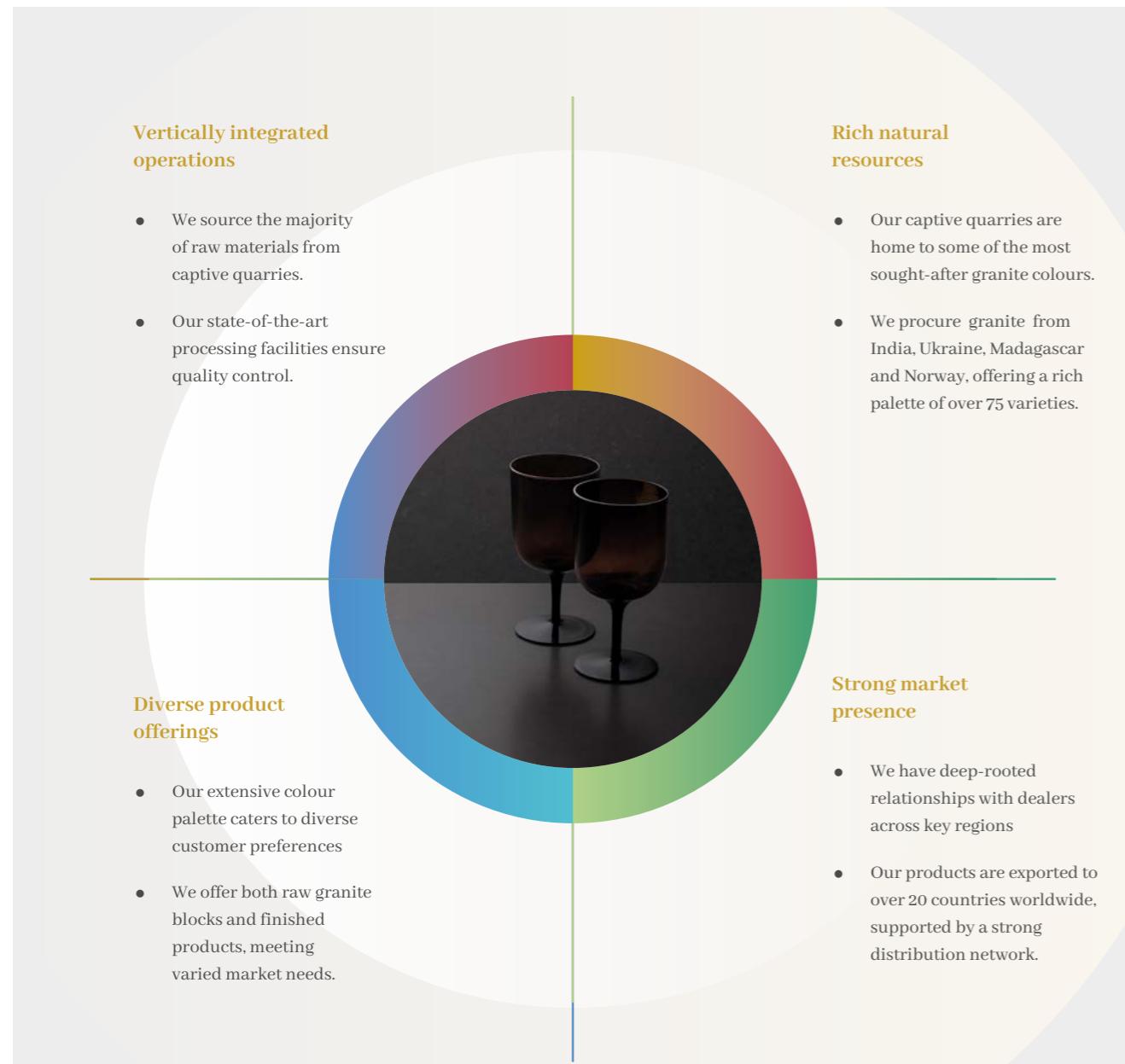
5-year CAGR growth of Gross Block



## What we offer

# Granite

We offer a stunning collection of over 75 varieties of granite sourced from India and around the world. Each piece is meticulously processed in our state-of-the-art facilities to ensure exceptional quality. Our granite division is backed by advanced technology and a strong distribution network, ensuring the global delivery of high-quality products.



### Our extensive colour palette option



Black galaxy



Coffee Brown



creme cashmere



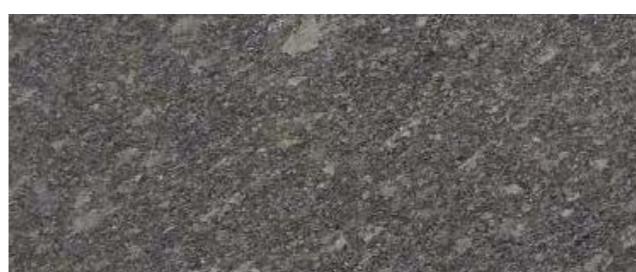
Flash blue



Golden dream



Pokarna Green



Silver Pearl



Silver waves



Tan brown



Vizag blue

# Quartz Surfaces

Pokarna Engineered Stone Limited (PESL), a wholly-owned subsidiary of Pokarna, specializes in the manufacturing and export of premium quartz surfaces. Its two state-of-the-art manufacturing facilities, equipped with advanced Bretonstone® technology from Italy, enable the production of quartz surfaces of exceptional quality. With a strong focus on precision and innovation, PESL is dedicated to delivering top-tier products that consistently meet the highest standards in the industry.”



## Some of our new Quantra offerings



Moon Walk



La Dolce Vita



Champs-Elysees



Fontainebleau



Pirouette



Pantheon

# Consolidated Financial highlights



## Chairman's message



“

**Our Board of Directors has judiciously decided to transfer, sell, lease, exchange, or otherwise let go of our Apparel Business. This move will help us streamline operations and concentrate on our core business areas that exhibit high potential for growth and profitability. We intend to complete this transition within the next twelve months.**

### Dear Shareholders,

It is a pleasure to present to you the annual report for FY 2023-24, a period marked by strategic recalibration and forward momentum. While we continued to navigate an evolving operating landscape both in India and internationally, I am happy to share that we have made substantial progress in our roadmap towards sustained success.

#### Industry dynamics at play

The growth of the global granite industry is primarily driven by the surge in infrastructure and construction projects. Rapid urbanisation is fuelling the demand for products in both commercial and residential spaces. As granite significantly

enhances property value, it is also increasingly sought after in the real estate sector. Additionally, the rising usage of granite in home improvement projects and robust export opportunities are catalysing further market expansion.

Valued at approximately USD 18.8 billion in 2023, the global granite industry is projected to expand to USD 23.3 billion by 2032, with a Compound Annual Growth Rate (CAGR) of 3.9%. This growth is particularly pronounced in regions undergoing rapid industrialisation and urbanisation. Normally, North America and Europe exhibit steady demand, driven by a preference for high-quality, aesthetically pleasing materials but FY

2023-24 saw a reduced demand from the US market. This had an impact on our Company's revenue for this fiscal year.

Speaking of the engineered stone countertop market, it is on an upward trajectory and is anticipated to expand by 9.3% annually, reaching 128 million square metres by 2027. This momentum underscores a growing preference for engineered stone, especially in key markets such as the USA, where it is favoured for its superior aesthetics, durability and low maintenance compared to natural stone.

### Performance and strategic realignment

At Pokarna, we continue to be a key player in the domestic granite industry, distinguished for our diverse colour palette, intricate patterns and product durability. The granite sector in India contributes significantly to the national economy through exports to major markets including the USA, Europe, the UK, Russia, the Middle East, China and Canada. Production is concentrated in key states in India such as Tamil Nadu, Karnataka, Andhra Pradesh and Telangana, with additional deposits in Rajasthan, Gujarat and Madhya Pradesh.

Our consolidated revenue for the year under review decreased by 5% to Rs.687.61 crore in FY 2023-24, compared to Rs.725.32 crore in the previous year. However, we achieved a notable improvement in EBITDA, which increased by 22% to Rs.221.18 crore, up from Rs.181.23 crore. Our consolidated profit after tax (PAT) grew by 33% to Rs.87.36 crore, compared to Rs.65.81 crore in the past year. This growth, despite a downturn in our granite division, demonstrates our business resilience and strategic capital deployment.

Our Board of Directors has judiciously decided to transfer, sell, lease, exchange, or otherwise let go of our Apparel Business. This move will help us streamline operations and concentrate on our core business areas that exhibit high potential for growth and profitability. We intend to complete this transition within the next twelve months.

Our quartz surfaces business, despite facing economic headwinds in the U.S.,

has shown stability. To enhance our quartz offerings, we have also invested in two advanced technologies from Breton Italy- KREOS and CHROMIA. The KREOS line, expected to be commercialised in the third quarter of FY 2024-25, introduces a new-generation mixture extrusion and distribution system. This technology will facilitate the production of full-body, ultra-thin slabs with unique aesthetics, further improving our offerings.

Besides this, the CHROMIA line, scheduled for commercialisation in Q4 of FY 2024-25, will enable high-definition digital printing on quartz slabs. This technology allows for intricate patterns and vibrant colours, significantly enhancing the visual appeal and customisation options of our products.

### Operational excellence combined with a sustainability focus

With over 30 years of expertise in the stone industry, Pokarna has established a robust global footprint, spanning over 20 countries. Our strength lies in our vertically integrated operations, encompassing captive quarries and state-of-the-art mining and processing infrastructure. Our granite division's focus on operational excellence, combined with our experienced management team, positions us well to adeptly navigate market challenges.

Also, we maintain a persistent emphasis on sustainability and environmental stewardship. In keeping with this, our processing units adhere to strict pollution control norms. We implement the 5R principles in our facilities—Reduce, Re-use, Recycle, Restore and Respect—to minimise water consumption.

### Looking forward to shaping a Sustainable Tomorrow

With strategic investments in quartz technology and the anticipated improvements in market conditions, our prospects remain promising. We will continue to prioritise stimulating quartz sales by developing innovative product offerings and expanding our client fraternity. The KREOS and CHROMIA technologies are expected to drive significant advancements in our product range, positioning us for improved performance in FY 2024-25 and beyond.

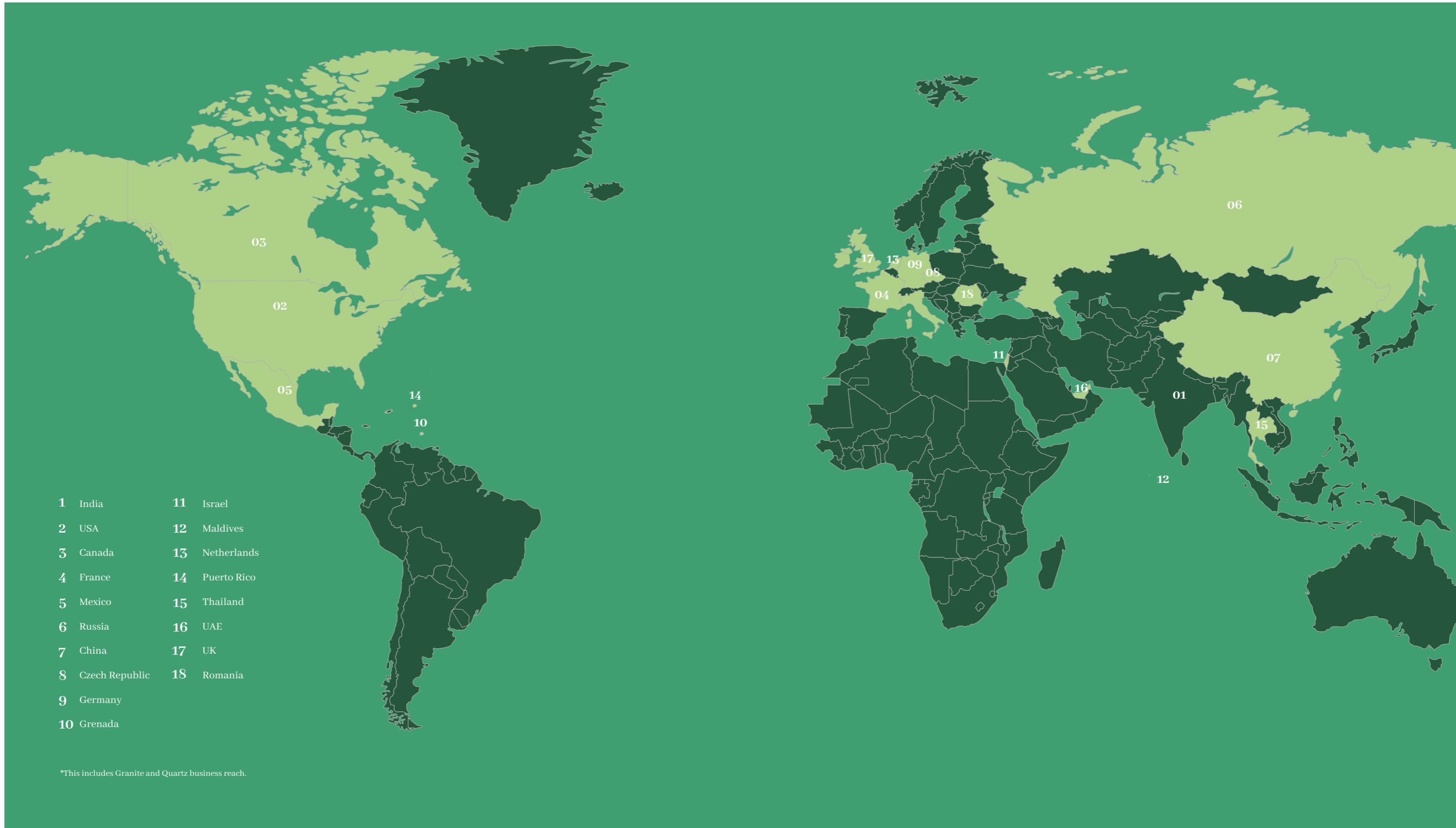
Moreover, we are witnessing encouraging results from our U.S. quartz sales channels, which include a pickup in consumer optimism and a potential rebound in the housing market. The forecast for new home and existing home sales suggests a gradual recovery, which we believe will benefit our quartz business.

In closing, I would like to express my gratitude to our shareholders for their continued support and confidence in Pokarna. As we move ahead, I am confident that our strategic focus on core business areas, coupled with judicious investments in advanced technologies, will position us for sustained growth and value creation.

Best regards,

**Gautam Chand Jain**  
Chairman and Managing Director

## Geographic presence



## Innovative Manufacturing Solutions

At Pokarna, we are committed to leading the way in technology and innovation within the natural stone industry. Our state-of-the-art quartz surface manufacturing facility is equipped with the latest advancements, allowing us to produce best-in-class granite and quartz surfaces. Recently we have invested in two advanced technologies from Breton of Italy - KREOS and CHROMIA. Our focus on continuous improvement and innovation ensures that we consistently deliver high-quality products that meet the evolving needs of our customers worldwide.



### India's largest

Manufacturer and exporter of quartz surfaces

**2**

State-of-the-art quartz manufacturing units in Telangana and Andhra Pradesh

**10+**

Captive Granite Quarries located in Andhra Pradesh, Telangana and Tamil Nadu

**2**

State-of-the-art granite manufacturing units in Telangana

## Our market reach

At Pokarna, we understand the importance of maintaining a strong industry presence and forging strong connections with our customers. By actively participating in leading international exhibitions and trade shows, we showcase our innovative products and stay ahead of market trends. These events provide invaluable opportunities for us to engage directly with our customers, distributors and industry professionals, strengthening relationships and forging new ones.

Our regular participation in prestigious exhibitions like KBIS, Marmomac and COVERINGS demonstrates our commitment to innovation and customer engagement. Through these platforms, we not only display our latest offerings but also gain critical insights into evolving market demands. This helps us refine our product development strategies, ensuring we meet the expectations of our global clientele.



COVERINGS 2024



Marmomac 2023

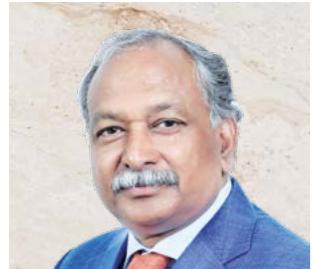


KBIS (Kitchen &amp; Bath Industry Show) 2024

## Recognitions



## Board of directors



**Mr. Gautam Chand Jain**  
Chairman & Managing Director



**Mr. Prakash Chand Jain**  
Independent Director



**Mr. Rahul Jain**  
Managing Director



**Mr. Meka Yugandhar\***  
Independent Director



**Mr. Mahender Chand\***  
Independent Director



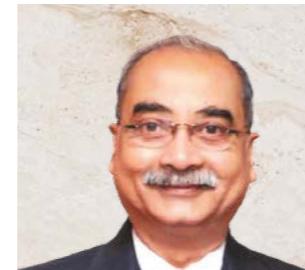
**Mr. Vinayak Rao Juvvadi\***  
Independent Director



**Dr. Jayshree Rajesh Sanghani**  
Independent Director



**Mrs. Apurva Jain**  
Executive Director



**Mr. Agnihotra Dakshina Murty Chavali\***  
Independent Director



**Mrs. Paulomi Romi Dhawan\***  
Independent Director



**Mr. Prashanth Nandigala\***  
Independent Director

## Corporate information

### Board of Directors

**Mr. Gautam Chand Jain**  
Chairman & Managing Director

**Mr. Prakash Chand Jain**  
Independent Director

**Mr. Rahul Jain**  
Managing Director

**Mr. Meka Yugandhar\***  
Independent Director

**Mr. Mahender Chand\***  
Independent Director

**Mr. Vinayak Rao Juvvadi\***  
Independent Director

**Dr. Jayshree Rajesh Sanghani**  
Independent Director

**Mrs. Apurva Jain**  
Executive Director

**Mr. Agnihotra Dakshina Murty Chavali\***  
Independent Director

**Mrs. Paulomi Romi Dhawan\***  
Independent Director

**Mr. Prashanth Nandigala\***  
Independent Director

### Pokarna Engineered Stone Limited

**Mr. Paras Kumar Jain**  
CEO

### Statutory Auditors

**M/s. S. Daga & Company**  
Chartered Accountants, Hyderabad

### Internal Auditor

**Mr. M. Murali Jaganmohan**  
Chartered Accountant, Hyderabad

### Secretarial Auditor

**K V C Reddy & Associates**  
Company Secretaries

### Chief Financial Officer

**Mr. M. Viswanatha Reddy**

### Company Secretary

**Ms. Disha Jindal**  
Resigned on 08 May 2024  
**Ms. Pratima Khandu**  
Appointed w.e.f. 01 August 2024

### Listed On

Bombay Stock Exchange Limited  
Scrip code: 532486  
National Stock Exchange of India Limited  
Symbol: POKARNA

### Registrar and Share Transfer Agents

M/s. KFin Technologies Limited  
Karvy Selenium Tower B, Plot  
31-32, Gachibowli Financial  
District, Nanakramguda

### Bankers

Union Bank of India,  
Khairatabad, Hyderabad

### Registered Office

105, First Floor, Surya Towers, Sardar Patel  
Road Secunderabad - 500 003,  
Telangana State.  
Tel: +91 40-27842182, 27844101, 66266777.  
Fax: +91 040-2784 2121  
Email: contact@pokarna.com  
Website: www.pokarna.com  
CIN: L14102TG1991PLC013299

### Factories

Granite Division

#### Unit - I

Survey No.123, Tooprantpet (Village)  
Choutuppal (Mandal), Nalgonda (District)  
Telangana State.

#### Unit - II

Survey No. 563, 568 & 574  
Aliabad Village, Shameerpet, (Mandal)  
R.R. District, Telangana State

Pokarna Engineered Stone Limited

#### Unit - I

Plot. No: 45. APSEZ, Atchutapuram,  
Rambilli Mandal, Visakhapatnam District,  
Andhra Pradesh.

#### Unit - II

Sy.Nos. 221,223, Dooskal Village,  
Farooqnagar Mandal Sy.Nos. 901,902,  
908-912, Mekaguda Gram Panchayat  
Nandigama Revenue Village and Mandal,  
Ranga Reddy District, Telangana, State.



For Further Details  
scan the QR Code

\* appointed w.e.f. 01st April 2024

\* ceased to be directors upon completion of the term  
w.e.f. 31 March 2024

\* appointed w.e.f. 01st April 2024

\* ceased to be directors upon completion of the term w.e.f. 31 March 2024

# Management Discussion and Analysis

## Economic Overview

### Global Economy<sup>1</sup>

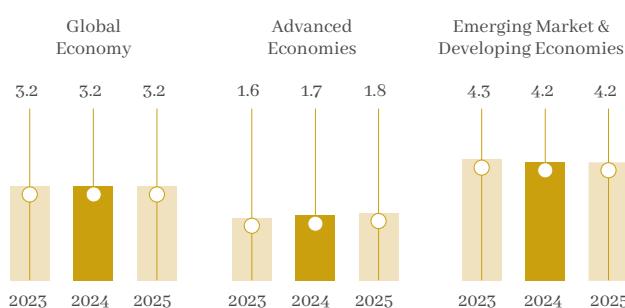
The reported year observed the world economy grappling with macroeconomic challenges. Despite facing major headwinds such as geopolitical turmoil, fluctuating commodity prices and elevated inflationary pressures across both advanced and emerging markets, the global economy showcased resilience and grew at a rate of 3.2%. Central banks of major economies raised interest rates to rein in inflation, leading to a rapid decline in inflation across most regions. This monetary tightening ensured gradual economic expansion and increased employment opportunities across developed economies such as the United States and Europe. Several emerging markets, including India, Vietnam, and Mexico also demonstrated robust growth, coupled with increasing capital inflows.

The unrelenting geopolitical unrest continued to disrupt global supply chains and trade dynamics. China's economic performance remained sluggish throughout CY 2023 and this trend is expected to persist in CY 2024. China's slow growth rate is likely to weigh on the global economy, given its substantial manufacturing capacity and extensive supply networks.

### Outlook

The outlook for global economy holds optimism, with central banks of major economies accommodating major monetary policies and inflationary pressures reducing in most regions. Projections indicate that the Gross Domestic Product (GDP) growth rate will remain steady at 3.2% in CY 2024 and CY 2025. There is an anticipated rebound and stabilisation of the global economy despite ongoing geopolitical tensions in Europe and West Asia. Initiatives undertaken by governments of big economies across the world are expected to become instrumental in shaping a sustainable and inclusive growth trajectory in the future.

### Global GDP growth rate



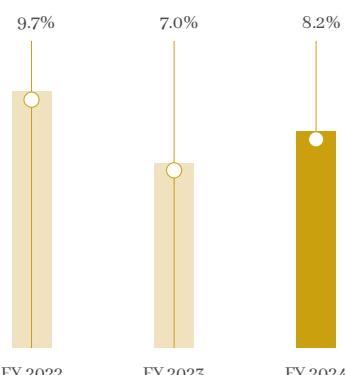
[Source: IMF World Economic Outlook, April 2024]

### Indian Economy<sup>2</sup>

The Indian economy showcased notable flexibility in FY 2023-24, maintaining its position as one of the world's fastest growing economies despite various global headwinds. A robust macroeconomic

framework, increasing domestic demand and prudent monetary policies implemented by the Reserve Bank of India (RBI) enhanced the growth of India's real GDP by 8.2%. The manufacturing sector emerged as a key driver of industrial growth, registering a steady 11.6% increase throughout FY 2023-24. This growth was supported by enhanced capacity utilisation and a seasonal upsurge in merchandise exports. The government's focus on streamlining supply chains and increased public expenditure helped cushion the country from significant economic disruptions, benefitting industries like construction and real estate.

### India GDP growth rate (in %)

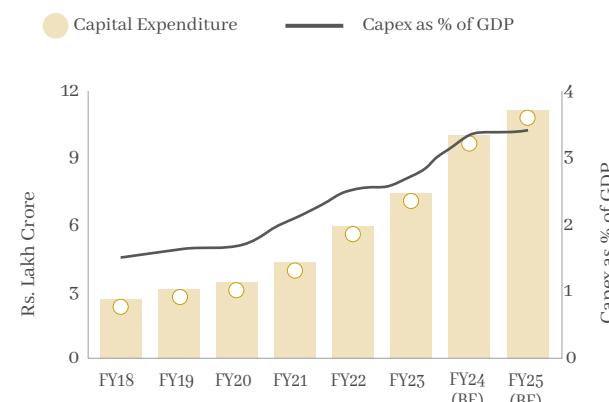


[Source: PIB Press Release, May 2024]

### Outlook

India is expected to maintain its growth trajectory in the upcoming years, primarily driven by strong macroeconomic fundamentals such as political stability, increased government emphasis on public capital expenditure and rising credit demand. India is establishing itself as a viable alternative for China; this is anticipated to propel the country's growth and make India the third largest economy in the world by FY 2027. The nation's expanding export opportunities coupled with rising domestic demand are expected to facilitate India to surpass the growth of the other economies in the foreseeable future.

### Increase in Capital Expenditure



[Source: Ministry of Finance]

<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

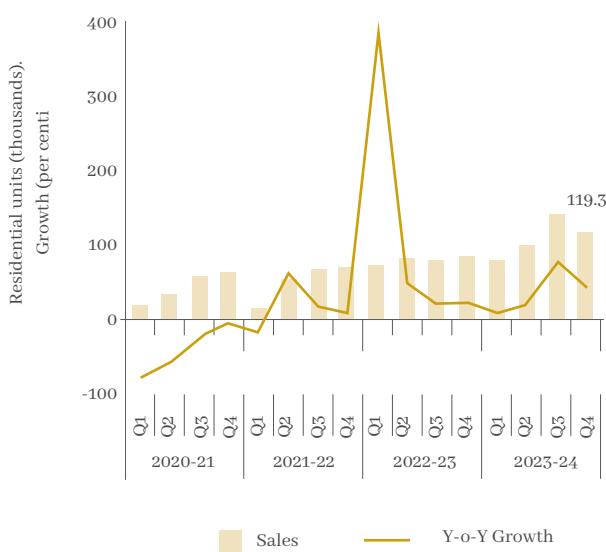
<sup>2</sup>[https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/0ANNUALREPORT202324\\_FULLDF549205FA214F62A2441C5320D64A29.PDF](https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/0ANNUALREPORT202324_FULLDF549205FA214F62A2441C5320D64A29.PDF)

## Stone Industry Overview

### Global Granite Stone Industry

The global granite industry is a significant segment in the natural stone market, valued approximately at USD 18.8 billion in 2023 and projected to grow to USD 23.5 billion by 2032, with a Compound Annual Growth Rate (CAGR) of 3.9%.<sup>3</sup> Granite is an igneous rock known for its durability and aesthetic appeal. It finds its extensive use in construction, particularly for countertops, flooring and wall cladding. This industry's growth is driven by rising demand for premium building materials in both residential and commercial sectors, as well as technological advancements in quarrying and processing that enhance productivity and product quality. The Asia-Pacific region dominates the granite market, with countries like China being the major producers and exporters. Rapid urbanisation and industrialisation in these regions fuel the demand for granite in construction and infrastructure projects. North America and Europe maintain steady demand due to established construction industries. They incline towards a preference of high quality and aesthetically pleasing materials.

### Housing Unit Sales



[Source: RBI Annual Report 2023-24]

### Indian Granite Stone Industry

The Indian granite industry is a key player in the global stone market, known for its diverse colors, durability, and intricate patterns. This industry significantly contributes to India's economy through exports, with major markets including the USA, Europe, the UK, Russia, the Middle East, China, and Canada. Granite production is primarily concentrated in Tamil Nadu, Karnataka, Andhra Pradesh, and Telangana, where extensive reserves are found, with additional significant deposits in Rajasthan, Gujarat, and Madhya Pradesh. Technological advancements have been substantial, with increased investment in modern machinery and processing units enhancing production capabilities and the quality of finished products to align with international standards. However, the industry faces significant

challenges, particularly concerning environmental sustainability. Quarrying activities have been criticized for causing land degradation and biodiversity loss, leading the Indian government to implement stringent regulations to mitigate these impacts. Compliance with these regulations is costly and time-consuming, impacting operational efficiency. Additionally, Indian granite exporters face stiff competition from countries like China and Brazil, which often offer lower-cost products, making it difficult for Indian exporters to compete on price. Supply chain issues, including the availability of raw granite blocks and efficient transportation and logistics, are also critical, with any disruptions adversely affecting the industry. The demand for granite is closely tied to the cyclical construction industry, and dependence on export markets exposes the industry to global economic conditions, including trade policies, tariffs, and international relations. Thus, while the Indian granite industry remains stable and globally significant, addressing environmental sustainability, intense global competition, supply chain efficiency, technological adaptation, and economic volatility is crucial for its continued growth and success.

### Quartz<sup>4</sup>

Global demand for engineered stone countertops is anticipated to grow by 9.3% annually, reaching 128 million square meters by 2027. Over the past decade, engineered stone has significantly increased its market share, from 7% of global countertop sales in 2012 to 14% in 2022. It has become the leading choice in the large US market, favoured for its aesthetics, durability, and low maintenance compared to natural stone. The continued strong sales growth and market share expansion can be attributed to several factors:

- An expanding range of colors that align with current design trends, offered by both domestic and international suppliers.
- Increased availability of non-Breton equipment, predominantly manufactured in China, which has enabled producers to greatly expand their capacity. Previously, the market was constrained by Breton's dominance in engineered quartz fabrication and its stringent quality standards.
- A plentiful supply of affordable quartz slabs from parts of the Asia/Pacific, including India.
- Enhanced distribution networks for engineered stone products.

In 2022, North America led the global demand for engineered stone countertops, holding a 35% market share. The Asia/Pacific region followed, accounting for 26% of global sales.

As a company, our products are predominantly used as countertops in residential kitchens, with sales closely tied to home renovation and remodeling projects, as well as new residential construction in the United States. However, the U.S. housing market continues to encounter significant challenges due to high inflation and rising interest rates. The resulting increase in mortgage rates has suppressed the housing market, leading to a slowdown in home renovation activity and a reduction in discretionary spending on purchases such as countertops. Consequently, these economic conditions have adversely affected the demand for our products.

<sup>3</sup><https://www.imarcgroup.com/granite-market>

<sup>4</sup><https://www.freedomiagroup.com/press-releases/engineered-stone-demand-to-grow-9.3-annually-through-2027>

As we look ahead, we anticipate subdued sales in FY 2025 for granite due to the challenges as outlined in the Annual report. However, we remain optimistic about the growth in both revenues and profitability of our engineered quartz surfaces subsidiary, PESL.

### Countertop market Overview<sup>5</sup>

The global countertop market is projected to expand at an average annual rate of 3.0%, reaching 652 million square meters by 2028 and a total market value of \$49.5 billion. This growth will be driven by an increasing preference for countertops over freestanding or wall-mounted fixtures in both residential and commercial kitchens and bathrooms. The surge in residential remodeling activities, with countertop replacements being a popular choice for kitchen and bathroom updates, will further fuel demand. Although the actual demand for countertops is anticipated to grow steadily through 2028, the market value will experience a slower growth rate. This is due to the expected stabilization of countertop material prices, which had previously surged in 2021 and 2022 due to pandemic-related factors.

### Outlook for Granite and Quartz Surface

As we look ahead, we anticipate subdued sales in FY 2025 for granite due to the ongoing challenges in the U.S. housing market. However, we remain optimistic about the growth in both revenues and profitability of our engineered stone subsidiary, PESL. The engineered stone market continues to show strong potential, driven by its favorable properties such as durability, aesthetic appeal, and lower maintenance compared to natural stone, which makes it a preferred choice in both residential and commercial applications. With strategic investments in technology and innovation, we expect PESL to capitalize on market opportunities and deliver robust performance in the coming years.

### Apparel

The Board of Directors ("Board"), in their meeting held on March 23, 2024, approved the potential transfer, sale, lease, exchange, hive-off, or other disposal of the Apparel Business on a going concern basis. The Board believes that all assets of the Apparel Business are realizable in the ordinary course of business at the values stated in the Financial Statements. This decision is contingent upon finding a suitable buyer or investor and receiving an acceptable offer, as well as obtaining the necessary approvals, consents, and clearances from the Company's

Bankers, Shareholders, and other relevant institutions or statutory authorities. This strategic move is part of the company's broader effort to streamline operations and focus on core business areas expected to drive future growth and profitability. The Company has already initiated the necessary steps and expects to complete the process within the next twelve months. Consequently, the financials of the Apparel Division are classified as 'Assets held for sale and discontinued operations' as per Ind AS 105. Correspondingly, the previous year's figures in the Statement of Profit and Loss account have been restated to reflect this change. Details of the discontinued operations are provided in the Financial Statements, which are part of the Annual Report.

### Company overview and business

The Company supplies both raw and processed granite, with raw granite blocks being exported to China and the majority of its finished granite products directed to the United States. The Company operates two granite processing units in the Hyderabad region, along with quarrying operations in Telangana, Andhra Pradesh, and Tamil Nadu. Additionally, the Company has discontinued the operations of its Apparel Division, as detailed in other sections of this annual report, including the financial statements.

PESL, a wholly-owned subsidiary of the company, is a prominent global producer of premium quartz surfaces. It operates in a diverse market characterized by various companies ranging from small privately-owned enterprises to large multinational conglomerates. To maintain competitiveness in this industry, PESL focuses on key strategies such as product innovation, design excellence, superior quality, competitive pricing, advanced performance technology, and exemplary customer service. The Company aims to distinguish its quartz surfaces in the market by creating distinctive products with premium features and a superior value proposition. PESL's competitive edge lies in its ability to compete based on performance, quality, style, and service rather than relying solely on pricing. This advantage is reinforced by PESL's investments in state-of-the-art production technology and strategic marketing resource allocation. During FY25, PESL will commercialise two cutting-edge technologies from BRETON S.p.A of Italy: the KREOS and CHROMIA lines. Both in the short and long term, the Company anticipates strengthening its market position, diversifying its operations, and enhancing profitability.

### Financial performance

This section's details concern the financial outcomes for the fiscal year that ended on March 31, 2024. The financial statements of the Company and its subsidiaries have been prepared in accordance with the Companies (Indian Accounting Standards) Rules and the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013, as amended from time to time. Key financial indicators are summarised in the table below.

#### INR in Crores (Consolidated)

Particulars	2023-24	2022-23	YoY Change (In %)
<b>Continuing operations</b>			
Consolidated Revenue	687.61	725.32	-5%
Consolidated EBITDA	221.18	181.23	22%
Profit /(Loss) after tax from discontinuing operations	(4.00)	(2.27)	76%
Consolidated PAT	87.36	65.81	33%
Net Worth	591.43	506.08	17%

<sup>5</sup><https://www.freedomiagroup.com/industry-study/global-countertops>

### Key Financial Ratios of Pokarna Limited (Standalone)

Particulars	2023-24	2022-23	YoY Change (In %)
Debtors Turnover (Days)	76	51	49%
Inventory Turnover (Days)	376	388	-3%
Interest Coverage Ratio	-0.44	1.53	-128%
Current Ratio	1.27	1.22	4%
Debt Equity Ratio	0.07	0.16	-56%
Operating Profit Margin %	-5%	10%	-145%
EBITDA margin %	13%	22%	-41%
Net Profit Margin %	-8.41%	3.53%	-338%
Return of Net Worth %	-5.64%	0.58%	-1067%

### Risk management

The quarrying sector faces a variety of internal and external headwinds. In order to reduce losses, the Company's complete risk management strategy focuses on quickly recognizing potential risks, evaluating their impact and attempting to mitigate their effects.

RISK	Description	Mitigation
<b>Production and sales risk</b>	The Company runs the risk of incurring losses unless and until the quarries reach a level of development that enables the production of commercially significant volumes of material, generating adequate revenues to sustain ongoing operations.	The Company implements risk mitigation measures by adhering to an approved business plan and predefined targets. Furthermore, it exercises stringent control over working capital, employing robust budgeting and cost control processes.
<b>Operational risk</b>	The quarrying operations of the Company are susceptible to inherent hazards and subsoil risks, encompassing both anticipated and unforeseen impacts and challenges arising from the underground geological conditions.	The Company actively mitigates these risks by implementing rigorous health and safety training protocols. A zero-tolerance approach towards safety incidents is ingrained throughout all levels of operations. Moreover, any noteworthy incidents on-site necessitate reporting to the Board of Directors. Trained personnel are utilised to address and minimise other operational risks.
<b>Quarry development risk</b>	A number of the Company's quarries and pits are currently in the initial stages of development. Consequently, there is no guarantee that the colour, texture, quality, and other attributes of the granite slabs processed and blocks mined from these quarries will align consistently with the material extracted thus far. In the event that the granite blocks extracted exhibit lower quality than anticipated, it may lead to reduced demand and a lower realisable price than expected.	The Company employs effective risk mitigation measures by employing extensively trained quarry personnel and geologists. Additionally, it conducts comprehensive evaluations of the resource, which may involve drilling, technical surveys, and third-party reviews when deemed necessary.
<b>Breaches in information/ IT security</b>	Similar to numerous other organisations, the Company's dependency on computers and network technology is on the rise. Consequently, any cybersecurity breach possesses the potential to significantly impact business operations.	The Company has established standard operating procedures for information and IT security. Well-defined IT security policies and procedures are implemented, and an IT system is deployed to monitor logical access controls.
<b>Environmental risks and hazards</b>	The Company's quarrying activities are subject to compliance with environmental regulations. Environmental legislation is continuously evolving, potentially leading to the imposition of more rigorous standards, enhanced enforcement measures, escalated fines, and penalties for non-compliance. Moreover, there may be a heightened demand for stringent environmental assessments of proposed projects, placing greater responsibility on companies and their officers, directors, and employees.	The company has developed policies and procedures to ensure that environmental standards are met in excess of current local legislation. It continues to monitor evolving standards within each of its operating environments and takes appropriate action accordingly.

RISK	Description	Mitigation
<b>Currency exchange rate fluctuations</b>	<p>The Company derives a significant portion of its income from exports. It maintains foreign currency loans and procures some of its raw materials and a substantial portion of consumables and capital equipment through imports. Consequently, any fluctuations in currency exchange rates would potentially have an impact on the Company's performance.</p>	<p>The Company mitigates these risks by refraining from engaging in forex speculation. The audit committee periodically reviews forex-related matters and offers appropriate recommendations as required by the business, adhering to the overall framework of the Company's forex policy.</p>
<b>Community relations</b>	<p>The ongoing prosperity of the Company's current operations and upcoming projects relies, in part, on garnering broad support and fostering positive relationships with the respective local communities. Failure to identify and effectively address local concerns and expectations could have adverse consequences on the Company's reputation and its social license to operate and expand.</p>	<p>The Company employs risk mitigation strategies by conducting regular engagements with all local communities, with the aim of establishing relationships founded on trust and mutual benefit. A key priority is obtaining local consent before accessing resources or commencing work. The Company endeavours to identify and mitigate potential adverse operational impacts and risks through responsible conduct, characterised by transparency and ethical behaviour, encouraging dialogue, and fulfilling commitments to stakeholders. The corporate social responsibility (CSR) committee, under the purview of the Board, determines the focus areas, budget, and programs for all CSR activities to be undertaken.</p>
<b>People</b>	<p>The Company recognises that its ongoing pursuit of growth and operational efficiency will impose substantial demands on its management resources. The presence of a highly skilled workforce and an experienced management team is crucial for sustaining current operations, executing development projects, and attaining long-term growth objectives.</p>	<p>The Company intends to make strategic investments in initiatives aimed at expanding its talent pool. Its performance management system has been meticulously crafted to offer attractive reward and remuneration structures, along with personal development opportunities, with the objective of attracting and retaining key employees.</p>
<b>Financial risk</b>	<p>PESL's capital expenditure (capex) plans encompass various strategic initiatives, such as expansion, productivity enhancement, technology upgrades, optimisation of operating efficiency, and maintenance or replacement of existing facilities and equipment. However, an excessive ratio of capital expenditures to revenues could potentially create financial strain for the Company.</p>	<p>The Company holds the belief that its capital resources will prove sufficient to address the current projected operating requirements, capital expenditures, and other cash obligations. Furthermore, the Company has a commendable track record of maintaining positive relations with banks and successfully raising borrowings in recent years. Necessary measures have been taken to ensure that the construction and operation timelines for the capital expenditure projects adhere to the prescribed time limits.</p>
<b>Trade restrictions</b>	<p>A significant portion of the Company's products are exported to the US. The Company's financial performance relies on uninterrupted access to the US markets. However, the presence of tariffs and other trade barriers that limit or impede access pose an ongoing risk to the Company.</p>	<p>The Company intends to implement risk mitigation strategies by diversifying its presence into alternative markets and reinforcing its position in non-US markets where it already operates.</p>
<b>Trade credit</b>	<p>The Company's trade agreements with specific customers involve offering short-term credit. As a result, the Company is exposed to credit risk for a portion of its sales.</p>	<p>The Company employs risk mitigation strategies by conducting individual assessments of customer credit limits and implementing rigorous credit monitoring procedures, closely tracking the aging of outstanding balances.</p>

RISK	Description	Mitigation
Silicosis	<p>During recent times, the quartz surfaces and natural stone countertop industry has seen an increased acknowledgment of the health hazards associated with respirable crystalline silica exposure for workers. Individuals engaged in various processes such as manufacturing, cutting, fabricating, finishing, and installing quartz and stone countertops are deemed at risk. In response to this concern, several local regulatory bodies have taken proactive steps by issuing safety alerts and implementing new regulations to safeguard the well-being of workers in this sector. These measures aim to ensure the proper handling of materials and reduce the risks associated with respirable crystalline silica exposure in the workplace. Given these developments, the possibility of changes in laws and regulations pertaining to the hazards associated with quartz surfaces or the content of respirable crystalline silica in quartz surfaces has become a matter of concern. If such changes occur, they could have substantial implications for our operations and products, necessitating adjustments to ensure compliance and mitigate any potential adverse effects.</p>	<p>As a responsible company, we place a high priority on staying up-to-date with regulatory developments, particularly concerning the health and safety of our workforce and those involved in processing our products. We are fully committed to ensuring compliance with all relevant laws and regulations. In response to the concerns related to respirable crystalline silica exposure, we have taken proactive measures to develop low respirable crystalline silica products. Our readiness with these low respirable crystalline silica products demonstrates our commitment to mitigating any potential adverse effects and ensuring the well-being of everyone involved in the production and use of our materials. We will continue to invest in research and innovation to uphold our dedication to safety and compliance.</p>

### Internal Control and Adequacy

The scope of the internal audit function is established each year to ensure it aligns with the company's objectives and risk management strategies. To maintain the Audit Committee's independence and objectivity, the Internal Audit Department reports directly to the Committee. Based on the internal audit function's reports, process owners implement corrections in their respective areas. Significant audit findings and recommended corrective measures are communicated to the Board's Audit Committee. In compliance with Section 134(5)(e) of the Companies Act, the Company has developed and implemented a process-driven framework for internal financial controls (IFC). This framework is designed to be robust, taking into account the scale and complexity of the Company's operations. There are no significant flaws identified, indicating the strength of the IFC in place. The Company has established strong policies and procedures to ensure business integrity, asset protection, timely preparation of reliable financial information, accurate and complete accounting records, and prompt prevention and detection of fraud and other errors. These measures collectively ensure that the business operates efficiently and with high standards of integrity and accountability.

### Human Resources

The Company recognizes its people as its most valuable assets. As one of the most recognizable businesses in the granite industry, Pokarna places a strong emphasis on assembling a team of skilled workers capable of handling a wide range of competencies. The Firm has embraced best practices and established Standard Operating

Procedures (SOPs) for most functions to increase operational efficiency and ensure consistency across processes. To promote a learning environment and foster the growth of both the Company and its employees, the Company encourages skill-building activities, enabling employees to become proficient in various job-specific duties. This approach not only enhances the skill set of the workforce but also supports long-term growth and sustainability. Additionally, fostering employee engagement within the workplace helps maintain high levels of motivation and productivity, contributing to the Company's ongoing success.

### Cautionary Statement

Certain statements in this report regarding potential future developments could be forward-looking statements. These statements involve known and unknown risks and uncertainties that could materially affect actual results. Factors such as macroeconomic changes and unexpected events, including global pandemics like COVID-19, may present unprecedented and ongoing risks to the Company and the environment in which it operates. The facts and figures presented in the report are based on assumptions derived from available internal and external information, which are subject to change due to dynamic variables. Any forward-looking statements reflect the Company's intentions, beliefs, or current expectations as of the date they were made. The Company disclaims any obligation to update or alter any forward-looking statements, whether due to new data, unexpected developments, or other factors.

# Board's Report to the Shareholders'

Dear Members,

Your directors take pleasure in presenting their 33rd Annual Report together with the annual audited consolidated and standalone financial statements for the financial year ended 31st March 2024.

## Financial Highlights

Particulars	Standalone Results		Consolidated Results	
	2024	2023	2024	2023
Continuing operations:				₹ In Lakhs
Total Income (Operational and Other Income)	4560.74	6093.97	69913.12	73648.19
Less: Total Expenses	5130.41	5889.55	55951.13	64332.88
Profit before tax from continuing operations	(569.67)	204.42	13961.99	9315.31
Less: Tax expenses (including deferred tax)	(250.33)	(55.46)	4826.25	2506.92
Profit/ (Loss) after tax from continuing operations	(319.34)	259.88	9135.74	6808.39
Profit/ (Loss) after tax from discontinuing operations	(354.66)	(185.43)	(399.48)	(227.30)
Profit for the Period	(674.00)	74.45	8736.26	6581.09

## Overview and The State of the Company Affairs

During the reporting period, our granite division faced significant challenges, leading to a downturn in overall performance. The revenue from our granite division primarily comes from exporting granite blocks to China and processed granite to the United States. However, both markets have been adversely affected by evolving economic conditions. In China, a major consumer of our granite blocks, the combination of rising inflation, increasing interest rates, and weakening consumer confidence led to a noticeable slowdown in demand for granite blocks. This decline in demand significantly reduced our export volumes and, consequently, a reduction in revenue from this segment. Furthermore, geopolitical tensions and trade policies have also played a role in disrupting the market dynamics, adding to the challenges we face in selling to Chinese buyers. Similarly, the US market has been affected by economic headwinds such as inflation and rising interest rates, which have damped consumer confidence and suppressed demand for our processed granite products. The construction sector, a significant driver of granite demand, has slowed down due to these economic pressures. Additionally, the US market has been dealing with supply chain disruptions and increased competition from alternative materials, further impacting our sales. Adding to these economic challenges, a state government has introduced measures such as increased taxes and fees, which have placed additional financial burdens on our operations. These regulatory changes have strained our operational costs and profitability, making it even more challenging to maintain efficiency and competitiveness. We are focused on optimizing our operations and exploring new opportunities to ensure the long-term sustainability and growth of our company.

In line with our strategic review, we have discontinued the operations of our apparel division. This decision, endorsed by the Board, aims to reduce losses and strengthen the company's overall financial position. We are taking and will continue to take necessary actions to wind down these operations systematically.

The Company believes that Pokarna Engineered Stone Limited ("PESL"), a wholly owned subsidiary, leverages its advanced technology to offer significant competitive advantages. PESL's capability to produce a diverse range of products, featuring an extensive selection

of designs, finishes, and slab sizes, uniquely positions it in the market. Despite the economic challenges in the U.S. impacting the quartz industry, PESL's performance reflects the positive outcomes of our strategic actions to enhance operations. PESL is investing approximately US\$ 10 million to commercialize two cutting-edge technologies from BRETON S.p.A of Italy: the KREOS and CHROMIA lines. The KREOS line includes a next-generation mixture extrusion and distribution system designed to produce full-body, ultra-thin, and aesthetically unique slabs, catering to evolving customer preferences. The CHROMIA line utilizes high-definition digital printing technology to decorate quartz slabs with precise, intricate patterns and vibrant colors, significantly enhancing their aesthetic appeal and customizability. These advancements are expected to strengthen PESL's market position and attract a broader customer base. Both the KREOS and CHROMIA lines are scheduled for commercialization in FY25. We are optimistic that FY25 will be a promising year for PESL, driven by its broad and innovative quartz offerings, combined with a steadfast commitment to quality and service. As PESL navigates current market dynamics, our strategy remains focused on enhancing innovation, developing our brand, and expanding our geographical reach. This approach will ensure that PESL continues to meet market demands and capitalize on new opportunities, reinforcing its position as a leader in the engineered stone industry.

## Dividend

The Directors are pleased to recommend a dividend of ₹ 0.60 per equity share for the financial year ended 31st March 2024. The dividend is subject to the approval of the Members at the Annual General Meeting ("AGM") scheduled on 30th September 2024. The Register of Members and Share Transfer Books will remain closed from 24th September 2024 to 30th September 2024 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31st March 2024 and the AGM.

## Dividend Distribution Policy

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, as amended, your Company has adopted a Dividend Distribution Policy formulated by the Board specifying the financial parameters, factors, and circumstances to be considered in determining the distribution of dividends to shareholders and/or retaining profits earned by the Company. The policy aims to protect the interests of investors by ensuring transparency. The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, is available on the Company's website - [www.pokarna.com](http://www.pokarna.com).

### Transfer to Reserves

No amount is proposed for transfer to the general reserve.

### Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and the reviews performed by the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year under review. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- b) that they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied their recommendations consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- c) they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) a proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Subsidiaries, Associates, and Joint Venture Companies

As of March 31, 2024, your Company had two subsidiaries, one of which is a wholly owned subsidiary, and the other is a non-profit organization. The consolidated financial statements presented by the Company include the financial information of Pokarna Engineered Stone Limited ("PESL"), the wholly owned subsidiary. There has been

no material change in the nature of PESL's business. In compliance with Section 129(3) of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of the subsidiary in prescribed Form AOC-1 is attached to the Company's financial statements. The audited accounts of PESL will be available on the Company's website - [www.pokarna.com](http://www.pokarna.com).

During the financial year under review, PESL registered total income of ₹ 66,030.40 lakhs, compared to ₹ 67,836.78 lakhs in the previous year, registering a decrease of 2.66%. EBITDA for the year was ₹ 22,247.52 lakhs, compared to ₹ 17,080.81 lakhs in the previous year. The total comprehensive income for the year ended March 31, 2024, increased to ₹ 10,060.26 lakhs, showing an increase of 48%.

Pokarna Engineered Stone Limited ("PESL") was selected by the U.S. Department of Commerce ("USDOC") as a "mandatory respondent" for the second administrative review of the Antidumping duty ("ADD") Order on the imports of quartz surface products from India. As a result, PESL's ADD assessment rate for the second review period continues to be 0%, and the ADD cash deposit rate also remains 0% effective from November 20, 2023. The third administrative ADD review is ongoing, and according to the preliminary results announced by the USDOC, PESL's ADD assessment rate for the third review period continues to be 0%. Regarding the Countervailing Duty (CVD) review, no parties have requested a second or third review, thus the CVD duty of 2.34% determined during the investigation period remains the final CVD assessment rate for the entries of the second and third review periods. There is no impact on the financials of the Company from these duties.

During recent times, the quartz surfaces industry has seen increased acknowledgment of the health hazards associated with respirable crystalline silica exposure for fabricators. Individuals engaged in certain processes such as fabricating and finishing quartz countertops are deemed at risk. In response to this concern, several international regulatory bodies have taken proactive steps by issuing safety alerts and implementing new regulations to safeguard the well-being of workers in this sector. PESL has comprehensive safety protocols in place at our factories, including the use of high-tech cutting equipment that uses water to suppress dust, thereby preventing airborne silica particles. This measure is considered one of the best practices to mitigate dust exposure during the cutting and fabrication of quartz slabs. Additionally, PESL's employee training program focuses on safe handling practices, machinery maintenance, and air quality management in workspaces. PESL also subjects its employees to regular health screenings to ensure early detection and management of any potential health issues. Furthermore, PESL is proactively working on developing alternative formulations for its products to reduce the crystalline silica content. By prioritizing these measures, PESL aims to ensure a safe and healthy working environment for all its employees and remain compliant with evolving industry regulations.

The Company does not have any associate or joint venture companies. Furthermore, the Company's policy on determining material subsidiaries, as approved by the Board, is available on the Company's website - [www.pokarna.com](http://www.pokarna.com).

### Corporate Governance

The Directors reaffirm their commitment to good corporate governance practices. During the year under review, the Company

complied with the provisions relating to corporate governance as outlined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"). A detailed report on corporate governance, as required under the Listing Regulations, is provided in a separate section and forms part of the Annual Report.

The certificate on compliance with the conditions of corporate governance of the Listing Regulations is given in the Annexure to this Report. In terms of the Listing Regulations, the certificate, as prescribed in Part B of Schedule II of the said Regulations, has been obtained from Mr. Gautam Chand Jain, Chairman & Managing Director, and Mr. M. Vishwanatha Reddy, Chief Financial Officer, for the financial year 2023-24 with regard to the financial statements and other matters. This certificate forms part of the report on Corporate Governance.

### Management Discussion & Analysis Report

The Management's Discussion & Analysis Report for the year under review is presented in a separate section forming part of the Annual Report.

### Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report (BRSR) of your Company for the financial year 2023-24 forms part of this Annual Report, as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Corporate Social Responsibility

The Company has a Policy on Corporate Social Responsibility, which is posted on the Company's website – [www.pokarna.com](http://www.pokarna.com). The Annual Report on CSR activities, in terms of the requirements of the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed as Annexure-I and forms part of this Report. However, during the year under review, the provisions of Corporate Social Responsibility were not applicable to the Company pursuant to Section 135(1) of the Companies Act, 2013.

### Changes in Directors and Key Managerial Personnel

Your Company is managed and controlled by a Board comprising an optimum blend of Executive and Non-Executive Directors. As of 31st March 2024, the Board of Directors consists of eight (8) Directors, including the Chairman & Managing Director, Managing Director, Executive Director, and five (5) Non-Executive Directors, four (4) of whom are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the relevant provisions of the Companies Act, 2013.

#### Appointment

Based on the recommendations of the Nomination and Remuneration Committee, the Board, effective from 1st April, 2024, has appointed Mr. Prasanth Nandigala (DIN: 01740471), Mr. Agnihotra Dakshina Murty Chavali (DIN: 00374673), and Mrs. Paulomi Dhawan (DIN: 01574580) as Additional Directors (Non-Executive, Independent) of the Company for an initial term of 3 years. The members of the Company approved

the said appointments by way of a special resolution passed on 25th July 2024 through a postal ballot conducted by remote e-voting.

#### *Retirement by Rotation and Subsequent Re-appointment*

In accordance with the provisions of Section 152 of the Companies Act, 2013, and the Articles of Association of the Company, Mr. Rahul Jain (DIN:00576447), Managing Director of the Company, retires by rotation at this Annual General Meeting and, being eligible, has offered himself for re-appointment. Brief details of Mr. Rahul Jain (DIN:00576447), Managing Director are provided in the notice of the Annual General Meeting.

#### *Cessation*

Mr. Meka Yugandhar (DIN: 00012265), Mr. Vinayak Rao Juvvadi (DIN: 00229415) and Mr. Mahender Chand (DIN: 00008449) will cease to be Independent Directors of the Company upon the completion of their second term at the close of business hours on 31st March, 2024. The Board of Directors places on record their sincere appreciation for the contributions made by Mr. Meka Yugandhar, Mr. Vinayak Rao Juvvadi and Mr. Mahender Chand during their tenure on the Board of the Company.

#### *Changes in Key Managerial Personnel*

Ms. Disha Jindal resigned as Company Secretary of the Company with effect from 8th May, 2024, and Ms. Pratima Khandu Gulankar (Membership No: A66794) was appointed as Company Secretary with effect from 1st August, 2024.

Except as stated above, there were no other changes in the Directors and Key Managerial Personnel during the year under review since the last report. Detailed information on the directors is provided in the Corporate Governance Report, which forms part of this Annual Report.

#### *Declaration by Independent Directors*

The Company has received declarations from all independent directors, in accordance with section 149(7) of the Act and regulation 25 of the Listing Regulations, 2015. These declarations confirm that the directors meet the independence criteria outlined in section 149(6) of the Act, as well as regulations 16 and 25 of the Listing Regulations, 2015. Additionally, the independent directors have affirmed their compliance with section 150 of the Act and rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, which includes the inclusion of their names in the independent directors' databank maintained by the Indian Institute of Corporate Affairs.

The Board of Directors has reviewed and recorded these declarations and confirmations from the independent directors, following a thorough assessment in accordance with regulation 25 of the Listing Regulations, 2015. The Board believes that the independent directors meet all specified conditions under the Act and corresponding Rules, in addition to adhering to the code for independent directors as set out in Schedule IV to the Act.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees.

Mr. Gautam Chand Jain, Chairman & Managing Director, Mr. Rahul Jain, Managing Director, Mr. M. Vishwanatha Reddy, Chief Financial

Officer, and Ms. Pratima Khandu Gulankar, Company Secretary, are the Key Managerial Personnel (KMP) within the meaning of Section 2(51) read with Section 203(1) of the Act.

### Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an evaluation of its own performance, Committees, and performance of individual Directors. The performance of the Board, Committees, and individual directors was evaluated by seeking inputs from all Directors. The performance of the individual Directors, including Independent Directors, and the role of the Board/Committees were also discussed at the Board Meeting. Details regarding the formal annual evaluation process conducted by the Board, assessing its own performance as well as that of its committees, the chairman, and individual directors, are provided in the Corporate Governance Report, which is part of this Annual Report.

### Committees of The Board

In light of the recent appointments and the completion of directorship tenures, the Board has approved the reconstitution of various committees, effective from 1st April, 2024. Details regarding the composition, terms of reference, and meetings held during the financial year 2023-24 for each committee are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

### Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company can be accessed at <https://www.pokarna.com/investors/>.

### Risk Management Policy

Risk management is integral to our Company's strategy and the achievement of our long-term goals. The Risk Management Committee, appointed by the Board, is responsible for reviewing the Company's risk management process and ensuring that risks are managed within acceptable limits. The Company has established a Risk Management policy to mitigate both internal and external risks.

We have implemented Business Risk Assessment procedures that facilitate self-assessment of business risks, operating controls, and compliance with Corporate Policies. The Company actively manages, monitors, and reports on the principal risks and uncertainties that could impact our ability to achieve objectives. This ongoing process tracks the evaluation of risks and the implementation of mitigating action plans.

According to the Board, there are no risks that threaten the existence of the Company. However, certain risks that may pose challenges are detailed in the Management Discussion and Analysis section of this Annual Report.

### Related Party Transactions

All related party transactions (RPTs) conducted by the Company during the year under review were on an arm's length basis and in the

ordinary course of business. These transactions did not trigger the provisions of Section 188 of the Act and were not considered material RPTs under Regulation 23 of the SEBI Listing Regulations. All RPTs for FY2024 received approval from the audit committee. Details of these transactions were submitted to the audit committee on a quarterly basis for review and noting. Additionally, related party transaction disclosures are filed with the stock exchanges on a half-yearly basis.

There were no material transactions with related parties during the period under review that could have led to a potential conflict of interest for the Company. The policy on Related Party Transactions, approved by the Board of Directors, is available on the Company's website - [www.pokarna.com](http://www.pokarna.com). For further details, please refer to Note No. 33 of the Standalone Financial Statements.

### Internal Financial Controls

The Company has established a robust and comprehensive internal control system to safeguard its assets against unauthorized use, disposition, or loss. This system ensures that all transactions are duly approved, accurately recorded, and correctly reported. It is designed to maintain accurate financial and other records for the preparation of financial information and to uphold accountability for assets and liabilities. The control system is further reinforced by rigorous internal audits, guidelines, and procedures.

The Company's internal financial control system includes an in-house Internal Audit Division, supplemented by internal audit checks from M. Murali Jaganmohan, Chartered Accountant, the Internal Auditor. The internal audit system encompasses quarterly inventory verification, monthly account reviews, and quarterly evaluations of critical business processes. Additionally, the Internal Auditors conduct concurrent audits of the majority of high-value transactions.

Based on the information provided, the Directors have not identified any material breakdown in the functioning of these controls, procedures, or systems during the year under review. There have been no significant changes in the Company's internal financial controls during the year that have materially affected or are reasonably likely to materially affect these controls.

It is important to note that there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the potential for human error and the possibility of circumvention or overriding of the controls and procedures. Therefore, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their objectives. Furthermore, in designing and evaluating the Company's disclosure controls and procedures, management has applied its judgment in assessing the cost-benefit relationship of possible controls and procedures.

### Statutory Auditors

The Members at the 31st Annual General Meeting of the Company appointed M/s. Daga & Co, Chartered Accountant, as the Statutory Auditor of the Company for a term of five (5) consecutive years, from the conclusion of the 31st Annual General Meeting till the conclusion of the 36th Annual General Meeting.

## Cost Auditors

Pursuant to the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended, notifications/circulars issued by the Ministry of Corporate Affairs from time to time, the Company is not falling under the limits of cost audit requirements. However, the Company maintains the cost records as per the provisions of the Companies Act, 2013.

## Secretarial Auditors

During the year, Secretarial Audit was carried out by K V C Reddy & Associates, Company secretaries, (Formerly Mr. K.V. Chalama Reddy, Practicing Company Secretary) the Secretarial Auditor of the Company for the financial year 2023-24. The detailed report on the Secretarial Audit is appended as Annexure II to this Report. The Secretarial Audit Report does not contain any qualifications, reservations, observations, or adverse remarks.

## Statutory Auditors' Qualifications, Reservations, or Adverse Remarks or Disclaimers Made

The Auditor's Report does not contain any qualifications, reservations, or adverse remarks.

## Disclosures

### Vigil Mechanism / Whistleblower Policy

Your Company has established a robust Vigil Mechanism for reporting concerns through the Whistleblower Policy of the Company. Adequate safeguards are provided against victimization to those who avail of the mechanism, and access to the Chairman of the Audit Committee in exceptional cases is provided to them. Details of the Vigil Mechanism are also provided in the Corporate Governance Report, and the Whistleblower Policy has been uploaded on the Company's website – [www.pokarna.com](http://www.pokarna.com).

## Meetings of the Board

The Board of Directors of your Company met six (6) times during the year to deliberate on various matters. The meetings were held on 25th May 2023, 9th August 2023, 8th November 2023, 6th February 2024, 17th February 2024, and 23rd March 2024. Further details on the Board of Directors are provided in the Corporate Governance Report forming part of this Annual Report.

## Particulars of Loans, Guarantees, and Investments

During the period under review, the Company has neither provided any loans nor made investments under the provisions of Section 186 of the Companies Act, 2013.

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings, and Outgo

Information relating to the conservation of energy, technology absorption, and foreign exchange earnings and outgo, as stipulated under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014, is given in Annexure-III to this Report.

## Annual Return

The Annual Return of the Company as on 31st March 2024 in Form MGT-7, in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the Company's website – [www.pokarna.com](http://www.pokarna.com).

## Material Changes and Commitments Affecting the Financial Position of the Company

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

## Significant and Material Orders

During the financial year 2023-24, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's operations in the future. No material changes and commitments which could affect the Company's financial position have occurred between the end of the Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, and Listing Regulations, the Board has carried out an evaluation of its own performance, Committees, and the performance of individual Directors. Inputs were sought from all Directors, and the performance of individual Directors, including Independent Directors, and the roles of the Board/Committees were discussed at the Board Meeting.

## Particulars of Employees

The disclosure required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in Annexure IV to this Report.

## Prevention of Sexual Harassment at Workplace

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has formulated and implemented a policy for the prevention of sexual harassment at the workplace, which includes a mechanism for lodging complaints. During the year under review, no complaints were reported to the Committee.

## Investor Education and Protection Fund (IEPF)

Information regarding the transfer of unclaimed dividend amounts and shares to the Investor Education and Protection Fund (IEPF) is included in the General Shareholder Information section of this Annual Report. Ms. Pratima Khandu Gulankar, the Company Secretary, also serves as the Nodal Officer for the Company. This appointment is in accordance with rule 7(2A) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer, and Refund) Rules, 2016. Further details can be found on the Company's website - [www.pokarna.com](http://www.pokarna.com).

## Compliance with Secretarial Standards

During the financial year 2023-24, your Company has adhered to the relevant provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India pertaining to Board Meetings and General Meetings.

## Reporting of Frauds

There were no instances of fraud reported during the year under review that required the Statutory Auditors to report under Section 143(12) of the Act and the rules made thereunder.

## Share Capital

The Company's paid-up Equity Share Capital stands at ₹ 620.08 Lakhs as of 31st March 2024. During the year, the Company has not issued any shares or shares with differential voting rights or convertible securities. Additionally, the Company does not have any scheme for the issuance of shares, including sweat equity, to the employees or Directors of the Company.

## Nature of Business

There has been no change in the nature of the Company's business. However, it is important to note that the Board has approved the closure of the Apparel Division of the Company, effective from the close of business hours on 31st March 2024.

## Deposits

During the year under review, the Company has not accepted or renewed any amount falling within the purview of the provisions of Section 73 of the Companies Act, 2013 (the Act) read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement for furnishing details of deposits that are not in compliance with Chapter V of the Act is not applicable.

## Disclosure under Rule 8(5) of Companies (Accounts) Rules, 2014

No application has been made under the Insolvency and Bankruptcy Code; therefore, there is no requirement to disclose details of any applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year, nor their status at the end of the financial year. Additionally, there is no requirement to disclose details of any differences between the valuation amount at the time of a one-time settlement and the valuation done when obtaining a loan from Banks or Financial Institutions, along with the reasons for such differences.

## Presentation of Financial Statements

The financial statements for the year ending 31 March 2024 have been presented in accordance with Division II of Schedule III to the Act.

## Indian Accounting Standards, 2015

The attached financial statements are in full compliance with Indian Accounting Standards (Ind AS) as notified under section 133 of the

Act, the Companies (Indian Accounting Standards) Rules, 2015, and other relevant provisions of the Act.

## Other Disclosures

- Mr. Gautam Chand Jain, Chairman & Managing Director has not been drawing any remuneration from the Company. Details of his remuneration from subsidiary company are provided in the Corporate Governance Report, which forms an integral part of this Annual Report.
- The Company's equity shares were not suspended from trading during the year under review due to corporate actions or any other reasons.
- There were no revisions to the financial statements and Directors' Report during the year under review.
- Specific details required under section 134 of the Act and the Rules made thereunder, applicable to the Company, have been provided in this Report where applicable.
- There were no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016

## Human Resources

The Company views its human resources as vital to achieving its objectives. Therefore, the Company places great emphasis on attracting and retaining high-quality employees. By empowering its workforce, the Company fosters a work environment that encourages employees to reach higher performance levels. The steadfast dedication of the employees is integral to driving the Company's vision forward. The Company deeply values and appreciates the commitment and enthusiasm of its employees.

## Green Initiative in Corporate Governance

The Ministry of Corporate Affairs (MCA) has launched a green initiative in corporate governance by promoting paperless compliance and permitting the electronic delivery of annual reports and documents to shareholders, subject to certain conditions. The Company continues to send the annual report and other communications via electronic mode to members with registered email addresses. For those who have not registered their email addresses, physical copies are sent through the permitted mode. We encourage shareholders to opt for receiving their annual reports electronically, as this contributes to cost savings and reduces the use of natural resources.

## Appreciation

The Directors wish to express their deep appreciation to employees at all levels for their hard work, dedication, and commitment. Our employees have been crucial in successfully navigating the challenges faced this year. The Board also extends its gratitude to customers, shareholders, suppliers, vendors, bankers, business associates, and regulatory and government authorities for their continued support.

**Gautam Chand Jain**

Date: 13th August, 2024

Chairman & Managing Director

Place: Secunderabad

(DIN:00004775)

# Annexure - I

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

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

Our philosophy has always been that we are an integral part of the society within which we do business. This belief and idea has played a significant role in shaping our vision towards the communities we co-exist with. Healthcare & sanitation, Education and Environment are our thrust areas for undertaking CSR projects.

### 2. Composition of CSR Committee:

The CSR committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The CSR committee comprises Four independent directors, the Managing Director and the Executive Director as at the end of financial year 2024.

Sl no.	Name of Director	Designation/Nature of directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Meka Yugandhar	Independent Director, Chairman of CSR Committee	1	1
2	Gautam Chand Jain	Managing Director, Member of the CSR Committee	1	1
3	Vinayak Rao Juvvadi	Independent Director, Member of CSR Committee	1	1
4	Dr. Jayshree Rajesh Sanghani	Independent Director, Member of CSR Committee	1	1
5	Mrs. Apurva Jain	Executive Director, Member of CSR Committee	1	1

### 3. Web links where composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

- The composition of the CSR committee is available on our website, at [https://www.pokarna.com/wp-content/uploads/2021/07/Composition\\_of\\_Board\\_committees.pdf](https://www.pokarna.com/wp-content/uploads/2021/07/Composition_of_Board_committees.pdf)
- The Committee, with the approval of the Board, has adopted the CSR Policy as required under Section 135 of the Companies Act, 2013. The CSR Policy of the Company is available on our website, at [https://www.pokarna.com/wp-content/uploads/2021/07/CSR\\_Policy.pdf](https://www.pokarna.com/wp-content/uploads/2021/07/CSR_Policy.pdf)
- As mentioned in the Board Report, the provisions of CSR is not applicable to the company, so the company has not uploaded CSR annual action plan on the website.

### 4. 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 for the financial year under review.

### 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: Nil

### 6. Average net profit of the Company for last three financial years: Nil

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

## 8. (a) CSR amount spent or unspent for the financial year: Not Applicable

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

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

Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District.						CSR Name	CSR Registration number.

## 8. (c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount Spent for the Project (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation Through Implementing Agency		CSR Name	CSR Registration number.
				State.	District.			Name	CSR Registration number.		
						Nil					

(d) Amount spent in Administrative Overheads: Nil  
 (e) Amount spent on Impact Assessment, if applicable: Nil  
 (f) Total amount spent for the financial year (8b+8c+8d+8e): Nil  
 (g) Excess amount for set off, if any:

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

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in J)	Amount spent in the reporting Financial Year (in J).	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 J)
				Name of the Fund	Amount (in J)	Date of transfer.	
			Not Applicable				
	<b>TOTAL</b>						

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

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Location of the project.	Total amount allocated for the project (in J).	Amount spent on the project in the reporting Financial Year (in J)	Cumulative amount spent at the end of reporting Financial Year. (in J)	Status of the project – Completed / Ongoing.
					Nil			
	<b>TOTAL</b>							

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

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable.
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc Not Applicable.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable.

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 **Pokarna Limited**

Date: 13th August, 2024  
Place: Secunderabad

Sd/-	Sd/-
<b>Gautam Chand Jain</b>	<b>Apurva Jain</b>
Chairman of CSR Committee	Executive Director
DIN: 00004775	DIN: 06933924

# Annexure - II

## FORM NO. MR -3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

**Pokarna Limited**

Hyderabad.

1. I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Pokarna Limited** (herein after called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on 31st March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 ("Audit Period") according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there-under;
  - ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there-under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
  - iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amended Regulations 2018;
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 : **Not applicable during the audit period.**
    - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 : **Not applicable during the audit period.**
    - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2019 : Not applicable during the audit period.
    - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 ; regarding the Companies Act and dealing with client;
    - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not applicable during the audit period.**
    - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable during the audit period.**
    - i. Securities and Exchange Board of India (Issue and Listing of Non-Convertible and redeemable Preference Shares) Regulations, 2013 : **Not applicable during the period under review** and
    - j. The Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015.

vi. The Company is into business of mining of granite, processing and sale of granite slabs and manufacture and sale of readymade garments / apparels. Accordingly, the following Major Industry Specific Acts and Rules are applicable to the Company, in the view of the Management:

- a. The Mines Act, 1952 and Rules made there under;
- b. The Mines & Minerals (Development & Regulation) Act, 1957;
- c. The Granite Conservation and Development Rules, 1999;
- d. The Andhra Pradesh Minor Mineral Concession Rules, 1966; and
- e. The Explosive Act 1884 and Explosive Rules 2008.

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

- a. The Listing Agreement entered into by the Company with stock exchange (BSE & NSE).
- b. Secretarial Standards issued by The Institute of Company Secretaries of India in respect of Board and General meetings of the Company,

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

4. I, further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and independent directors . The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.
- b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through andthere were no instances of dissenting members in the Board of Directors.
- 5. I further report that there exist adequate systems and processes in the Company that commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 6. I further report that the above mentioned Company being a listed entity and this report is also issued pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and circular No. CIR/CFD/CMD1/27/ 2019 dated 8th February, 2019 issued by Securities and Exchange Board of India.
- 7. I further report that as per the information and explanation provided by the Management, the Company has Material Unlisted Subsidiary namely POKARNA ENGINEERED STONE LIMITED incorporated in India pursuant to Regulation 16(c) and 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under review.
- 8. I, further report that during the audit period, there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, regulations, guidelines, standards, etc. referred above

For **K V C REDDY & ASSOCIATES**  
Company secretaries

**K.V. Chalama Reddy**  
(Proprietor)

Practicing Company Secretary  
F.C.S : 9268, C.P. No. 5451

PR No.: 2301/2022

UDIN number: F009268F000944796

Place: Hyderabad  
Date : 13/08/2024

## Annexure 'A'

To,

The Members  
**Pokarna Limited**  
Hyderabad

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

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

For **K V C REDDY & ASSOCIATES**  
Company secretaries

**K.V. Chalama Reddy**  
(Proprietor)  
Practicing Company Secretary  
F.C.S : 9268, C.P. No. 5451  
PR No.: 2301/2022  
UDIN number: F009268F000944796

Place: Hyderabad  
Date : 13/08/2024

## FORM NO. MR -3

## SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARY

(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To

The Members,  
Pokarna Engineered Stone Limited  
Hyderabad

I have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **M/s. Pokarna Engineered Stone Limited ( U17219TG2001PLC036015)** (hereinafter called as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the books, papers, minutes books, forms, returns filed and other records maintained by the Company and also the information and according to the examinations carried out by me and explanations furnished and representations made to me by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the Audit Period covering the Financial Year ended on 31st March, 2024 complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2024 ("Audit Period") according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Depositories Act, 1996 and regulations made thereunder: not applicable during the audit period.
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings : **Not Applicable during the audit period.**
4. The Securities Contracts (Regulation) Act, 1956 and rules made thereunder: not applicable, being an unlisted Company
5. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): not applicable, being an unlisted Company.
6. Secretarial Standards issued by The Institute of Company Secretaries of India in respect of Board and General meetings of the Company
7. The Company is into business of manufacture and sale of Natural Quartz Surfaces, in the view of the management, the following industry specific act and rule are applicable to the company, in the view of the management:
  - a. Special Economic Zone Act, 2005 and Special Economic Zone Rules, 2006. (to the extent applicable).

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

I further report that:

a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and independent directors. There were no changes made in the composition of the Board of Directors during the year under review

b. Adequate Notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 7 days in advance. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.

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

I further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For **K V C REDDY & ASSOCIATES**  
Company secretaries

**K.V. Chalama Reddy**  
(Proprietor)

Practicing Company Secretary

F.C.S : 9268, C.P. No. 5451

PR No.: 2301/2022

UDIN number: F009268F000945390

Place: Hyderabad

Date : 13/08/2024

This report is to be read with my letter of even date which is given as Annexure 'A' and forms an integral part of this report.

**Annexure' A'**

To,

The Members  
**Pokarna Engineered Stone Limited**  
Hyderabad

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

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

For **K V C REDDY & ASSOCIATES**  
Company secretaries

**K.V. Chalama Reddy**  
(Proprietor)  
Practicing Company Secretary  
F.C.S : 9268, C.P. No. 5451  
PR No.: 2301/2022  
UDIN number: F009268F000945390

Place: Hyderabad

Date : 13/08/2024

## Annexure - III

### Conservation of Energy and Technology Consumption Foreign Exchange Earnings and Outgo.

#### A. Conservation of Energy:

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this initiative. The energy conservation efforts in the Company are being pursued on a continuous basis. Close monitoring of energy conservation is maintained to minimize wastage and facilitate optimum utilization of energy. Regular maintenance and repairs of all the equipment's and machineries are carried out to ensure optimum efficiency. The other energy conservation measures taken are:

- plants are equipped with high energy efficiency motors and variable frequency drives.
- continuous monitoring of power factor.
- training and awareness programmes for employees were conducted for reducing energy waste.

#### Steps taken by the company for utilizing alternate sources of energy:

- Use of roof mounted self-driven ventilator in plant thereby enabling substantial saving in electrical energy. Roof mounted self-driven ventilators work on wind assisted ventilation.
- Use of sky lights in the plants to reduce need for lighting during daytime.

#### Capital investment on energy conservation equipment's:

During the current financial year, the Company has not incurred any capital expenditure on the energy conservation equipment.

#### B. Technology absorption:

Our Technical team visits international markets to understand and explore the possibility of using such latest technology in production and processing of our products. Benefits derived as a result of the above efforts are in the areas of process simplification, cost reduction and quality improvement.

The Company has not imported any technology during the last three years. Hence, the particulars with respect to efforts made towards technology absorption and benefits derived etc. are not applicable to the Company.

The Company during the year under review has not carried out any activity which can be construed as Research & Development and as of now there is no specific plan for engaging into such activities. As such, there is no expenditure to report.

#### Foreign Exchange Earnings and Outgo

During the year under review, the total standalone foreign exchange earnings was ₹ 1993.92 Lakhs and expenditure was ₹ 41.74 Lakhs.

By the order of the board  
For **Pokarna Limited**

Date : 13th August,2024  
Place: Secunderabad.

Sd/-  
**Gautam Chand Jain**  
Chairman & Managing Director  
DIN:00004775

## Annexure - IV

### Details Pertaining to Remuneration as Required Under Section 197(12) of The Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24, are as under:

S. No	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2023-24 (in Lakhs)	% Increase in Remuneration in the Financial Year 2023-24	Ratio of remuneration of each Director/ to median remuneration of employees
a)	Gautam Chand Jain Chairman & Managing Director	-	Nil	-
b)	Rahul Jain Managing Director	120.00	Nil	45.45
c)	Apurva Jain Executive Director	24.00	Nil	9.09
d)	Prakash Chand Jain Director	-	Nil	-
e)	Meka Yugandhar Director	-	Nil	-
f)	Vinayak Rao Juvvadi Director	-	Nil	-
g)	Mahender Chand Director	-	Nil	-
h)	Viswantha Reddy Chief Financial Officer	69.15	Nil	26.19
i)	**Company Secretary	6.46	Nil	2.45

\*\* Ms.Disha Jindal was appointed as Company Secretary w.e.f. 02.05.2023.

Note: Independent Directors were paid sitting fees for attending the sittings.

(ii) The median remuneration of employees of the Company during the financial year was ₹ 2.64 Lakhs.

(iii) In the financial year, there was an increase of 76 % in the median remuneration of employees.

(iv) There were 198 permanent employees on the rolls of Company as on 31st March 2024.

(v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

(vi) The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary of the Company at [companysecretary@pokarna.com](mailto:companysecretary@pokarna.com).

By the order of the board  
For Pokarna Limited

Sd/-

**Gautam Chand Jain**

Date : 13th August,2024

Place: Secunderabad.

Chairman & Managing Director

DIN:00004775

# Business Responsibility and Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of listed entity

1. Corporate Identity Number (CIN) of the Company	L14102TG1991PLC013299	
2. Name of the Company	Pokarna Limited	
3. Year of Incorporation	09/10/1991	
4. Registered Office Address	1ST FLOOR, 105, SURYA TOWERS, SECUNDERABAD. A.P TG	
5. Corporate Address	500003 IN	
6. Email Address	<a href="mailto:companysecretary@pokarna.com">companysecretary@pokarna.com</a>	
7. Telephone	+91 04027897722	
8. Website	<a href="http://www.pokarna.com">www.pokarna.com</a>	
9. Financial Year Reported	2023-24	
10. Name of the Stock Exchanges where shares are listed	1. Bombay Stock Exchange (BSE) 2. National Stock Exchange (NSE)	
11. Paid-up Capital	6,20,08,000	
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name: Gautam Chand Jain Position: Chairman and Managing Director Email id: <a href="mailto:companysecretary@pokarna.com">companysecretary@pokarna.com</a> Telephone Number: +91 4027897722	
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis	
14. Name of assurance provider	Not Applicable (NA)	
15. Type of assurance obtained		

### II. Products/Services

#### 16. Details of business activities (accounting for 90% of the turnover)

Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1	Granite Mining and Processing, blocks and Processing and sale	Mining and sale of granite of granite slabs	100%

#### 17. Products/Services sold by the Company (accounting for 90% of the turnover)

Sl. No.	Product/Service	NIC Code	% of total turnover contributed
1	Processing and sale of granite slabs	23960	73%
2	Mining and sale of granite blocks	08102	27%

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the Company are situated.

Location	Number of plants	Number of offices	Total
National	2	1	3
International	0	0	0

#### 19. Markets served by the Company

##### a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	6

b. What is the contribution of exports as a percentage of the total turnover of the Company?

The contribution of exports as a percentage of the total turnover of the Company is 53%.

c. Types of customers

The Company, in its pursuit of excellence, engages directly with international clientele for the export of its products. Within the domestic sphere, The Company ensures its products reach the end users, thereby maintaining a direct supply chain. Operating under both B2B and B2C models, The Company exemplifies versatility and adaptability in its business operations.

#### IV. Employees

##### 20. Details as at the end of Financial Year

a. Employees and workers (including differently abled).

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	119	116	97.48%	3	2.52%
2.	Other than Permanent (E)	0	0	0	0	0
<b>3.</b>	<b>Total employees (D+E)</b>	<b>119</b>	<b>116</b>	<b>97.48%</b>	<b>3</b>	<b>2.52%</b>
<b>WORKERS</b>						
4.	Permanent (F)	79	77	97.47%	2	2.53%
5.	Other than Permanent (G)	51	36	70.59%	15	29.41%
<b>6.</b>	<b>Total workers (F+G)</b>	<b>130</b>	<b>113</b>	<b>86.92%</b>	<b>17</b>	<b>13.08%</b>

b. Differently abled Employees and workers.

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
<b>3.</b>	<b>Total differently abled employees (D+E)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
<b>6.</b>	<b>Total differently abled workers (F+G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

21. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	2	25%
Key Management Personnel	2	1	50%

22. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

	FY 2024			FY 2023			FY 2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	32%	25%	32%	15%	60%	17%	11%	0	11%
Permanent Workers	21%	94%	39%	15%	18%	16%	4%	10%	6%

Note: This includes employees/workmen who have retired during the year.

#### V. Holding, Subsidiary and Associate Companies (including joint ventures)

##### 23. Name of holding/subsidiary/associate companies/joint ventures

Sl. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)	Indicate whether Holding/ Subsidiary/Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1	Pokarna Engineered Stone Limited	Subsidiary	100%	No
2	Pokarna Foundation	Subsidiary	50%	No

## VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013. No  
 (ii) Turnover (in ₹ Lacs). ₹3796.57 Lacs  
 (iii) Net worth (in ₹ Lacs). ₹11941.66 Lacs

## VII. Transparency and Disclosure Compliances

25. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024 Current Financial Year			FY 2023 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. The Company has strategically positioned its Development Executives at diverse plant locations, ensuring a seamless integration of operations across all sites.	0	0	-	0	0	-
Investors (other than shareholders)	Yes. The Company maintains a dedicated email address, <a href="mailto:companysecretary@pokarna.com">companysecretary@pokarna.com</a> , as a direct line of communication for investors. This platform serves as a conduit for investors to voice their grievances or pose queries, ensuring their concerns are promptly addressed.	0	0	-	0	0	-
Shareholders	Yes. The Company provides a dedicated email address, <a href="mailto:companysecretary@pokarna.com">companysecretary@pokarna.com</a> , as a channel for investors to express their grievances or inquiries. This ensures that all investor concerns are addressed promptly and professionally.	0	0	-	0	0	-
Employees and workers	Yes. The Company provides a dedicated email address, <a href="mailto:hadmin@pokarna.com">hadmin@pokarna.com</a> , as a channel for employees to express their grievances or inquiries. In addition, employees have the option to directly communicate with their respective HR managers, ensuring a comprehensive and responsive HR support system.	0	0	-	0	0	-
Customers	Yes, <a href="https://www.pokarna.com/enquiry/">https://www.pokarna.com/enquiry/</a>	0	0	-	0	0	-
Value Chain Partners	Yes, <a href="https://www.pokarna.com/enquiry/">https://www.pokarna.com/enquiry/</a>	0	0	-	0	0	-

26. Overview of the Company's material responsible business conduct and sustainability issues pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same approach to adapt or mitigate the risk along with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Raw Material Sourcing (Rough Granite Blocks)	Opportunity	Sourcing rough granite blocks presents a significant opportunity for the company. By securing a reliable supply of high-quality granite, the company can ensure consistent production and potentially gain a competitive edge in the market. Effective sourcing strategies can lead to cost savings, improved product quality, and the ability to meet diverse customer demands.	NA	Positive
2	Raw Material Processing	Opportunity	The processing of raw materials offers considerable opportunities for optimization and innovation. By investing in advanced processing technologies and techniques, the company can improve efficiency, reduce waste, and enhance the quality of its finished products. This can lead to cost savings, increased productivity, and the ability to create more value-added products. Furthermore, efficient processing can minimize environmental impact, aligning with sustainability goals and potentially opening up new market segments.	NA	Positive
3	Water Management	Risk	Water management poses a significant risk in granite processing operations. The industry typically requires substantial amounts of water for cutting, polishing, and cleaning processes. Poor water management can lead to excessive consumption, increased operational costs, and potential regulatory non-compliance.	The Company demonstrates a robust commitment to water conservation, implementing key initiatives to reduce water intake across all operations. Efficient wastewater treatment systems are installed at every manufacturing location, reflecting the Company's dedication to environmental sustainability. The treated wastewater is repurposed for various operational needs, further exemplifying the Company's resourceful and responsible approach to water usage.	Positive
4	Governance	Opportunity	Strong governance represents a valuable opportunity for the company. By implementing robust governance structures and practices, the company can enhance its operational efficiency, risk management, and decision-making processes. Good governance can lead to improved transparency and accountability, which can boost investor confidence and potentially attract more capital.	NA	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Weblink of the policies, if available	1. Whistle Blower Policy 2. Sexual harassment policy 3. Code of fair disclosure of UPSI 4. CSR Policy 5. NRC Policy 6. RPT Policy 7. Policy for determining Material Events 8. IFC - Policy 9. Policy on Preservation of Documents 10. Archival Policy. 11. Risk Management Policy 12. Material Subsidiary Policy 13. Business Responsibility Policy 14. Terms and Conditions of Appointment of Independent Director 15. Dividend Distribution Policy								
Web-link of the policies: <a href="https://www.pokarna.com/policies/">https://www.pokarna.com/policies/</a>									
2. Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to the Company's value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusteia) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.	Nil								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any.	The Company is in the process of reviewing specific goals and targets.								
6. Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.	Performance of each of the principles is reviewed periodically by different teams and committees led by the Senior Management.								
<b>Governance, leadership and oversight</b>									
7. Statement by Director, responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	In today's business landscape, the measure of success extends beyond financial metrics to include the integration of Environmental, Social, and Governance (ESG) principles. The sustainability and performance of a business are intrinsically linked to the prosperity of our society. Pokarna Limited is steadfast in its commitment to fostering a truly sustainable and socially responsible business. The Company is actively addressing a range of social and environmental challenges, with a focus on environmental issues, waste recycling, health and safety, and ethics and governance. Furthermore, The Company is dedicated to supporting and promoting community development and environmental protection, reflecting its holistic approach to corporate responsibility.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Name: Gautam Chand Jain Position: Chairman and Managing Director Email id: <a href="mailto:companysecretary@pokarna.com">companysecretary@pokarna.com</a> Telephone Number: +91 4027897722								
9. Does the Company have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	No. The company does not have a specific committee that holds responsibility for making decisions on sustainability-related issues. However, the Board of Directors of the company is responsible for managing the sustainability issues of the organization.								

10. Details of review of NGRBCs by the Company:

11. Has the entity carried out independent assessment /evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
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No

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

### Section C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicator

- Percentage coverage by training and awareness programmes on any of the principles during the financial year.

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Business Operations, Finance and Risk Management Framework	100%
Key Managerial Personnel	1	Internal Control and Compliance	100%
Employees other than Board of Directors and KMPs	1	Safety, Code of business conduct, whistle blower, PoSH policies	46%
Workers	2	Safety measures to be taken under Mining	45%

- Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/ KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	N.A.	N.A.	N.A.	N.A.
Settlement	Nil	N.A.	N.A.	N.A.	N.A.
Compounding fee	Nil	N.A.	N.A.	N.A.	N.A.

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	Nil	N.A.	N.A.	N.A.	N.A.
Punishment	Nil	N.A.	N.A.	N.A.	N.A.

- Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

- Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, The Company is committed to conducting all business operations with the utmost ethical integrity and honesty. It upholds a zero-tolerance policy towards bribery and corruption, thereby exemplifying its dedication to professionalism, fairness, and integrity in all business transactions and relationships.

The link for the policy: <https://www.pokarna.com/wp-content/uploads/2023/07/Pokarna-Anti-Corruption-Policy.pdf>

- Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 2024	FY 2023
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

## 6. Details of complaints with regard to conflict of interest

	FY 2024		FY 2023	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

## 7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest.

Not Applicable

## 8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format-

	FY 2024 (Current Financial Year)	FY 2025 (Previous Financial Year)
Number of days of accounts payables	184	197

## 9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances &amp; investments, with related parties, in the following format-

Parameter	Metrics	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	0	0
	b. Number of dealers / distributors to whom sales are made	0	0
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	0	0
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0	0.01
	b. Sales (Sales to related parties / Total Sales)	0.01	0.01
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments ( Investments in related parties / Total Investments made)	1	1

## Leadership Indicators-

## 1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year-

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil		

## 2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

The Company maintains a Code of Conduct. These measures are designed to ensure that Senior Management and Directors abstain from any significant business relationships or activities that could potentially conflict with their obligations to the Company.

It is expected that the Directors and Senior Management of the Company will uphold the highest standards of ethical conduct and demonstrate integrity in their professional judgement and actions. This commitment to ethical conduct is a cornerstone of the Company's operations and is essential to its continued success

The link for the policy: <https://www.pokarna.com/code-of-conduct/>

## Principle 2: Business should provide goods and services in a manner that is sustainable and safe

### Essential Indicator:

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

Segment	FY 2024	FY 2023	Details of improvements in environmental and social impacts
R & D			Nil
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, The Company remains acutely aware of the environmental implications of its sourcing practices and is committed to working collaboratively with vendors and suppliers to mitigate these effects. It is recognised that the majority of significant raw material vendors and suppliers operate on a long-term basis, providing a stable supply chain.

In terms of raw materials, the Company procures granite directly from its own captive mines. This mining operation is not merely an ancillary activity but forms an integral part of the Company's manufacturing process, underscoring its commitment to self-sufficiency and quality control.

b. If yes, what percentage of inputs were sourced sustainably?

80%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) Plastics (including packaging)	The Company utilises plastic material exclusively for the purpose of product packaging in export operations, resulting in an absence of material available for recycling.
(b) E-waste	Currently, the Company doesn't have any e-waste.
(c) Hazardous waste	Not Applicable
(d) other waste.	The Company employs non-hazardous dry slurry in its land refillment operations. This use of environmentally benign material underscores the Company's commitment to ecological preservation while ensuring effective management of land refillments.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

### Leadership Indicators –

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Not applicable to the product as the product is natural and universal which is extracted through Mining.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not applicable to the product as the product is natural and universal which is extracted through Mining.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024	FY 2023
Nil	Nil	Nil

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024			FY 2023		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste (Dry Slurry (Non-Hazardous) used for land refillments)		11.98	-		11.95	-

Note: The Company utilizes its dry slurry for the purpose of land refillment.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category Reclaimed products and their packaging materials as % of total products sold in respective category

Nil

**Principle 3: Business should respect and promote the wellbeing of all employees, including those in their value chains**

**Essential indicators:**

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by							
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)
<b>Permanent employees</b>									
Male	116	116	100%	116	100%	0	0%	0	0%
Female	3	3	100%	3	100%	0	0%	0	0%
<b>Total</b>	<b>119</b>	<b>119</b>	<b>100%</b>	<b>119</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent employees</b>									
Male									
Female									
<b>Total</b>									

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by							
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)
<b>Permanent Workers</b>									
Male	77	77	100%	77	100%	0	0%	0	0%
Female	2	2	100%	2	100%	0	0%	0	0%
<b>Total</b>	<b>79</b>	<b>79</b>	<b>100%</b>	<b>79</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Other than Permanent Workers</b>									
Male	36	36	100%	36	100%	0	0%	0	0%
Female	15	15	100%	15	100%	0	0%	0	0%
<b>Total</b>	<b>51</b>	<b>51</b>	<b>100%</b>	<b>51</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024	FY 2023
	Current Financial Year	Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	1.46%	1.49%

## 2. Details of retirement benefits, for Current and Previous Financial Year.

Benefits	FY 2024			FY 2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
Others (Leave Encashment)	22.69%	100%	Y	42.58%	100%	Y

## 3. Accessibility of workplaces

Are the premises/offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

No. The Company's facility offers partial accessibility for differently-abled individuals. Recognising the importance of an inclusive workplace, the Company is steadfast in its commitment to enhancing accessibility for all employees and workers. To realise this objective, the Company will undertake measures, including the modernisation of its older facilities, to eliminate obstacles and enhance access for individuals with different abilities.

## 4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

At present, the Company does not have any differently-abled employees on its workforce. However, the Company remains committed to promoting equal opportunities and ensuring full participation in the workplace for all employees and workers. This commitment underscores the Company's dedication to fostering an inclusive and diverse work environment.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	NA
Female	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

## Yes/No (If yes, then give details of the mechanism in brief)

Permanent workers	Yes, the Company has instituted a robust mechanism to receive and address grievances across all employee categories. This mechanism encompasses the maintenance of an issue register, a platform where employees can lodge their grievances. The issue register facilitates systematic documentation, tracking, and resolution of employee concerns in an efficient and timely manner. This process ensures transparency and accountability throughout the grievance resolution process, reflecting the Company's commitment to its employees.
Other than permanent workers	
Permanent employees	
Other than permanent employees	

## 7. Membership of employees and workers in association(s) or Unions recognised by the listed entity.

Category	FY 2024			FY 2023		
	Total employees/ workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>						
- Male						
- Female						
<b>Total Permanent Workers</b>						
- Male						
- Female						
			Nil			

## 8. Details of training given to employees and workers:

Category	FY 2024					FY 2023				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	116	116	100%	0	0	171	171	100%	0	0
Female	3	3	100%	0	0	4	4	100%	0	0
<b>Total</b>	<b>119</b>	<b>119</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>175</b>	<b>175</b>	<b>100%</b>	<b>0</b>	<b>0</b>
<b>Workers</b>										
Male	77	77	100%	0	0	98	98	100%	0	0
Female	2	2	100%	0	0	31	31	100%	0	0
<b>Total</b>	<b>79</b>	<b>79</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>129</b>	<b>129</b>	<b>100%</b>	<b>0</b>	<b>0</b>

\* The Company offers on-the-job training, ensuring continuous skill enhancement as necessitated by job requirements. However, The Company does not maintain specific data related to this process.

## 9. Details of performance and career development reviews of employees and workers:

Category	FY 2024			FY 2023		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	116	51	44%	171	118	69%
Female	3	1	33%	4	3	75%
<b>Total</b>	<b>119</b>	<b>52</b>	<b>44%</b>	<b>175</b>	<b>121</b>	<b>69%</b>
<b>Workers</b>						
Male	113	87	77%	98	94	96%
Female	17	1	6%	31	31	100%
<b>Total</b>	<b>130</b>	<b>88</b>	<b>68%</b>	<b>129</b>	<b>125</b>	<b>96%</b>

Note:-Periodic half yearly VDA correction has been implemented

## 10. Health and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes - Employees and Workers are trained while on job on safety aspects by the Supervisors and Work Location Section In charges

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

In order to identify and quantify the risks associated with work-related hazards, the Company has undertaken a comprehensive Hazard Identification and Risk Assessment (HIRA) study. Based on the severity of the identified hazards, the Company implements risk mitigation strategies. These strategies encompass a range of controls, including engineering, administrative measures, and the use of Personal Protective Equipment (PPE).

Work Location Supervisors and those in charge continuously identify work-related hazards and assess risks on a routine basis. They also provide guidance to other employees and workers on risk management and safety.

c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

Yes. The Company boasts a robust reporting system, ensuring a transparent and responsive approach to managing work-related matters. Processes are in place for employees to report work-related hazards and to extricate themselves from such risks.

A series of awareness programs are conducted for all employees and workers, focusing on process hazards and the controls implemented to mitigate these risks. Employees and workers are encouraged to proactively detect and report workplace incidents. Furthermore, the Company conducts periodic safety audits to identify and mitigate process safety hazards at the workplace.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

No

## 11. Details of safety related incidents, in the following format:

Safety Incident /Number	Category	FY 2024	FY 2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	1
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Pokarna is committed to maintaining a safe and healthy workplace for all its employees. The Company has provisions for an ambulance and medical professionals who stand ready to respond to any emergencies. Managers, Foremen, and Supervisors are diligent in their efforts to uphold a safe and healthy workplace, adhering to health and safety measures on a continuous basis.

13. Number of Complaints on the following made by employees and workers:

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year:

% of plants and offices that were assessed (by entity or statutory authorities or third parties)

Health and safety practices	Nil
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Continuous Training on Health and Safety is held to address / correct related issues to make it incident free.

**Leadership Indicators**

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).  
No
- Provide the measures undertaken by the entity to ensure payment of statutory dues by the value chain partners.  
NA
- Provide the number of employees/workers having suffered grave consequences due to work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total No. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024	FY 2023	FY 2024	FY 2023
Employees	0	0	0	0
Workers	0	0	0	0

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) –

Yes

- Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed

Health and safety practices	0
Working Conditions	0

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NA

#### Principle 4: Business should respect the interests of and be responsive to all its stakeholders

##### Essential indicators

1. Describe the processes for identifying key stakeholder groups of the Company.

The Company recognises each individual, group, or institution that contributes to its value chain as a crucial stakeholder. The process of Stakeholder Engagement is diligently executed to identify stakeholders, which include customers, suppliers, communities, government regulators, shareholders, and employees.

Moreover, The Company maintains a continuous commitment to the identification of additional stakeholders by actively engaging with them on a regular basis. This proactive approach involves understanding their perspectives, receiving feedback, and addressing any concerns of significance to them.

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	No	Emails, CSR initiatives and interventions	Need basis	Positively touching lives of people and thereby enhancing their quality of life and overall well-being, Capacity Building, local development and livelihoods for the affected persons
Investors (other than Shareholders)	No	Email, Newspaper, Advertisement, Notice Board, Website	Quarterly, Need basis	Shareholder support and feedback on operations provides continuous guidance for the management and governance
Shareholders	No	Email, Newspaper, Advertisement, Notice Board, Website	Quarterly, Need basis	Keeping communications channels open with analysts and investor community and helps to connect them with management
Employees and workers	No	Notice Board, Website	as and when required	Employees help meet business goals with their collective knowledge and experience, by initiating best-in-class people practices Benefits, culture and grievances Capacity building and career progression Human Rights aspects related to employee wellbeing
Customers	No	Email, Newspaper, Advertisement, Notice Board, Website	as and when required	Understanding of their needs, helps in determining product and services quality and pricing. Product innovation development is guided by customer requirements, Reduction in environmental and social impacts of products to help customers meet their Sustainability Goals
Value Chain Partners (Suppliers and Vendors)	No	Email, Newspaper, Advertisement, Notice Board, Website	as and when required	Critical to ensure operational efficiency through timely supplies and logistical efficiency Vital to our goals of sustainability and responsible sourcing Safety of workers and workplace
Regulatory/ authorities	No	Email, Newspaper, Advertisement, Notice Board, Website	Quarterly	Regular engagement, communications and advocacy with regulatory authorities Strict compliance with rules and regulations-tracking compliance

##### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company firmly believes in the necessity of continuous consultation with its stakeholders. The leadership takes the lead in this endeavour, engaging with stakeholders regularly across various platforms.

In addition, a Corporate Social Responsibility Committee has been instituted at the Board level to conduct regular reviews of progress. Shareholders are also afforded the opportunity to interact with all board members during the Annual General Meeting, which is convened annually.

This approach enables the Company to maintain a consistent understanding of the needs and concerns of its stakeholders, thereby ensuring accountability towards them.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Engaging in regular consultations with its stakeholders yields consistent benefits for The Company. Such interactions play a pivotal role in shaping policies related to economic, environmental, and social matters.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company undertakes the ongoing identification of disadvantaged, vulnerable, and marginalised stakeholders. Each proposed project or expansion is meticulously mapped through proactive stakeholder engagement, specifically via activities related to Corporate Social Responsibility.

#### Principle 5: Business should respect and promote human rights

##### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024			FY 2023		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	119	119	100	175	175	100
Other than Permanent	-	-	-	-	-	-
<b>Total Employees</b>	<b>119</b>	<b>119</b>	<b>100</b>	<b>175</b>	<b>175</b>	<b>100</b>
<b>Workers</b>						
Permanent	79	79	100	129	129	100
Other than Permanent	51	0	0	50	0	0
<b>Total Workers</b>	<b>130</b>	<b>79</b>	<b>60.77</b>	<b>179</b>	<b>129</b>	<b>72.06</b>

Note: The Company has instituted a Code of Conduct and a Policy on Sexual Harassment, both of which encompass aspects of human rights. It is a prerequisite for all employees to adhere to these policies prior to their induction into the Company. Furthermore, a Human Rights Policy is in place, governing all employees. This policy is readily accessible to all employees via the Company's portal and website.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 2024		FY 2023			
		Equal to Minimum Wage	More than Minimum Wage	Total (D)	Equal to Minimum Wage	More than Minimum Wage	
		No. (B)	% (B/A)	No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>							
<b>Permanent</b>	119	0	0	119	100	175	0
Male	116	0	0	116	100	171	0
Female	3	0	0	3	100	4	0
<b>Other than Permanent</b>				Nil			
Male							
Female							
<b>Workers</b>							
<b>Permanent</b>	79	4	5	75	95	129	43
Male	77	3	4	74	96	98	36
Female	2	1	50	1	50	31	7
<b>Other than Permanent</b>	51	51	100	0	0	50	50
Male	36	36	100	0	0	35	35
Female	15	15	100	0	0	15	15

## 3. Details of remuneration/salary/wages, in the following format:

## a. The details are provided below:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)*	6	120	2	24
Key Managerial Personnel (KMP)	1	69.15	1	6.46
Employees other than BoD and KMP	113	3.1	3	3.36
Workers	113	1.87	17	1.46

Note: The Company conducts evaluations of all employees purely on the basis of performance, irrespective of gender. This approach ensures a fair and non-discriminatory process for recruitment, compensation, and promotion. As per the aforementioned statistics, the median salary of female employees (excluding the Board of Directors and Key Management Personnel) is higher, attributable to their greater representation in managerial positions as compared to junior non-managerial roles.

Key Managerial Personnel includes Company Secretary and Chief Financial Officer. Directors are counted in Board of Directors.

\*Five Board of Directors are being paid sitting for attending Board meeting. Only two Executive Directors are paid the remuneration.

## b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024	FY 2023
	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages	9.55%	22.37%

## 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

The Company has established a team, which focuses on whistle-blower protection and policy implementation, to address any human rights issues that may arise.

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Code of Ethics & Conduct, in conjunction with the Whistle Blower & Protection Policy, offers a platform for employees and individuals within the extended supply chain to report any infractions. The Company fosters an environment where concerns can be voiced without fear of retaliation.

## 6. Number of Complaints on the following made by employees and workers:

## The details are provided below:

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other Human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024 Current Financial Year	FY 2023 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	NA	NA
Complaints on POSH upheld	NA	NA

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Under The Company's Whistle-Blower & Protection Policy, stakeholders are empowered to collaborate and assist the organisation in eradicating any malpractices within the system. This policy has been established to facilitate the investigation of complaints and recommend appropriate corrective actions.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

10. Assessment for the year:

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Sexual Harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Other- please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable

#### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

The Company has a robust human rights due diligence process through which it continuously assesses and improves its ability to respond to any human rights-related issues.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company recognizes the importance of upholding ethical and human rights standards throughout our value chain. It respects the human rights of all our stakeholders.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The facility is partially accessible. However, the company recognizes the importance of creating an inclusive and accessible workplace and is committed to improving accessibility for all individuals.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil
Discrimination at workplace	Nil
Child Labour	Nil
Forced Labour/Involuntary Labour	Nil
Wages	Nil
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

**Principle 6: Business should respect and make efforts to protect and restore the environment.**

**Essential indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024	FY 2023
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	-	-
<b>From non-renewable sources</b>		
Total electricity consumption (D)	9643	8594
Total fuel consumption (E)	2407	9318
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	12050	17912
<b>Total energy consumed (A+B+C+D+E+F)</b>	12050	17912
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.0088	0.0086
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	0.20	0.19
<b>Energy intensity in terms of physical output</b>		

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by OECD which is 22.88 for India

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company doesn't fall under PAT scheme.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024	FY 2023
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	2880	4380
(ii) Groundwater	120	240
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	3000	4620
<b>Total volume of water consumption (in kilolitres)</b>	3000	4596
<b>Water intensity per rupee of turnover (Total water consumption / Revenue from operations)</b>	0.79	0.75
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	18.07	17.16
<b>Water intensity in terms of physical output</b>	-	-

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by OECD which is 22.88 for India

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Provide the following details related to water discharged:

Parameter	FY 2024	FY 2023
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	Nil	Nil
- No treatment	-	-
- With treatment – please specify level of treatment	-	-

Parameter		FY 2024	FY 2023
(ii) To Groundwater		Nil	Nil
- No treatment		-	-
- With treatment – please specify level of treatment		-	-
(iii) To Seawater		Nil	Nil
- No treatment		-	-
- With treatment – please specify level of treatment		-	-
(iv) Sent to third-parties		Nil	Nil
- No treatment		-	-
- With treatment – please specify level of treatment		-	-
(v) Others		Nil	Nil
- No treatment		-	-
- With treatment – please specify level of treatment		-	-
<b>Total water discharged (in kilolitres)</b>		<b>Nil</b>	<b>Nil</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

5. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company is dedicated to minimising water consumption across all operations, with a focus on reducing water intake. This commitment is embodied in the adoption of the 5 'R' principle: Reduce, Reuse, Recycle, Restore, and Respect.

The processing units operate in strict adherence to the Consent to Operate (CTO) conditions and the norms set by the Pollution Control Board (PCB). Similarly, the quarries function in stringent compliance with the Consent for Operation (CFO) conditions.

6. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format:

Parameter	Unit	FY 2024	FY 2023
NOx	µg/m³	14	15
SOx	µg/m³	09	11
Particulate matter (PM)	µg/m³	178	171
Persistent organic pollutants (POP)	-	Not Relevant	Not Relevant
Volatile organic compounds (VOC)	-	Not Relevant	Not Relevant
Hazardous air pollutants (HAP)	-	Not Relevant	Not Relevant

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. M/s. Global Enviro Labs, Hyderabad

7. Provide details of greenhouse gas emissions (Scope1 and Scope 2 emissions) & its intensity, in the following format:

The details are provided below:

Parameter	Unit	FY 2024	FY 2023
<b>Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)</b>			
<b>Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)</b>			
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)</b>			
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b>			
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>			

The Company is in process to calculate the Scope 1 and 2 emissions.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

8. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

No

9. Provide details related to waste management by the Company, in the following format:

The required details are provided below:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any.	-	-
(Break-up by composition i.e. by materials relevant to the sector)		
<b>Total (A+B + C + D + E + F + G + H)</b>	-	-
<b>Waste intensity per rupee of turnover</b>	-	-
(Total waste generated /Revenue from operations)		
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b>	-	-
(Total waste generated / Revenue from operations adjusted for PPP)		
<b>Waste intensity in terms of physical output</b>	-	-
<b>Waste intensity (optional) – the relevant metric may be selected by the entity</b>	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	-
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

10. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company believes that waste management is a crucial part of its commitment of sustainability. All the waste generated is collected and disposed of as per the guidelines of the Pollution Control Board.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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Pokarna does not have any operations/offices in/around sensitive areas such as national parks, wet lands, forest, etc.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			Nil		

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
			Nil	

#### Leadership Indicators -

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area -None of the company's locations are located in water stress areas.
- (ii) Nature of operations –
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		Not Applicable
<b>Total volume of water withdrawal (in kilolitres)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>		
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		Not Applicable
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Not Applicable

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024	FY 2023
<b>Total Scope 3 emissions</b>			
(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)			
<b>Total Scope 3 emissions per rupee of turnover</b>			
<b>Total Scope 3 emission intensity</b>			

Note: Indicate if any independent assessment, evaluation, or assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. With respect to the ecologically sensitive areas reported in Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Pokarna does not have any operations/offices in/around sensitive areas such as national parks, wet lands, forest, etc.

4. If the entity provided below taken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Water Management	Water Recycling Plant	The Company's operations incorporate a wet process that utilises non-hazardous water. This non-hazardous water, once discharged, is recycled and subsequently reused for the same process.
2	Dust Emission	Wet Process.	The Company employs a wet process for the polishing of materials. This method effectively mitigates the emission of dust.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company's facilities are strategically situated in the Deccan Plateau, an area with a notably low incidence of earthquakes. The factories are elevated, providing an additional layer of protection against potential flooding. To date, the Company has been fortunate to avoid any incidents related to floods or earthquakes. In the event of an emergency, the Company is well-equipped with buses, other vehicles, and an ambulance to effectively manage disaster scenarios.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

No, the Company is handling the natural product which are directly used in the Building Industry. There is no as such impact to the environment.

7. % of Value chain partners (by value of business done with such partners) that were assessed for Environmental Impacts?

No

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

#### Essential indicators

1. a. Number of affiliations with trade and industry chambers/associations.

9

b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/ National)
1	Chemical and Allied Export Promotion Council (CAPEXIL)	National
2	Export Promotion Council for EOUs & SEZs (EPCES)	National
3	Federation of Indian Export Organizations (FIEO)	National
4	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
5	NATURAL STONE INSTITUTE, U.S.A. (formerly Marble Institute of America)	International
6	AHK India, Indo-German Chamber of Commerce,	National
7	Confederation of Indian Industry (CII)	National
8	Indo-American Chamber of Commerce	National
9	Federation of Indian Chamber of Commerce & Industry (FICCI) Ladies Organization	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
There were no cases of anti-competitive conduct during the reporting period.		

**Leadership Indicators**

1. Details of public policy positions advocated by the Company:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/ No)	Frequency of Review by Board (Annually/ Half yearly/Quarterly/Others- please specify)	Web Link, if available
			Nil		

**Principle 8: Businesses should promote inclusive growth and equitable development.**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			Not Applicable		

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount sent on R&R activities during FY 2023-24 (In INR)
				Not Applicable		

3. Describe the mechanisms to receive and redress grievances of the community.

The company undertakes interaction with the community to discuss, identify & address any issues, complaints or grievances of the community. The grievances/complaints received is being looked after by the company so that the grievances/complaints resolved at earliest.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024	FY 2023
Directly sourced from MSMEs/small producers	1.82%	3.25%
Directly from Within India	60%	58%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024	FY 2023
	Current Financial Year	Previous Financial Year
Rural	18.05%	17.66%
Semi-urban	16.54%	22.10%
Urban	0.00%	0.57%
Metropolitan	65.41%	59.67%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference- Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
	Not Applicable

2. Provide the following information on CSR projects undertaken by the Company in the designated aspirational districts as identified by government bodies:

S.No	State	Aspirational District	Amount spent (In INR)
		Not Applicable	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No) –

No. While the preferential procurement policy for FY 2023-24 is yet to be ratified by the board.

(b) From which marginalized/vulnerable groups do you procure? – Not Applicable

(c) What percentage of total procurement (by value) does it constitute? – Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the Company (in the current financial year), based on traditional knowledge.

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/ No)	Benefit shared (Yes/No)	Basis of calculating benefit share
		Nil		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
		Not Applicable

6. Details of beneficiaries of CSR Projects.

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized group
			Not Applicable

#### Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

##### Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company actively solicits feedback from management during customer visits at international exhibitions and manufacturing facilities. To gain a deeper understanding of its customers, The Company also seeks direct feedback at international exhibitions. Customer satisfaction remains the primary objective of the Company, serving as a driving force that motivates it to tailor its products in line with consumer requirements.

2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:

		As a percentage to total turnover
Environmental and social parameters relevant to the product		-
Safe and responsible usage		N.A.
Recycling and/or safe disposal		N.A.

3. Number of consumer complaints in respect of the following:

Number of consumer complaints in respect of the following:	FY 2024 (Current Financial Year)		Remarks	FY 2023 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

No complaints were received during the year

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has instituted an internally generated policy addressing cyber security and risks pertaining to data privacy. This policy serves multiple functions, with its primary purpose being to inform the Company's users - including employees, contractors, and other authorised users - of their mandatory responsibilities in safeguarding the technological and informational assets of the Company.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

Not Applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact	Nil
b. Percentage of data breaches involving personally identifiable information of customer	NA
c. Impact, if any, of the data breaches	NA

#### Leadership Indicators

1. Channels/platforms where information on products and services of the Company can be accessed (provide web-link, if available).

The information on company's products can be accessed through the company's website i.e. [www.pokarna.com](http://www.pokarna.com).

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company arranges technical visits regularly to educate the customers where they find solution to their problems. Further, for outstation customers conference calls are organized to understand their requirements and try to meet the same.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As the company is engaged in the Granite business, no such mechanism is applicable to company.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/No)

The Company specialises in the extraction of granite from its mines for sale. There is typically no specific information mandated to be inscribed on the granite. However, in accordance with customer requirements and for certain internal processes, markings such as batch numbers and measurements are occasionally made on the granite.

# Corporate Governance Report

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations), compliance with the requirements of Corporate Governance is set out below:

## Company's Philosophy

Pokarna defines corporate governance as the system that allocates duties and authority among the Board of directors. The result of good corporate governance is intended to be a well system run, efficient Company that identifies and deals with its problems in a timely manner, creates value for its shareowners' and meets its legal as well as ethical responsibilities.

Our commitment to strong, responsible corporate governance embarks on our Board of directors. Each Board member is essentially concerned to preserve the integrity that has characterized the Company.

We take the subject of corporate governance very seriously from the boardroom to the manufacturing floor. Integrity has always been one of our values; it is the foundation of our reputation and one of our most precious assets.

We govern ourselves with a rigorous system of checks and balances to ensure utmost compliance to fair and honest business practices. This ensures that our integrity is never compromised. We believe that the integrity of any Company must come from a leadership committed to behaviour that is honest, decent and fair and from directors and employees who share that commitment and bring it to life at all levels of the organization. That's exactly what we do at Pokarna limited.

## The following is a report on the Corporate Governance.

### A. Board of Directors

- (a) Composition and size of the Board: As on 31st March, 2024, the Board of Directors consists of Eight (8) Directors consisting of Chairman & Managing Director, Managing Director, Executive Director and Five (5) Non-executive Directors, out of which Four (4) are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the relevant provisions of the Companies Act, 2013. The Independent Directors have been issued formal letter of appointment and the terms and conditions of their appointment have been disclosed on the website of the Company. The Independent Directors have given declarations to the Company about their independence to enable the Board for determining its composition as envisaged in Regulation 17 of the Listing Regulations and further confirming compliance as per Section 149 of the Companies Act, 2013 read with the Rules made thereunder. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. All material information is circulated to the Directors, including minimum information that are required to be made available to the Directors under Part A of Schedule II of the Listing Regulations.
- (b) Board Meetings and Attendance: Six (6) Board Meetings were held during the year. The dates on which the meetings were held are as follows

S. No	Date of Board Meeting	Board Strength	No. of Directors Present
1	25th May, 2023	8	7
2	09th August, 2023	8	8
3	08th November, 2023	8	6
4	06th February, 2024	8	6
5	17th February, 2024	8	7
6	23rd March, 2024	8	6

The maximum time gap between any two board meetings was less than 120 days

(c) Attendance of each Director at the Board Meetings and last Annual General Meeting (AGM), and the number of Directorship, Membership and Chairmanship in Committees of other companies are given below:

Directors and Designation	DIN Number	Category of Directorship	Attendance particulars		No. of other Directorships and Committee Memberships / Chairmanship		
			Board Meetings	Last AGM	Directorships in other public companies as on 31st March, 2024*		
					Member	Chairman	
<b>Gautam Chand Jain</b> Chairman & Managing Director	00004775	Executive & Promoter	6	Yes	1	-	-
<b>Rahul Jain</b> Managing Director	00576447	Executive & Promoter	4	Yes	1	1	-
<b>Apurva Jain</b> Executive Director	069353924	Executive & Promoter	6	Yes	1	-	-
<b>Prakash Chand Jain</b> Director	00084490	Non-Executive & Promoter	4	Yes	1	-	-
<b>^Meka Yugandhar</b> Director	00012265	Non-Executive & Independent	6	Yes	2	4	2
<b>^Vinayak Rao Juvvadi</b> Director	00229415	Non-Executive & Independent	6	Yes	1	2	-
<b>^Mahender Chand</b> Director	00008449	Non-Executive & Independent	3	Yes	1	2	-
<b>Jayshree Rajesh Sanghani</b> Director	09007808	Non-Executive & Independent	5	Yes	1	-	-

\* Excludes Directorships in private, foreign and Section 8 companies.

\*\* Represents Memberships of only Audit committee and stake holder committee of Pokarna Limited, other public limited company either listed or unlisted is considered.

**<sup>^</sup>Ceased to be independent Directors of the Company w.e.f. 31.03.2024 on completion of tenure**

(d) Mr. Gautam Chand Jain, Mr. Rahul Jain, Mrs. Apurva Jain and Mr. Prakash Chand Jain are related to each other and none of the other Directors of the Company are, inter-se, related to each other.

(e) Details of Directorship in other Listed entities as on 31st March, 2024:

Name of the director	Name of the Listed Company	Category
Mr. Meka Yugandhar	Alufluoride Limited	Non-Executive – Independent

(f) The Board composition of your Company encompasses right mix of skill and competencies, namely Directors having experience and expertise in general management, business strategy, corporate strategy, governance practices, etc. All the Directors have the ability to make points succinctly and effectively at Board Meetings.

(g) Number of shares held by non-executive director

None of the non-executive directors are holding shares in the Company as at 31 March 2024.

(h) Independent Directors Meeting

Meeting of the Independent Directors, chaired by Mr. Meka Yugandhar, was held on 06th February, 2024 which was attended by all the Independent Directors except Mahender Chand. The Independent Directors have evaluated the performance of the Non-Independent Directors, the Board as a whole and the Chairman & Managing Director, Managing Director and the Executive Director of the Company. The Board was briefed on the deliberations made at the Independent Directors Meeting. The details of Familiarisation Program imparted to Independent Directors of the Company are available on website of the Company at <http://www.pokarna.com/familiarization-programme-of-independent-directors/>

(i) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Committees of the Board, namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration

Committee and CSR Committee. Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of participation in the meetings and contribution, independence of judgments, safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of the Independent Directors was carried out by the entire Board. During such evaluation, the Director whose performance was evaluated was not present at the meeting. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

(j) The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Skills/Expertise/ Competencies	Description	Gautam Jain	Rahul Jain	Apurva Jain	Prakash Chand Jain	Meka Yugandhar	Vinayak Rao Juvvadi	Mahender Jain	Jayshree Rajesh Sanghani
Understanding about the Business	Understanding about the dynamics of the Stone and Apparel Industries	Y	Y	Y	Y	Y	Y	Y	Y
Research and Development	Understanding about the technology in the industry and focusing on next-gen technologies in relevant industries		Y						
Marketing and Strategy	Understanding about the marketing model and strategy planning for tapping untapped markets and exploring further opportunities in the existing markets.	Y	Y						
Leadership	Leadership Skill to ensure effective guidance to and monitoring of the management and to set a corporate culture and the values by which executives throughout the group should leave.	Y	Y	Y	Y	Y	Y	Y	Y
Financial Discipline and Risk Oversight	Understanding the financial management, Financial Reporting Process and Financial & Operational Controls. Ensuring focus on returns.								
	Understand and Oversee internal and external risk associated with the business and to put in place appropriate policies and procedures to effectively manage such risks.	Y	Y	Y	Y	Y	Y	Y	Y
Corporate Governance	Experience in implementation of the statutory laws, rules, regulations etc., effective implementation and ensuring proper corporate governance.	Y	Y	Y	Y	Y	Y	Y	Y

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

(k) Confirmation as regards independence of the Independent Directors

In the opinion of the Board of Directors of the Company, the existing Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and they are independent of the Management.

(l) Reasons for resignation of Independent Directors before the expiry term, if any: Not Applicable

**B. Audit Committee**

(a) Terms of Reference: The terms of reference of the Audit Committee inter alia, includes:

- i. Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. reviewing and examining with management the quarterly and annual financial results before submission to the Board;
- iii. recommending the appointment, remuneration and terms of appointment of Statutory Auditors / Internal Auditor of the Company;
- iv. reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- v. reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- vi. scrutiny of inter-corporate loans and investments made by the Company;
- vii. evaluating internal financial controls and risk management systems;
- viii. review the functioning of the Whistle-blower Mechanism; and
- ix. reviewing the information required as per SEBI Listing Regulations and other role provided under Schedule II of SEBI Listing Regulations.

The Chairman of the Audit Committee apprises the Board of Directors about significant discussions and decisions taken at the Audit Committee meetings.

(b) Composition, Meetings and Attendance: The Audit Committee as at the end of the year 31st March, 2024 consisted of Three (3) Directors of which Three (3) were Independent Directors. Details of attendance of the Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Meka Yugandhar	Chairman	Non-Executive Independent	6
Vinayak Rao Juvvadi	Member	Non-Executive Independent	6
Mahender Chand	Member	Non-Executive Independent	3

(c) Six (6) Audit Committee Meetings were held during the year. The dates on which the meetings were held are 25th May, 2023, 09th August, 2023, 08th November, 2023, 06th February, 2024, 17th February, 2024 and 23rd March, 2024. The Company Secretary is the Secretary of the Committee. The Chairman & Managing Director, Managing Director, Executive Director, Chief Financial Officer along with the Statutory Auditor's and Internal Auditor are invitees to the Audit Committee Meetings. The Chairman of the Audit Committee, Meka Yugandhar, was present at the Annual General Meeting of the Company held on 18th September, 2023.

**C. Nomination and Remuneration Committee**

(a) Terms of Reference: The terms of reference of the Nomination and Remuneration Committee inter alia, includes:

- i. Devise a policy on the diversity of Board of Directors;
- ii. recommend to the Board the appointment or reappointment of directors;
- iii. recommend to the Board appointment of Key Managerial Personnel;
- iv. carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors;
- v. Recommend to the Board the Remuneration Policy for directors, Key Managerial Personnel;
- vi. performing such other duties and responsibilities as may be consistent with the provisions of the committee charter; and
- vii. reviewing the information required as per SEBI Listing Regulations and other role provided under Schedule II of SEBI Listing Regulations.

(b) Composition, Meetings and Attendance: The Nomination and Remuneration Committee as at the end of the year 31st March, 2024 consisted of Four (4) Directors of which Three (3) were Independent Directors and One (1) was Non-Executive - Non Independent Director. Details of attendance of the Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Mahender Chand	Chairman	Non-Executive Independent	2
Meka Yugandhar	Member	Non-Executive Independent	3
Prakash Chand Jain	Member	Non-Executive Director	2
Vinayak Rao Juvvadi	Member	Non-Executive Independent	3

(c) Three (3) Nomination and Remuneration Committee meetings were held during the year. The dates on which the meeting were held are 25th May, 2023, 17th February, 2024 and 23rd March, 2024. The Company Secretary is the Secretary of the Committee.

#### D. Remuneration to Directors:

(a) Remuneration of the Executive Director: The compensation structure of the Executive Director consists of two parts – fixed and variable determined on the basis of individual performance and performance of the Company including its subsidiary. The compensation structure is also reviewed by the Nomination and Remuneration Committee and approved by the Board of Directors and Members of the Company. The Company does not have any Employee Stock Option Scheme.

(i) Remuneration of the Chairman & Managing Director: Mr. Gautam Chand Jain, Chairman & Managing Director voluntarily decided not to accept any remuneration from the Company during the FY 2023-2024. No sitting fees were paid to Mr. Gautam Chand Jain for attending meetings of the Board during the financial year 2023-2024. Mr. Gautam Chand Jain is also the Managing Director of Pokarna Engineered Stone Limited ('PESL'), a material subsidiary of the Company. The Board of PESL on the recommendation of Nomination Remuneration, Mr. Gautam Chand Jain was re-appointed as the Managing Director of PESL for a period of 5 years effective from 07th November, 2021. Mr. Gautam Chand Jain draws remuneration from PESL. The details of remuneration drawn by Mr. Gautam Chand Jain from PESL during FY 2023-24 is as below:

(Amount in lakhs)	
Salary	180.00
Perquisite	12.15
Commission	619.63
<b>Total</b>	<b>811.78</b>

The total amount of remuneration paid by PESL is within the limits prescribed under the Act. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Managing Director.

(ii) Remuneration of the Managing Director and Executive Director: The details of remuneration drawn by Mr. Rahul Jain, Managing Director and Mrs. Apurva Jain, Executive Director during FY 2023-24 is as below:

(Amount in lakhs)		
Particulars	Rahul Jain	Apurva Jain
Salary	120.00	24.00
Perquisite	-	-
Commission	-	-
<b>Total</b>	<b>120.00</b>	<b>24.00</b>

No sitting fees were paid to Mr. Rahul Jain and Mrs. Apurva Jain for attending meetings of the Board during the financial year 2023-24. The total amount of remuneration paid by the Company to Mr. Rahul Jain and Mrs. Apurva Jain is within the limits prescribed under the Act and as approved by the shareholders of the Company and the Nomination and Remuneration Committee of the company.

There is no separate provision for payment of severance fee under the respective resolutions governing the appointment of Managing Director and Executive Director.

(iii) Remuneration of the Non-Executive Director:

The Company follows transparent process for determining the remuneration of Non-executive Directors including the independent directors. Their remuneration is governed by the role assumed, number of meetings of the Board and the Committees thereof attended by them, the position held by them as the Chairman and member of the Committees of the Board and their overall contribution as Board members. Besides this, the Board also takes into consideration the individual performance of such Directors and performance of the Company as well as the industry standards in determining the remuneration of the Non-executive Directors. No sitting fee is paid for the Committee meetings.

The details of sitting fees/commission paid/payable to the Directors are given below:

Name of the Director	Board Meeting	(Amount in lakhs)	
		Sitting Fees	Paid for FY 2023-24 ₹ in Lakhs
Meka Yugandhar	6		3.00
Vinayak Rao Juvvadi	6		3.00
Mahender Chand	3		1.50
Prakash Chand Jain	4		2.00
Jayshree Rajesh Sanghani	5		2.50

#### E. Stakeholder Relationship Committee

(a) Terms of Reference: The terms of reference of the Stakeholders' Relationship Committee inter alia, includes:

- resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- review of measures taken for effective exercise of voting rights by shareholders.
- review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- reviewing the information required as per SEBI Listing Regulation.

(b) Composition, Meetings and Attendance: The Stakeholders' Relationship Committee as at the end of the year 31st March, 2024 consisted of Three (3) Directors of which Two (2) were Independent Directors. Details of Committee Members are as follows:

Name	Designation	Category of Directorship	Attendance
Mahender Chand	Chairman	Non-Executive Independent	0
Meka Yugandhar	Member	Non-Executive Independent	1
Rahul Jain	Member	Managing Director	1

(c) One (1) Stake Holders Relationship Committee meeting was held during the year. The date on which the meeting was held is 06th February, 2024. The Company Secretary is the Secretary of the Committee.

(d) Name, designation and address of the Compliance Officer: Ms. Pratima Khandu Gulankar, Company Secretary, 105, 1st Floor, Surya Tower, Sardar Patel Road, Hyderabad - 500005. Phone: 040-27842121. Email ID: [companysecretary@pokarna.com](mailto:companysecretary@pokarna.com).

Ms. Disha Jindal previous Compliance Officer has resigned w.e.f. 08th May, 2024 and Ms. Pratima Khandu Gulankar was appointed as Compliance Officer w.e.f. 01st August, 2024.

During the year, the Company has not received any investor complaints. In order to facilitate faster redressal of investors' grievances the Company has created an exclusive email ID [igrc@pokarna.com](mailto:igrc@pokarna.com). Investors and shareholders may lodge their query/complaints addressed to this email ID which would be attended immediately.

#### F. Corporate Social Responsibility Committee

(a) Terms of Reference: The terms of reference of the Corporate Social Responsibility Committee inter alia, includes:

- Formulate and recommend to the board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to above; and
- monitor the CSR Policy of the Company from time to time.

(b) Composition, Meetings and Attendance: The Corporate Social Responsibility Committee as at the end of the year 31st March, 2024 consisted of Five (5) Directors of which Three (3) were Independent Directors. Details of attendance of the Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Meka Yugandhar	Chairman	Non-Executive Independent	1
Gautam Chand Jain	Member	Chairman & Managing Director	1
Vinayak Rao Juvvadi	Member	Non-Executive Independent	1
Dr. Jayshree Rajesh Sanghani	Member	Non-Executive Independent	1
Apurva Jain	Member	Executive Director	1

(c) One (1) Corporate Social Responsibility Committee were held during the year. The date on which the meeting was held was 25th May, 2023. Annual Report on Corporate Social Responsibility (CSR) Activities for the financial year 2023-24 is provided as Annexure -I to the Directors Report.

#### G. Risk Management Committee:

(a) The terms of reference of the Risk Management Committee, as approved by the Board, includes the following:

1. To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Policy formulated by the Risk Management Committee, articulates the Company's approach to address uncertainties in its endeavors to achieve its stated and implicit objectives. It prescribes the roles and responsibilities of various stakeholders within the Company, the structure for managing risks and framework with respect to Risk Management and the Internal Financial Controls comprehensively address the key strategic/business risks, information technology, financial, cyber security risks and operational risks respectively.

(b) Composition, Meetings and Attendance: The Risk Management Committee as at the end of the year 31st March, 2024 consisted of three (3) Directors of which Two (2) were Independent Directors. Details of attendance of the Members during the year are as follows:

Name	Designation	Category of Directorship	Attendance
Mahender Chand	Chairman	Non-Executive Independent	2
Vinayak Rao Juvvadi	Member	Non-Executive Independent	2
Rahul Jain	Member	Managing Director	2

(c) Two (2) Risk Management Committee meeting were held during the year. The date on which the meetings was held are 09th August, 2023 and 10th January, 2024.

The gap between any two RMC Meetings did not exceed 180 days. The details of attendance is given above

## H. Particulars of senior Management

Particulars of Senior Management Personnel as per the SEBI (LODR) Regulations, 2015:

Sr. No.	Name of the Senior Management Personnel	Designation
01	Gautam Chand Jain	Chairman and Managing director
02	Rahul Jain	Managing director
03	Apurva Jain	Executive director
03	M. Viswanatha Reddy	Chief financial officer
04	Disha Jindal*	Company secretary
05	Pratima Khandu Gulankar*	Company secretary

\*Ms. Disha Jindal resigned from the post w.e.f. 08th May 2024 and Ms. Pratima Khandu Gulankar appointed as Company Secretary w.e.f. 01st August 2024

## I. Subsidiary Company

In terms of Regulation 16(1) (c) of the Listing Regulations, Pokarna Engineered Stone Limited (PESL) is material subsidiary of the Company as on 31st March, 2024. The Company has one more subsidiary i.e., Pokarna Foundation (PF). The Policy on Material Subsidiary is available on the website of the Company at [www.pokarna.com](http://www.pokarna.com). All the Independent Directors of the Company are also Independent Directors on the Board of PESL as on 31st March, 2024.

The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the PESL and PF, including the investments made by PESL. The Minutes of the Board Meetings, along with a report of the significant transactions and arrangements are placed before the Board of Directors of the Company.

## J. General Body Meetings

(a) Date and time of the AGMs, held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

Date of AGM	Venue	Time	Whether Special Resolution passed	Summary of Special Resolutions
06th August, 2021	Through Video Conferencing (VC)/ Other AudioVisual Means (OAVM)	11:00 A.M	Yes	i. Re-appointment of Gautam Chand Jain as Chairman & Managing Director. ii. Re-appointment of Rahul Jain as Managing Director. iii. Appointment of Dr. Jayshree Rajesh Sanghani as an Independent director
07th September, 2022	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	11.00 A.M	No	Nil
18th September, 2023	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)	09:00 A.M	Yes	Re-appointment of Mrs. Apurva Jain (DIN: 06933924) as Executive Director.

(b) Postal Ballot: During the year, the Company has passed special resolution through postal ballot for below mentioned proposals. The details of the previous postal ballots are available on the website, at <https://www.pokarna.com/postal-ballot/>.

The Company has provided electronic voting facility to all its members in compliance with Regulation 44 of Listing Regulations and as per the provisions of Sections 108 and 110 of the Companies Act, 2013, (the Act), read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended (Rules), read with the General Circulars issued by the MCA and SEBI (MCA/SEBI Circulars).

The Company engaged the services of KFin Technologies Limited, Registrar and Share Transfer Agents (RTA) of the Company for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed K V C Reddy & Associates, Practicing Company Secretary as the Scrutinizer, for conducting the Postal Ballot process, in a fair and transparent manner.

The Scrutiniser, after the completion of scrutiny, submitted his report to Chairperson to accept, acknowledge and countersign the Scrutiniser's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

The results were displayed on the website of the Company at <https://www.pokarna.com/postal-ballot/> and on the website of KFin Technologies Limited at [www.kfintech.com](http://www.kfintech.com) and also communicated to BSE Limited (BSE), National Stock Exchange of India Limited (NSE).

a. To approve the payment of remuneration to Managing Director Mr. Gautam Chand Jain, as approved by shareholders in meeting dated August 6, 2021.

<b>Voting Period</b>	09.00 A.M on Monday, the 26th February, 2024 and ended on Tuesday, the 26th March, 2024 at 05.00 P.M.								
<b>Members as on Cut – off date i.e.</b>	20908								
<b>Friday, 16th February, 2024</b>									
<b>Announcement of Consolidated</b>	27th March, 2024								
<b>Results</b>									
<b>Voting Pattern</b>	<table border="1"> <thead> <tr> <th>Particulars</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Number of valid Electronic Votes received</td> <td>20674421</td> </tr> <tr> <td>Votes in favour of the resolution</td> <td>17809497</td> </tr> <tr> <td>Votes against the resolution</td> <td>2864924</td> </tr> </tbody> </table>	Particulars	Number	Number of valid Electronic Votes received	20674421	Votes in favour of the resolution	17809497	Votes against the resolution	2864924
Particulars	Number								
Number of valid Electronic Votes received	20674421								
Votes in favour of the resolution	17809497								
Votes against the resolution	2864924								

b. To approve the payment of remuneration to Managing Director Mr. Rahul Jain, as approved by shareholders in meeting dated August 6, 2021.

<b>Voting Period</b>	09.00 A.M on Monday, the 26th February, 2024 and ended on Tuesday, the 26th March, 2024 at 05.00 P.M.								
<b>Members as on Cut – off date i.e.</b>	20908								
<b>Friday, 16th February, 2024</b>									
<b>Announcement of Consolidated</b>	27th March, 2024								
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Particulars	Number								
Number of valid Electronic Votes received	20674421								
Votes in favour of the resolution	20671822								
Votes against the resolution	2599								

Further the Company has passed special resolution through postal ballot on 24th June, 2024. The details of the postal ballot is available on the website of the Company at <https://www.pokarna.com/postal-ballot/>.

#### K. Means of Communication:

(a) The quarterly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the requirements of Listing Regulations. The financial results are displayed on BSE and NSE websites. The financial results are also published in Business Standard and Nava Telangana newspapers and posted on the Company's website at [www.pokarna.com](http://www.pokarna.com). The official media releases and presentations made to Institutional Investors/Analysts are submitted to the BSE and NSE.

(b) Details of Corporate Policies:-

Policies	Weblinks
Composition of the Board of Directors	
Terms and condition of Appointment of Independent Director	
Familiarization Programme	
NRC Policy	
Code of Conduct	
Criteria of Making payments to NED	
CSR Policy	
Related Party Policy	
Material Subsidiary Policy	
Policy for disclosing Materiality for Disclosure	
Whistle Blower Policy	
Archival Policy	
Dividend Distribution Policy	
Policy on Preservation of Documents	
Shareholding Pattern	
Corporate Governance Report	All the policies and other information is available at the website of the company at <a href="https://www.pokarna.com/investors/">https://www.pokarna.com/investors/</a>

## L. General Shareholders' Information

Pursuant to the Listing Regulations, the general shareholders' information pertaining to the Company, its shareholding pattern, share price movements, top 10 shareholders and such other information as prescribed under the said Regulations is provided herein below:

(i) Thirty Third (33rd) Annual General Meeting (AGM):

Date: Monday, 30th September, 2024.

Time: 11:00 A.M

Venue: Annual General Meeting through Video Conferencing/Other Audio Visual Means facility (Deemed Venue for meeting: Registered Office: 105, First Floor, Surya Tower, Sardar Patel Road, Secunderabad, Telangana – 500003)

(ii) Financial Year: 01<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024

(iii) Dividend Payment Date: The final dividend, if declared by the shareholders at the Thirty third (33rd) AGM scheduled on 30th September, 2024 will be paid within 30 days on and from 30th September, 2024.

(iv) Closure of Register of Members: The Register of Members of the Company shall remain closed from Tuesday, 24th September, 2024 to Monday, 30th September, 2024 (both the days inclusive) for the purpose of dividend and AGM.

(v) Listing on Stock Exchanges and Stock Code:

**BSE Ltd.**

Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai- 400001  
Phones: (022) 22721233/4, 91-22-66545695  
Fax: (022) 22721919  
Stock Code: 532486

**National Stock Exchange of India Ltd.,**

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E) Mumbai – 400 051  
Tel No: (022) 26598100 - 8114  
Fax No: (022) 26598120  
Stock Code: "Pokarna"

Listing fees for the year have been paid to both the above Stock Exchanges.

(vi) Market Price Data: High and Low during each month in the Financial Year 2023-24:

Month	BSE		NSE	
	High	Low	High	Low
Apr-23	383.90	244.90	384.00	242.10
May-23	418.25	343.30	419.75	344.55
Jun-23	400.95	350.35	399.00	350.00
Jul-23	439.35	361.05	438.20	360.20
Aug-23	513.70	384.50	513.95	386.00
Sep-23	595.80	452.00	595.60	451.95
Oct-23	572.05	468.25	573.30	467.10
Nov-23	599.95	500.10	599.10	508.20
Dec-23	539.30	455.05	539.10	466.00
Jan-24	512.95	453.35	509.65	452.30
Feb-24	540.35	448.15	550.00	465.00
Mar-24	518.35	419.10	519.00	421.15

(vii) Performance of the Company's equity shares (closing share price) in comparison to BSE Sensex and NSE Nifty during the Financial Year 2023-24:

(a) Pokarna Limited's Share Price at the BSE versus the Sensex for the Financial Year 2023-24 is as follows:

Month	Share Price				BSE Sensex			
	High Price	Low Price	Close Price	% Change in close price	High	Low	Close	% Change
Apr-23	383.90	244.90	348.95	42.95	61,209.46	58,793.08	61,112.44	3.60
May-23	418.25	343.30	370.00	6.03	63,036.12	61,002.17	62,622.24	2.47
Jun-23	400.95	350.35	370.05	0.01	64,768.58	62,359.14	64,718.56	3.35
Jul-23	439.35	361.05	396.85	7.24	67,619.17	64,836.16	66,527.67	2.80
Aug-23	513.70	384.50	496.50	25.11	66,658.12	64,723.63	64,831.41	-2.55
Sep-23	595.80	452.00	471.25	-5.09	67,927.23	64,818.37	65,828.41	1.54
Oct-23	572.05	468.25	509.25	8.06	66,592.16	63,092.98	63,874.93	-2.97
Nov-23	599.95	500.10	527.45	3.57	67,069.89	63,550.46	66,988.44	4.87
Dec-23	539.30	455.05	482.55	-8.51	72,484.34	67,149.07	72,240.26	7.84
Jan-24	512.95	453.35	471.40	-2.31	73,427.59	70,001.60	71,752.11	-0.68
Feb-24	540.35	448.15	495.75	5.17	73,413.93	70,809.84	72,500.30	1.04
Mar-24	518.35	419.10	426.00	-14.07	74,245.17	71,674.42	73,651.35	1.59

b. Pokarna Limited's Share Price at the NSE versus the NIFTY for the Financial Year 2023-24 is as follows:

Month	Share Price				NIFTY			
	High Price	Low Price	Close Price	% Change in close price	High	Low	Close	% Change
Apr-23	384.00	242.10	350.45	43.30%	18089.15	17312.75	18065.00	4.06%
May-23	419.75	344.55	368.20	5.06%	18662.45	18042.40	18534.40	2.60%
Jun-23	399.00	350.00	369.55	0.37%	19201.70	18464.55	19189.05	3.53%
Jul-23	438.20	360.20	397.00	7.43%	19991.85	19234.40	19753.80	2.94%
Aug-23	513.95	386.00	496.35	25.03%	19795.60	19223.65	19253.80	-2.53%
Sep-23	595.60	451.95	471.65	-4.98%	20222.45	19255.70	19638.30	2.00%
Oct-23	573.30	467.10	509.40	8.00%	19849.75	18837.85	19079.60	-2.84%
Nov-23	599.10	508.20	528.50	3.75%	20158.70	18973.70	20133.15	5.52%
Dec-23	539.10	466.00	480.15	-9.15%	21801.45	20183.70	21731.40	7.94%
Jan-24	509.65	452.30	471.50	-1.80%	22124.15	21137.20	21725.70	-0.03%
Feb-24	550.00	465.00	496.10	5.22%	22297.50	21530.20	21982.80	1.18%
Mar-24	519.00	421.15	426.05	-14.12%	22526.60	21710.20	22326.90	1.57%

(viii) Name of the Depository with whom the Company has entered into Agreement:

S.No	Depository Name	ISIN Number
1	National Securities Depository Limited	INE637C01025
2	Central Depository Services (India) Limited	INE637C01025

(ix) Registrar and Transfer Agents: Kfin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) is the Company's Registrar and Transfer Agents. Kfintech is a SEBI registered Category I – Registrar to an Issue and Share Transfer Agents. For any queries relating to the equity shares of the Company, the shareholders /investors may contact them at the following address:

Kfin Technologies Limited  
 Selenium Tower B, Plot 31-32,  
 Gachibowli, Financial District, Nanakramguda,  
 Hyderabad - 500 032.  
 Tel.No.(040) 6716 1616/1527, Fax No. (040) 2342 0814  
 E-mail Id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

(x) Share Transfer Process: Transfer of shares in physical form is processed by the Company's Registrar and Transfer Agents ("RTA") within fifteen days from the date of lodgement, provided the documents therefor are complete in all respects. All requests for transfer/transmission in physical form after they are processed by the RTA are submitted to the Company for approval. The Company Secretary is authorised by the Board to consider and approve such transfer/transmission requests. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialized form w.e.f. 1st April, 2020. Shareholders who wish to understand the procedure for dematerialisation of shares may contact the Company or its RTA or visit the following link:

NSDL website: <https://nsdl.co.in/faqs/faq.php>

CDSL website: <https://www.cdslindia.com/investors/open-demat.aspx>

(xi) Share Transfer Audit: Various requests regarding share transfers/transmission, issue of duplicate share certificate/s etc. related to shares of the Company are received by the Company or its RTA. Half yearly audit is conducted by independent Practicing Company Secretary to ensure that all such requests pertaining to the shares of the Company are processed within the stipulated time period subject to lodgement of all the necessary documents by the shareholder/investor.

(xii) Share Capital Audit: The issued and paid up share capital is reconciled on a quarterly basis with the details of share capital admitted on National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and held in physical form. The quarterly audit of the Company's share capital is carried out by a Practicing Company Secretary with the objective to reconcile the total share capital admitted with NSDL and CDSL and held in physical form, with the total issued and listed capital of the Company. The certificate received from the Practicing Company Secretary is submitted to BSE and NSE and is also placed before the Board of Directors on a quarterly basis.

(xiii) Distribution of Shareholding and Shareholding pattern as on 31st March, 2024:

Sl. no	Category	Distribution of shareholding in nominal value			
		Shareholders Number	% of Total Numbers	Nominal Value (in Rs.)	% of total Amount
1	1-5000	20558	97.65	6356098.00	10.25
2	5001- 10000	246	1.17	1827564.00	2.95
3	10001- 20000	132	0.63	1930158.00	3.11
4	20001- 30000	33	0.16	832620.00	1.34
5	30001- 40000	15	0.07	537240.00	0.87
6	40001- 50000	8	0.04	364194.00	0.59
7	50001- 100000	24	0.11	1655598.00	2.67
8	100001& Above	36	0.17	48504528.00	78.22
<b>Total:</b>		<b>21052</b>	<b>100.00</b>	<b>62008000.00</b>	<b>100.00</b>

Details of Shareholding Pattern as on 31st March, 2024:

Shareholding Pattern As on 31/03/2024				
S.no	Description	No. of shareholders	No. of Shares	% of Total Shares
1	PROMOTERS	7	17567390	56.66
2	RESIDENT INDIVIDUALS	19929	5928395	19.12
3	MUTUAL FUNDS	4	2308620	7.45
4	BODIES CORPORATES	250	2002072	6.46
5	FOREIGN PORTFOLIO - CORP	16	1275744	4.11
6	ALTERNATIVE INVESTMENT FUND	4	1150719	3.71
7	H U F	409	305586	0.99
8	NON RESIDENT INDIANS	414	302421	0.98
9	I E P F	1	83305	0.27
10	TRUSTS	8	27912	0.09
11	CLEARING MEMBERS	1	110	0.00
12	TRANSIT	7	5045	0.02
13	FOREIGN PORTFOLIO INVESTORS	2	46681	0.15
<b>Total:</b>		<b>21052</b>	<b>31004000</b>	<b>100.00</b>

(xiv) Dematerialisation of shares and Liquidity: 99.79% of the shareholding has been dematerialized as on 31st March, 2024. Trading in Company's shares is permitted only in dematerialized form for all investors. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

Particulars	No. of Shares	% Share Capital
NSDL	27492750	88.67
CDSL	3445650	11.11
Physical	65600	0.21
<b>Total</b>	<b>31004000</b>	<b>100.00</b>

(xv) Outstanding GDR / ADR / Warrants / Convertible instruments, Conversion Date and likely impact on Equity: The Company has not issued any GDR / ADR / Warrants or any convertible instrument, which is likely to have impact on the Company's Equity.

(xvi) Plant Locations:

Granite Processing:

Unit 1:

Survey No.123, Tooprantpet Village, Choutuppal Mandal, Nalgonda District, Telangana State.

Unit 2:

Survey No. 563, 568 & 574, Aliabad Village, Shameerpet Mandal, R.R. District, Telangana State.

Granite Mines of the Company are situated at certain locations in the States of Telangana, Andhra Pradesh and Tamil Nadu.

Apparel:

Survey No: 33,39,50,51,55,68 & 69, Apparels Export Park, Gundla Pochampally Village, Medchal Mandal, R.R. District, Telangana State.

Pokarna Engineered Stone Limited

Unit 1:

Plot. No: 45, APSEZ, Atchutapuram, Rambilli Mandal, Visakhapatnam District, Andhra Pradesh.

Unit 2:

Sy.Nos. 221,223, Dooskal Village, Farooqnagar Mandal Sy.Nos. 901,902, 908-912, Mekaguda Gram Panchayat Nandigama Revenue Village and Mandal, Ranga Reddy District, Telangana State.

(xvii) Address for correspondence:

Pokarna Limited

105, 1st Floor, Surya Towers,

S.P. Road, Secunderabad – 500003

Telangana, India

Ph: 91 40 27897722

Email: [companysecretary@pokarna.com](mailto:companysecretary@pokarna.com)

Website: [www.pokarna.com](http://www.pokarna.com)

CIN: L14102TG1991PLC013299

(xviii) Credit Rating: The Company's long-term credit rating by 'CRISIL' is A-/ Stable and short-term debt rating at A2+. The Company does not have any fixed deposit scheme or proposal involving mobilisation of funds in India or abroad.

#### M. Other Disclosures:

- (a) Policies Determining Material Subsidiaries and Related Party Transactions: Pursuant to requirements of Regulation 16 and Regulation 23 of the Listing Regulations, the Board of Directors of the Company has adopted the policies for determining material subsidiaries and on related party transactions and the said policies are available on the Company's website at [www.pokarna.com](http://www.pokarna.com).
- (b) Disclosure on Material Related Party Transactions: There were no materially significant related party transactions entered by the Company during financial year 2023-24. Prior omnibus approval of the Audit Committee was obtained for the transactions which are foreseen and are repetitive in nature. A statement of related party transactions is placed before the Audit Committee and Board on quarterly basis. Transactions with the Related Parties as required under Indian Accounting Standard (Ind AS) – 24, Related Party Transactions, are disclosed in Note of the financial statements forming part of this Annual Report.
- (c) Penalty or Strictures: Nil.
- (d) Code of Conduct for Prevention of Insider Trading: The Board of Directors of the Company has adopted the code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and employees of the Company. The Company has appointed the Company Secretary as the Compliance Officer to ensure compliance of the said Code by all the Directors and employees likely to have access to unpublished price sensitive information.

- (e) Vigil Mechanism/Whistle Blower Policy: The Company has established Vigil Mechanism/Whistle Blower Policy for the directors and employees to report their genuine concerns about any unethical behaviour, financial irregularities including fraud or suspected fraud. The vigil mechanism provides adequate safeguards against victimisation of employees and directors who avail the vigil mechanism. The Company affirms that no personnel have been denied access to the Audit Committee. The Policy provides that no adverse action shall be taken or recommended against a director or an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. This mechanism protects such directors and employees from any unfair or prejudicial treatment by anyone within the Company.
- (f) Commodity price risk or foreign exchange risk and hedging activities: The Company does not deal with any commodity and hence not exposed to any commodity price risk. Management Discussion and Analysis sets out the risks identified and the mitigation plans thereof. As on 31st March, 2024, the Company has foreign exchange receivable of ₹ 314.47 Lakhs and the foreign exchange payable as on 31st March, 2024 is ₹ 71.61 Lakhs.
- (g) Proceeds from public issues, rights issues, preferential issues: During the year, the Company did not raise any funds by way of public issues, rights issues, preferential issues etc.
- (h) Company Secretary in Practice Certification: In accordance with the Listing Regulations, the Company has obtained the certificate from a practicing company secretary confirming that as on 31st March, 2024, none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority and the same is appended to this Report.
- (i) Recommendations of the Committees: During the year under review, the Board has accepted the recommendations, which are required to be made by the Committees constituted.
- (j) Total Fees Paid to Statutory Auditors: Total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which the Statutory Auditors are is ₹ 26.75 Lakhs.
- (k) Disclosures related to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The Company has not received any complaints relating to sexual harassment of women during the financial year 2023-24. No complaints were pending as at end of the financial year.
- (l) Disclosure with respect to Demat suspense account/ unclaimed suspense account: The Company does not have any equity shares lying in the Demat suspense account/ unclaimed suspense account of the Company as on 31st March, 2024. Hence disclosures required under Part F of Schedule V of the Listing Regulations.
- (m) Certifications:
  - i. The Chairman & Managing Director (CMD) and the Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 33(2)(a) of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31st March 2024. The CMD and Chief Financial Officer have also issued compliance certificate to the Board pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs.
  - ii. A certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this Annual Report.
- (n) Disclosure of Accounting Treatment:
 

Your Company has not adopted any accounting treatment different from that prescribed in the Accounting Standards
- (o) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

The listed entity and its subsidiaries have not given Loans and advances in the nature of loans to firms/companies in which directors are interested.

(p) Details of material subsidiaries of the listed entity;

Name and CIN of the Company	Pokarna Engineered Stone Limited (U17219TG2001PLC036015)
Date of Incorporation	08/01/2001
Place	Secunderabad-Telengana
Name of Statutory Auditors	M/s. S. Daga & Co. Chartered Accountants (Firm Registration No. 0000669S).
Date of Appointment	15th June, 2023

(q) Disclosure of Certain types of Agreements binding the Company

There were no such agreements as mentioned in clause 5A of paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015 required to be disclosed.

**N. SEBI Complaints Redress System (SCORES).**

The Investor's Complaints are also being processed through the centralized web base complaint Redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints. SEBI vide its Circular dated 26th March 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at [https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redressmechanism-new-policy-measures\\_38481.html](https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redressmechanism-new-policy-measures_38481.html).

**O. Compliance with Mandatory/Non-Mandatory Requirements:**

The Company has complied with all the mandatory requirements of corporate governance specified in Listing Regulations. The Board has taken cognizance of the discretionary requirements as specified in Part E of Schedule II to the Listing Regulations and are being reviewed from time to time.

P. The Compliance Certificate from K V C Reddy & Associates, Company Secretaries, certifying compliance with the conditions of Corporate Governance is annexed to this Report.

Q. The Disclosures of the Compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation No.	Particulars of Regulations	Compliance status (Yes/No/NA)
17	Board of Directors	Yes
17A	Maximum number of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Secretarial Compliance & Audit Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
28	46(2)(b) to (i) Website	Yes

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of SEBI Listing Regulations, during the year under review.

Sd/-

**Gautam Chand Jain**

Chairman & Managing Director

DIN:00004775

Date: 13th August, 2024

Place: Secunderabad.

## ANNEXURE TO CORPORATE GOVERNANCE REPORT

### DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct of the Company for the financial year ended March 31, 2024.

Sd/-

**Gautam Chand Jain**

Chairman & Managing Director

DIN:00004775

Date: 13th August, 2024

Place: Secunderabad.

## COMPLIANCE CERTIFICATE

Pursuant to Regulation 17(8) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We the undersigned hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the F.Y. 2023-24 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation internal controls of which we are aware and also the steps taken by the Company, to rectify such deficiencies.
- D. We have indicated to the auditors and the Audit committee that were:
  - 1) No significant changes in internal control over financial reporting during the year;
  - 2) No significant changes in accounting policies during the year; and
  - 3) No instances of significant fraud, in which the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting, of which we became aware of.

For **Pokarna Limited**

Sd/-

**Gautam Chand Jain**

Chairman & Managing

Sd/-

**M. Viswanatha Reddy**

Chief Financial Officer

Date: 13th August, 2024

Place: Secunderabad

DIN: 00004775

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

To  
 The Members  
**Pokarna Limited**  
 Hyderabad

**Sub: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015**

I, K.V.Chalama Reddy, Practicing Company Secretary have examined the Company and Registrar of Companies records, books and papers of Pokarna Limited (CIN: L14102TG1991PLC013299) having its Registered Office at 01st Floor, 105,Surya Towers, Secunderabad- 500003 Telangana State, India ("the Company") as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable Rules and Regulations made thereunder for the Financial Year ended on 31st March, 2024.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2024:

List of Directors of the Company as on 31st March, 2024

S. No.	DIN No.	Name of the Director	Designation
1)	00004775	Gautam Chand Jain	Chairman and Managing Director
2)	00008449	Mahender Chand	Independent Director
3)	00012265	Yugandhar Meka	Independent Director
4)	00084490	Prakash Chand Jain	Non-independent director
5)	00229415	Vinayakrao Juvvadi	Independent Director
6)	00576447	Rahul Jain	Managing Director
7)	06933924	Apurva Jain	Whole time director
8)	09007808	Jayshree Rajesh Sanghani	Independent Woman Director

For **K V C REDDY & ASSOCIATES**  
 Company secretaries

**K.V. Chalama Reddy**  
 (Proprietor)

Practicing Company Secretary

F.C.S : 9268, C.P. No. 5451

PR No.: 2301/2022

UDIN number: F009268F000944939

Place: Hyderabad  
 Date : 13/08/2024

# CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To  
The Members of  
**Pokarna Limited**

We have examined the compliance of the conditions of Corporate Governance by Pokarna Limited ("Company"), and examine the records for the purpose of certifying compliance of the conditions of the Corporate Governance as specified in regulations 17 to 27, clause (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), for the financial year ended 31st March, 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of our information and according to the explanations and information furnished to us, and based on the representations made by the Directors and the management, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing regulations"), as applicable for the said financial year ended 31st March, 2024

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

For **K V C REDDY & ASSOCIATES**  
Company secretaries

**K.V. Chalama Reddy**  
(Proprietor)  
Practicing Company Secretary  
F.C.S : 9268, C.P. No. 5451  
PR No.: 2301/2022  
UDIN number: F009268F000944840

Place: Hyderabad  
Date : 13/08/2024

# Independent Auditor's Report

To  
The Members of  
**Pokarna Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of Pokarna Limited ('the Company'), which comprise of the balance sheet as at March 31, 2024, the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by The Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian accounting standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

#### S No. Key Audit Matter

#### Auditors Response

##### 1 Contingent Liabilities and Commitments:

The Company is exposed to a variety of different laws, regulations and interpretations thereof which encompasses taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis of the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.

##### Principal Audit Procedures:

Our audit procedures included the following:

- we understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Company's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities;
- we held discussions with the person responsible for legal and compliance to obtain an understanding of the factors considered in classification of the matter as 'probable' and 'possible';
- we read the correspondence from competent authorities and considered legal opinion obtained by the Company from external law firms to challenge the basis used for provisions recognised or the disclosures made in the financial statements.
- For those matters where Company concluded that no provision should be recorded, we also considered the adequacy and completeness of the Company's disclosures made in relation to contingent liabilities.

S No.	Key Audit Matter	Auditors Response
2	Inventory of raw material, Work in Progress and Finished Goods (Valuation) –	<p>With respect to the net realisable value:</p> <ul style="list-style-type: none"> <li>obtained an understanding of the determination of the net realizable values of raw blocks, granites, cut slabs, garments and assessed and tested the reasonableness of the significant judgements applied by the management;</li> <li>evaluated the design of internal controls relating to the valuation of finished goods/work in progress and finished goods and also tested the operating effectiveness of the aforesaid controls;</li> <li>assess the reasonableness of the net realisable value considering the market condition and evaluating possible impact of quality, class, size and ageing that was estimated and considered by the management;</li> <li>compared the actual costs incurred to sell based on the latest sale transactions to assess the reasonableness of the cost to sell that was estimated and considered by the management;</li> <li>compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value;</li> <li>tested the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.</li> </ul>
3	IT systems and controls over financial reporting	<p>Our procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> <li>Assessed the complexity of the IT environment by engaging IT specialists and through discussion with the head of IT and internal audit and identified IT applications that are relevant to our audit.</li> <li>Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations by engaging IT specialists.</li> <li>Performed inquiry procedures in respect of the overall security architecture and any key threats addressed by the Company in the current year.</li> <li>Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company by engaging IT specialists.</li> </ul>

### Information Other than the Standalone Financial Statement and our Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so,

consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### Management's, Those Charged with Governance's and Board of Director's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance,

including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and 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 responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

- Conclude on the appropriateness of management's and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other comprehensive income, the standalone statement of change in equity, and the standalone statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors as on March 31, 2024 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

g) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Standalone Financial Statements.

h) With respect to the other matters to be included in the Auditors Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note.34 to the Standalone Financial Statement;
- ii. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts. The Company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the end of the year;
- iii. There has been no 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.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend paid by the Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in Note.45 to the Standalone Financial Statements, the Board of Directors of the Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting.

vi. Based on our examination, which includes test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For **S. DAGA & CO.**,  
 Chartered Accountants  
 (ICAI FRN: 0000669S)

**(Shantilal Daga)**  
 Partner  
 Membership No. 011617

Place: Hyderabad  
 Date: 16.05.2024  
 UDIN No-24011617BKCRPF2474

## Annexure - A to the Independent Auditors' Report

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment, right-of-use assets and Intangible Assets –
  - (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (ii) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment and right-of-use assets by which all assets are verified in a phased manner over a period of one year. In accordance with this programme, the Property, Plant and Equipment and right-of-use assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) (i) We report that the title deeds comprising of immovable properties of Land and Building which are freehold are held in the name of the company as on the Balance sheet date, except for the following:

Description of item of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reasons for not being held in name of company
Land	6.77	Promoter & Non Executive Director	Yes	Since 1997	Transfer formalities are pending
Land	2.67	Erstwhile seller	Not Applicable	Since 1997	Transfer formalities are pending
Land	19.00	Government Land	Not Applicable	Since 2004	Transfer formalities are pending
<b>Total</b>	<b>28.44</b>				

- (ii) In respect of immovable properties of Land and Building that have been taken on Lease and disclosed as Property, Plant and Equipment or right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company, where the company is the Lessee in the agreement.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- (e) There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The inventory, except goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (b) The Company is having working capital limits in excess of Rs.5 crores from banks on the basis of primary security of current assets of the Company. The quarterly stock and receivables statements filed by the company with such banks are in agreement with the books of accounts of the Company.
- iii. The Company has not made investments in, companies, firms, Limited Liability Partnerships, and has not granted unsecured loans to other parties during the year, however the Company provided corporate guarantee on behalf of a Pokarna Engineered Stone Limited, wholly owned subsidiary, during the year, in respect of which:
  - The aggregate amount of guarantee is 6 million Euros which is outstanding as on balance sheet date.
  - The Company also charged commission of INR 25 million with reference to the guarantee issued.
    - (a) The Company has not provided any loans or advances in the nature of loans or provided security to any other entity during the year.
    - (b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are *prima facie*, not prejudicial to the Company's interest.
    - (c) The Company has not given any loans or advances in the nature of loans and hence the schedule of repayment of principal and interest has not been stipulated for repayment and therefore the receipt of interest does not apply.
    - (d) The Company has not given any loans or advances and therefore reporting under clause 3(iii)(d) of the Order is not applicable.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under and hence reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central

Government of India, the maintenance of cost records specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.

There were no undisputed amounts payable in respect Good and Service tax, provident fund, employees state insurance, income tax, duty of customs, cess, professional tax and other material statutory dues were in arrears as at 31 March 2024.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Sl.No.	Name of the Statute	Nature of dues	Amount Rs. In lakhs	Period to which the amount relates	Forum where dispute is pending	Rs. In Lakhs	
						Paid under dispute Rs.in lakhs	Remarks if any
1	Finance Act,1994	Service Tax	247.50 (247.50)	2007-2017	Customs, Excise & Service Tax appellate tribunal and Superintendent of Service Tax	23.06 (23.06)	
2	Central Excise Act,1944	Excise Duty	148.84 (148.84)	2007-16	Customs, Excise & Service Tax appellate tribunal and Addl. Commissioner of Central Excise	Nil	
3	Customs Act, 1962	Customs Duty	75.91 (75.91)	2003-11	Customs, Excise & Service Tax Appellate tribunal	Nil	
4	Income Tax Act,1961	Income Tax	144.38 (144.45)	2000-01 to 2002-03& 2005-06, 2016-17	High Court of Andhra Pradesh & Commissioner of Income Tax	Nil (Nil)	
5	AP Vat Act, 2005 & Central Sales Tax Act,1956	VAT & CST	20.76 (266.05)	2011-12, 2013-14, 2014-15 & 2017-18	Deputy Commissioner of Commercial Taxes	3.31 (34.97)	
6	Goods & Service Tax	GST	630.79 (71.65)	2017 to 19	Dy Commissioner of GST	Nil	
<b>Total</b>			<b>1268.18 (954.90)</b>			<b>26.37 (58.03)</b>	

(Previous year figures are in brackets)

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The company has not defaulted in repayment of loans or borrowings to banks as at the Balance Sheet date.

(b) The company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) On the basis of our review of utilization of funds pertaining to term loans on overall basis, the term loans taken by the company has been utilized for the purpose of which they were obtained.

(d) On an overall examination of the Standalone Financial Statements of the Company, funds raised on short-term basis have, *prima facie*, not been used during the year for long-term purposes by the Company.

- (e) On an overall examination of the 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.
- (f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year and till date of this report, while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi company and hence paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. In our Opinion the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required by applicable Indian Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. During the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence reporting under paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. (a) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a), (b) and (c) of the order is not applicable
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements and 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 indicating 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. The Corporate Social Responsibility (CSR) provisions are not applicable to the company for the current and previous financial year as the company is not satisfying the criteria specified in section 135(1) of the Act. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi. The provisions relating to CFS (Consolidated Financial Statements) is not applicable to the company and hence reporting under clause xxi of the Order is not applicable.

For **S. DAGA & CO.**,

Chartered Accountants  
(ICAI FRN: 0000669S)

**(Shantil Daga)**

Partner  
Membership No. 011617

Place: Hyderabad

Date: 16.05.2024

UDIN No-24011617BKCRPF2474

## Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls with reference to the Standalone financial statements 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 the Standalone financial statements of Pokarna Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the 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 financial controls with reference to the Standalone financial statements 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

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

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

For **S. DAGA & CO.**,  
Chartered Accountants  
(ICAI FRN: 0000669S)

**(Shantilal Daga)**  
Partner  
Membership No. 011617

Place: Hyderabad  
Date: 16.05.2024  
UDIN No-24011617BKCRPF2474

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

### Meaning of Internal Financial Controls over Standalone Financial Statement:

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

### Inherent Limitations of Internal Financial Controls which refer to Standalone financial statement

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

### Opinion

In our opinion, to best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial control system with reference to Standalone Financial Statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal financial control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

# Standalone Balance Sheet

as at March 31, 2024

₹ In lakhs

	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>I Non-current assets</b>			
(a) Property, plant and equipment	3	6140.45	7062.22
(b) Right-of-Use Assets	3	104.46	258.30
(c) Capital work-in-progress		-	21.11
(d) Intangible assets	3	35.75	40.07
(e) Financial assets			
(i) Investments	4	6116.38	6116.38
(ii) Loans	5(A)	128.35	128.35
(iii) Other financial assets	6(A)	632.59	685.02
(f) Deferred tax asset (net)	19	106.06	-
(g) Other non-current assets	7(A)	6.24	6.40
<b>Total non-current assets</b>		<b>13270.28</b>	<b>14317.85</b>
<b>II Current assets</b>			
(a) Inventories	8	2545.54	3249.91
(b) Financial assets			
(i) Trade receivables	9	649.02	934.66
(ii) Cash and cash equivalents	10	61.95	63.71
(iii) Bank balances other than (ii) above	11	143.40	86.63
(iv) Loans	5(B)	131.55	292.28
(v) Other financial assets	6(B)	4.70	3.99
(c) Current tax assets	12	68.95	17.89
(d) Other current assets	7(B)	524.04	515.04
<b>Total current assets</b>		<b>4129.15</b>	<b>5164.11</b>
<b>III Assets held for sale and discontinued operations</b>	35	<b>200.80</b>	-
<b>TOTAL ASSETS</b>		<b>17600.23</b>	<b>19481.96</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity share capital	13	620.08	620.08
(b) Other equity	14	11557.33	12226.16
<b>Total equity</b>		<b>11977.41</b>	<b>12846.24</b>
<b>Liabilities</b>			
<b>II Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15(A)	1909.22	1658.30
(ia) Lease liabilities	16(A)	79.45	236.43
(b) Provisions	18(A)	339.66	329.63
(c) Deferred tax liabilities (net)	19	-	141.89
<b>Total non-current liabilities</b>		<b>2328.53</b>	<b>2366.25</b>
<b>III Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15(B)	2255.68	2513.16
(ia) Lease liabilities	16(B)	32.66	71.63
(ii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		0.91	0.78
b) total outstanding dues of creditors other than micro enterprises and small enterprises		404.62	386.82
(iii) Other financial liabilities	17	6.55	10.63
(b) Other current liabilities	21	515.67	1256.93
(c) Provisions	18(B)	38.51	29.52
(d) Current tax liabilities (net)	22	-	-
<b>Total current liabilities</b>		<b>3254.60</b>	<b>4269.47</b>
<b>IV Liabilities held for sale and discontinued operations</b>	35	<b>39.89</b>	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17600.23</b>	<b>19481.96</b>

Notes forming part of the financial statements

In terms of our report attached

For **S.Daga & Co.**

Chartered Accountants

(F.No.0000669S)

**Shantilal Daga**

Partner

Membership No. 11617

Place : Hyderabad

Date : 16th May, 2024

UDIN : 24011617BKCRPF2474

For and on behalf of Board of Directors

**Gautam Chand Jain**

Chairman &amp; Managing Director

(D.No: 00004775)

**Rahul Jain**

Managing Director

(D.No: 00576447)

**M Viswanatha Reddy**

Chief Financial Officer

# Standalone Statement of Profit and Loss

for the Year ended March 31, 2024

₹ In lakhs

	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>Continuing Operations</b>			
<b>I Revenue from operations</b>	23	3796.57	5797.33
<b>II Other income</b>	24	764.17	296.64
<b>III Total income</b>		<b>4560.74</b>	<b>6093.97</b>
<b>IV Expenses:</b>			
a) Cost of raw material consumed	25	277.48	374.14
b) Purchase of stock-in-trade		65.11	60.73
c) Changes in stock of finished goods, work-in-progress and stock-in-trade	26	420.58	308.38
d) Employee benefits expense	27	1274.96	1396.49
e) Depreciation and amortization expense	28	677.27	695.00
f) Finance costs	29	396.90	383.18
g) Other expenses	30	2018.11	2671.63
<b>Total expenses</b>		<b>5150.41</b>	<b>5889.55</b>
<b>V Profit before tax (III-IV)</b>		<b>(569.67)</b>	<b>204.42</b>
<b>VI Tax expense:</b>	31		
a) Current tax		(7.52)	25.01
b) Deferred tax		(242.81)	(80.47)
<b>Total tax expense</b>		<b>(250.33)</b>	<b>(55.46)</b>
<b>VII Profit after tax from continuing operations (V-VI)</b>		<b>(319.34)</b>	<b>259.88</b>
<b>VIII Discontinuing Operations</b>			
(Loss) from discontinuing operations before tax		(354.66)	(181.16)
Tax expense of discontinuing operations		-	4.27
(Loss) after tax from discontinuing operations		(354.66)	(185.43)
<b>IX Profit for the year (VII+VIII)</b>		<b>(674.00)</b>	<b>74.45</b>
<b>X Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss		(13.95)	51.29
(ii) Income tax relating to items that will not be reclassified to profit or loss		5.14	(12.91)
<b>Total other comprehensive income</b>		<b>(8.81)</b>	<b>38.38</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>(682.81)</b>	<b>112.83</b>
<b>XII Earnings per share for continuing operations - Basic and Diluted (in ₹)</b>	32	(1.05)	0.84
<b>XIII Earnings per share for discontinuing operations - Basic and Diluted (in ₹)</b>		(1.14)	(0.60)
<b>XIV Earnings per share - Basic and Diluted (in ₹)</b>		(2.17)	0.24
<b>XV Nominal Value of share (in ₹)</b>		2.00	2.00
Notes forming part of the financial statements	1 - 47		

In terms of our report attached

For and on behalf of Board of Directors

For **S.Daga & Co.**

Chartered Accountants  
(F.No.000669S)

**Gautam Chand Jain**

Chairman & Managing Director  
(D.No: 00004775)

**Shantilal Daga**

Partner  
Membership No. 11617

**Rahul Jain**

Managing Director  
(D.No: 00576447)

Place : Hyderabad

Date : 16th May, 2024

UDIN : 24011617BKCRPF2474

**M Viswanatha Reddy**

Chief Financial Officer

# Standalone Statement of Changes in Equity

for the Year ended 31st March, 2024

## A) Equity Share Capital

Particulars	Balance as at 1st April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April 2023	Changes in equity share capital during the year	₹ In lakhs	Balance as at 31st March 2024
Equity shares of ₹ 2/- each issued, Subscribed and fully paid-up	620.08	-	620.08	-		620.08

Particulars	Balance as at 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April 2022	Changes in equity share capital during the year	₹ In lakhs	Balance as at 31st March 2023
Equity shares of ₹ 2/- each issued, Subscribed and fully paid-up	620.08	-	620.08	-		620.08

## B) Other Equity

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)	Total Equity
	General Reserve	Retained earnings	Securities Premium	Remeasurements of net defined benefit plans		
<b>Balance as at 01.04.2023</b>	<b>980.36</b>	<b>10882.73</b>	<b>73.96</b>	<b>289.11</b>	<b>12226.16</b>	
Changes in Accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	980.36	10882.73	73.96	289.11	12226.16	
Profit for the year	-	(674.00)	-	-	-	(674.00)
Total Comprehensive Income for the year	-	-	-	(8.81)	(8.81)	
Dividend	-	(186.02)	-	-	-	(186.02)
<b>Balance as at 31.03.2024</b>	<b>980.36</b>	<b>10022.71</b>	<b>73.96</b>	<b>280.30</b>	<b>11357.33</b>	

Particulars	Reserves and Surplus				Items of Other Comprehensive Income (OCI)	Total Equity
	General Reserve	Retained earnings	Securities Premium	Remeasurements of net defined benefit plans		
<b>Balance as at 01.04.2022</b>	<b>980.36</b>	<b>10994.50</b>	<b>73.96</b>	<b>250.73</b>	<b>12299.35</b>	
Changes in Accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period	980.36	10994.50	73.96	250.73	12299.35	
Profit for the year	-	74.45	-	-	-	74.45
Total Comprehensive Income for the year	-	-	-	38.38	38.38	
Dividend	-	(186.02)	-	-	-	(186.02)
<b>Balance as at 31.03.2023</b>	<b>980.36</b>	<b>10882.73</b>	<b>73.96</b>	<b>289.11</b>	<b>12226.16</b>	

In terms of our report attached

For and on behalf of Board of Directors

For **S.Daga & Co.**

Chartered Accountants  
(F.No.000669S)

**Gautam Chand Jain**

Chairman & Managing Director  
(D.No: 00004775)

**Shantilal Daga**

Partner  
Membership No. 11617

**Rahul Jain**

Managing Director  
(D.No: 00576447)

Place : Hyderabad

Date : 16th May, 2024

UDIN : 24011617BKCRPF2474

**M Viswanatha Reddy**

Chief Financial Officer

# Standalone Statement of Cash Flow

for the year ended March 31, 2024

₹ In lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
<b>(A) Cash flows from operating activities</b>		
Profit before taxes	(569.67)	204.42
<b>Adjustments :</b>		
Depreciation and amortization expense	677.27	695.00
Loss/ (Profit) on Sale of property, plant and equipment (Net)	(35.92)	0.88
Unrealized foreign exchange (gain) / loss (Net)	(12.01)	59.84
Net gain/ (loss) on fair valuation of Financial Assets measured at FVTPL	1.24	0.29
Allowances for Credit losses	24.54	26.52
Finance costs	395.08	372.18
Dividend Income	(417.06)	(250.24)
Interest income	(15.59)	(11.37)
<b>Operating profit before working capital changes</b>	<b>47.88</b>	<b>1097.52</b>
Changes in working capital and other provisions:		
(Increase)\Decrease in Trade Receivables	262.94	(192.87)
(Increase)\Decrease in Inventories	405.01	486.43
(Increase)\Decrease in Financial Assets	89.42	(310.93)
(Increase)\Decrease in Non - Financial Assets	(23.77)	(25.91)
Increase\Decrease in Provisions	75.77	16.74
Increase\Decrease in Non - Financial Liabilities	-	-
Increase\Decrease in Trade and Other Payables	(565.73)	(407.23)
<b>Cash generated from operations</b>	<b>291.52</b>	<b>663.75</b>
Income taxes paid, net	(43.55)	(106.51)
<b>Net cash from/(used in) operating activities</b>	<b>247.97</b>	<b>557.24</b>
Net cash from discontinued operations	(150.45)	35.40
<b>Net cash from/(used in) from continuing and discontinued operating activities</b>	<b>97.52</b>	<b>592.64</b>
<b>(B) Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(118.92)	(61.18)
Proceeds from sale of property, plant and equipment	241.32	16.62
Interest income	13.71	10.02
Dividend Income	417.06	250.24
<b>Net cash from / (used in) investing activities</b>	<b>553.17</b>	<b>215.70</b>
Net cash from discontinued operations	13.96	11.67
<b>Net cash from / (used in) from continuing and discontinued investing activities</b>	<b>567.13</b>	<b>227.37</b>
<b>(C) Cash flows from financing activities</b>		
Proceeds from Non-current borrowings (including current maturities)	431.64	308.80
Repayment of Non-current borrowings (including current maturities)	(277.83)	(536.93)
(Repayment) / Proceeds from Current borrowings (Net)	(212.89)	(615.26)
Principal payments of Lease Liabilities	(29.60)	(34.25)
Interest expense (including lease liabilities)	(395.43)	(349.22)
Dividend paid	(186.02)	(186.02)
<b>Net cash from / (used in) in financing activities</b>	<b>(670.13)</b>	<b>(1412.88)</b>
Net cash from discontinued operations	(137.98)	(112.98)
<b>Net cash from / (used in) from continuing and discontinued financing activities</b>	<b>(808.11)</b>	<b>(1525.86)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(143.46)</b>	<b>(705.85)</b>
Add: cash and cash equivalents at the beginning of the year	(1562.92)	(873.23)
Effect of exchange gain on cash and cash equivalents	1.42	16.16
<b>Cash and cash equivalents at the end of the year</b>	<b>(1704.96)</b>	<b>(1562.92)</b>
Cash and cash equivalents from continuing operations (refer note.10.1)	(1707.85)	(1562.92)
Cash and cash equivalents from discontinued operations	2.89	-
Cash and cash equivalents from continuing and discontinued activities	(1704.96)	(1562.92)

# Standalone Statement of Cash Flow

for the year ended March 31, 2024

₹ In lakhs

Change in Liability arising from Financing Activities	1st April 2023	Cashflow	Foreign Exchange movement/others	31st March 2024
Borrowing- Non-current (including current maturities)	1941.14	153.81	-	2094.95
Borrowing - Current	521.12	(212.89)	(8.08)	300.15
Lease liability ( including current maturities)	53.70	(29.60)	88.01	112.11
	<b>2515.96</b>	<b>(88.68)</b>	<b>79.93</b>	<b>2507.21</b>

₹ In lakhs

Change in Liability arising from Financing Activities	1st April 2022	Cashflow	Foreign Exchange movement/others	31st March 2023
Borrowing- Non-current (including current maturities)	2104.87	(228.13)	64.40	1941.14
Borrowing - Current	1102.83	(615.26)	33.55	521.12
Lease liability ( including current maturities)	87.96	(34.26)	-	53.70
	<b>3295.66</b>	<b>(877.65)</b>	<b>97.95</b>	<b>2515.96</b>

**Note:** Cash Flow Statement has been prepared under the Indirect Method, as set out in Ind AS 7 - 'Statement of Cash Flows'.

In terms of our report attached

For **S.Daga & Co.**

Chartered Accountants  
(F.No.000669S)

**Shantilal Daga**

Partner  
Membership No. 11617

Place : Hyderabad

Date : 16th May, 2024

UDIN : 24011617BKCRPF2474

For and on behalf of Board of Directors

**Gautam Chand Jain**

Chairman & Managing Director  
(D.No: 00004775)

**Rahul Jain**

Managing Director  
(D.No: 00576447)

**M Viswanatha Reddy**

Chief Financial Officer

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 1 Corporate information

The standalone financial statements comprise financial statements of **Pokarna Limited** (the "Company") for the year ended 31st March, 2024. The Company is a public company domiciled in India and incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is located at 105, Surya Towers, SP Road, Secunderabad - 500003, Telangana, India. The company is principally engaged in the business of quarrying, manufacturing & processing and selling of Granite & manufacturing and selling of Apparel under the brand name 'Stanza'. Granite manufacturing & processing units are 100% EOU's.

## 2 Basis of preparation, measurement and material accounting policies

The material accounting policies applied by the Company in the preparation of its financial statements are listed below.

Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

### 2.1 Basis of preparation and measurement

#### (a) Basis of preparation

The financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

#### (b) Basis of measurement

The financial statements have been prepared on an accrual and going concern basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve month period from the balance sheet date.

### 2.2 Key accounting judgement, estimates and assumptions:

The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that

period or in the period of the revision and future periods if the revision affects both current and future period. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognised in the financial statements are included in the following notes:

- Measurement of defined benefit obligations - Note 27
- Measurement and likelihood of occurrence of provisions and contingencies - Note 18 and 34
- Recognition of deferred tax assets - Note 19
- Key assumptions used in discounted cash flow projections - Note 38
- Impairment of assets - Note 3
- Allowances for credit losses for finance receivables - Note 9
- Measurement of Right-of-use Asset and Lease liabilities - Note 3B and 40

### 2.3 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

### 2.4 Material accounting policies

#### A Property, plant and equipment

An item of property, plant and equipment is recognized as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognized in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognized. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalized. Borrowing costs incurred during the period of construction is capitalized as part of cost of the qualifying assets.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognized in the statement of profit and loss.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

## B Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortization is provided so as to write off, on a straight line basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are determined with reference to Schedule II to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Freehold land is stated at cost and is not depreciated.

## C Intangible assets

(i) Intangible assets are stated at cost less accumulated amortization or impairment. Intangible assets are amortized on their estimated useful life of assets.

### (ii) Stripping costs

The Company separates two different types of stripping costs that are incurred in surface mining activity:

- (a) Developmental stripping costs and
- (b) Production stripping costs

Developmental stripping costs which are incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalized as part of mining assets. Capitalization of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to raw granite in the form of inventories and/or to improve access to deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realized in the form of inventories.

The Company recognizes a stripping activity asset in the production phase if, and only if, all of the following are met:

- (i) It is probable that the future economic benefit (improved access to the mine) associated with the stripping activity will flow to the Company
- (ii) The Company can identify the component of the mine for which access has been improved and
- (iii) The costs relating to the improved access to that component can be measured reliably. Such costs are presented within mining assets (Intangible Assets). After initial recognition, stripping activity assets are carried at cost less accumulated amortization and impairment. The Stripping activity assets are amortized based on cost of inventory produced compared with expected cost.

## D Right-of-use Assets

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

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

### (i) As a Lessee

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## (ii) As a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

## E Provision for decommissioning, site restoration and environmental costs

Under Ind AS, cost of an item of property, plant and equipment or intangible assets includes the initial

estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Such cost of decommissioning, restoration or similar liability is to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life.

The Company has liabilities related to restoration of mines and other related works, which are due upon the closure of certain of its production sites.

Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using a discount rate where the effect of time value of money is material. The effect of the time value of money on the restoration and environmental costs liability is recognized in the statement of profit and loss.

## F Impairment

### (i) Financial assets (including receivables)

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for trade receivables.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ income in the statement of profit and loss. This amount is reflected in a separate line in the statement of profit and loss as an impairment gain or loss.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## (ii) Non-financial assets :

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of assets, impairment losses recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## G Financial instruments

### (i) Financial assets

All financial assets are initially recognized at fair value except trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are

directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The Company's financial assets include security deposits, cash and cash equivalents, trade receivables and deposits with banks. Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

### Investment in subsidiaries:

The Company has accounted for its investments in subsidiaries at cost.

### (ii) Financial liabilities

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company financial liabilities include Loans and borrowings and trade and other payables.

## H Cash and bank balances:

Cash and bank balances consist of:

(i) **Cash and cash equivalents** - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than three months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdraft but including other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(ii) **Other bank balances** - which includes balances and deposits with banks that are restricted for withdrawal and usage.

## I Employee benefits

### (i) Short term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid towards bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### (ii) Post-employment benefits:

#### Defined contribution plans:

##### Provident Fund

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a

specified percentage of the eligible employee's salary. Employer contribution is charged to statement of profit and loss. Amounts collected under the provident fund plan are deposited with in a Government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

#### Employee state Insurance Scheme

Eligible employees of the Company are covered under "Employees State Insurance Scheme Act 1948", which are also defined contribution schemes recognized and administered by Government of India. The Company's contributions to these schemes are recognized as expense in statement of profit and loss during the period in which the employee renders the related service. The Company has no further obligation under these plans beyond its monthly contributions.

#### Defined benefit plans:

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Company gratuity Scheme.

The Company recognizes the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in the statement of profit and loss.

#### Other long-term employee benefits

The liabilities for compensated absences which are not expected to occur within twelve months are measured as the present value of expected future payments to be made in respect of services provided

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

by employees up to the end of the reporting period using projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods.

Company uses updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

## J Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, Stores and Spares, Consumables, Packing materials and traded goods are valued at Cost on First-In-First-Out (FIFO) basis. Cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition on normal operating capacity. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and appropriate portion of variable and fixed overhead expenditure, computed on normal capacity.

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

The company assess the valuation of Inventories at each reporting period and write down the value for different finished goods based on their quality classes and ageing. Inventory provisions are provided to cover risks arising from slow-moving items, discontinued products, and net realizable value lower than cost. The process for evaluating these write-offs often requires to make subjective judgments and estimates, based primarily on historical experience, concerning prices at which such inventory will be able to be sold in the normal course of business, to the extent each of these factors impact the Company's business.

## K Provisions, contingent liabilities and contingent assets

### Provisions

Provisions are recognized when the Company has 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 and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. 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 recognized as a finance cost.

### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### Contingent assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

## L Government grants

Effective from 01st April 2018, the Company has adopted and opted Ind AS 20 policy for 'Accounting for Government Grants and Disclosure of Government Assistance' from 'Deferred Income recognised in Statement of Profit and Loss on a systematic basis over the useful life of the assets' to 'Option of deducting the same from carrying value'.

## M Non-current assets held for sale

Non-current assets comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in the statement of profit and loss. Gains are not recognized in excess of any cumulative impairment loss.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognized on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

## N Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of profit and loss except relating to items recognized directly in equity or in other comprehensive income.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could 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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilised.

## O Revenue

Revenue is recognized at the amount of transaction price (net of variable consideration) when the performance obligations under contract are fulfilled and there are no unfulfilled obligations and amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company.

The specific recognition criteria described below must also be met before revenue is recognized:

**Goods Sold:** Revenue from sale of goods are recognized when controls of the product are transferred in accordance with the terms of sale, and there is no unfulfilled obligation that could affect the customers' acceptance of the products and is net of trade discounts, sales returns, where applicable. accordingly export and domestic revenue is recognized when the performance obligations in our contracts are fulfilled.

**Rendering of services:** Revenue recognition is based on the terms and conditions as per the contracts entered into / understanding with the customers and the service is performed and there are no unfulfilled obligations. All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered a separate unit of account is accounted for separately. The allocation of the consideration from revenue arrangement to its separate units of account is based on the relative fair value of each unit.

**Interest income** is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

**Dividend Income** is recognized when the company's right to receive the payment has been established.

**Export Benefits:** Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

## Expenditure

Expenditure is accounted on accrual basis.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## P Foreign currency

Items included in the financial statements of the Company are recorded using the currency of the primary economic environment (INR) in which the Company operates (the 'functional currency').

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the Statement of profit and loss of the year.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are not translated.

The transactions like receipt or payment of advance consideration in a foreign currency are translated at the rates on the date of transaction. The date of transaction for the purpose of determining exchange rate is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

## Q Finance income and finance cost

Finance income comprises interest income on funds invested and dividend income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and lease liabilities, unwinding of the discount on provisions, impairment losses recognized on financial assets, interest expense and penalties related to income tax.

## R Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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 is adjusted for the effects of all dilutive potential equity shares.

## S Segment reporting

Each of the reportable segments derives its revenues from the main products and hence these have been identified as reportable segments by the Group's chief operating decision maker ("CODM"). Segment revenue, result, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and unallocated corporate liabilities respectively.

## T Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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

## U Dividend declared

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders, a corresponding amount is recognized directly in equity.

## V Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 3. Property, plant and equipment & Intangible assets

Particulars	₹ In lakhs	As at 31st March, 2024	As at 31st March, 2023
Property, plant and equipment			
A.Owned Assets		6140.45	7062.22
B.ROU Leased Assets		104.46	258.30
<b>Total</b>		<b>6244.91</b>	<b>7320.52</b>
<b>Owned - Intangible assets</b>		<b>35.75</b>	<b>40.07</b>

### A. Owned Assets

Particulars	Property, plant and equipment						Intangible assets				
	Land	Buildings	Factory & quarry buildings	Plant & equipment	Vehicles	Furniture & fixtures	Office equipment	Total of property, plant and equipment	Trade marks & brand name	Stripping cost activity asset	Total of Intangible assets
<b>1. Deemed cost (Gross carrying amount)</b>											
<b>Balance as at 1st April 2022</b>	<b>660.39</b>	<b>58.07</b>	<b>3800.99</b>	<b>15221.31</b>	<b>856.86</b>	<b>516.69</b>	<b>447.23</b>	<b>21561.54</b>	<b>382.80</b>	<b>65.95</b>	<b>448.75</b>
Additions	0.25	-	55.85	39.12	2.54	-	-	97.76	-	-	-
Disposals/impairment	-	-	(270.60)	(18.52)	(277.10)	-	-	(566.22)	-	-	-
<b>Balance as at 31st March 2023</b>	<b>660.64</b>	<b>58.07</b>	<b>3856.84</b>	<b>14989.83</b>	<b>840.88</b>	<b>239.59</b>	<b>447.23</b>	<b>21093.08</b>	<b>382.80</b>	<b>65.95</b>	<b>448.75</b>
Balance as at 1st April 2023	660.64	58.07	3856.84	14989.83	840.88	239.59	447.23	21093.08	382.80	65.95	448.75
Additions	-	-	57.56	16.82	48.47	-	1.01	123.86	-	-	-
Disposals/impairment	(39.70)	-	-	(526.42)	(57.88)	(5.04)	(15.36)	(644.40)	-	-	-
Relating to discontinued operations	-	-	-	(2140.40)	(47.60)	(169.50)	(113.23)	(2470.73)	-	-	-
<b>Balance as at 31st March 2024</b>	<b>620.94</b>	<b>58.07</b>	<b>3914.40</b>	<b>12359.83</b>	<b>783.87</b>	<b>65.05</b>	<b>319.65</b>	<b>18101.81</b>	<b>382.80</b>	<b>65.95</b>	<b>448.75</b>
<b>2. Accumulated Depreciation</b>											
<b>Balance as at 1st April 2022</b>	<b>-</b>	<b>42.28</b>	<b>1662.91</b>	<b>10616.13</b>	<b>624.98</b>	<b>462.55</b>	<b>412.83</b>	<b>15821.68</b>	<b>382.80</b>	<b>21.56</b>	<b>404.56</b>
Depreciation/ amortisation for the year	-	1.02	113.30	558.65	53.70	11.48	5.88	744.03	-	4.32	4.32
Disposals/impairment	-	-	(254.03)	(17.60)	(263.22)	-	-	(534.85)	-	-	-
<b>Balance as at 31st March 2023</b>	<b>-</b>	<b>43.30</b>	<b>1776.21</b>	<b>10920.75</b>	<b>661.08</b>	<b>210.81</b>	<b>418.71</b>	<b>14030.86</b>	<b>382.80</b>	<b>25.88</b>	<b>408.68</b>
Balance as at 1st April 2023	-	43.30	1776.21	10920.75	661.08	210.81	418.71	14030.86	382.80	25.88	408.68
Depreciation/ amortisation for the year	-	1.02	114.64	481.41	38.55	0.70	3.41	639.73	-	4.32	4.32
Disposals/impairment	-	-	(363.55)	(55.92)	(4.93)	(14.59)	(438.99)	-	-	-	-
Relating to discontinued operations	-	-	(1993.68)	(27.24)	(143.73)	(105.59)	(2270.24)	-	-	-	-
<b>Balance as at 31st March 2024</b>	<b>-</b>	<b>44.32</b>	<b>1890.85</b>	<b>9044.93</b>	<b>616.47</b>	<b>62.85</b>	<b>301.94</b>	<b>11961.36</b>	<b>382.80</b>	<b>30.20</b>	<b>413.00</b>
<b>3. Carrying amount (net)</b>											
<b>At 31st March 2023</b>	<b>660.64</b>	<b>14.77</b>	<b>2080.63</b>	<b>4069.08</b>	<b>179.80</b>	<b>28.78</b>	<b>28.52</b>	<b>7062.22</b>	<b>-</b>	<b>40.07</b>	<b>40.07</b>
<b>At 31st March 2024</b>	<b>620.94</b>	<b>15.75</b>	<b>2023.55</b>	<b>3294.90</b>	<b>167.40</b>	<b>2.20</b>	<b>17.71</b>	<b>6140.45</b>	<b>-</b>	<b>35.75</b>	<b>35.75</b>

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 3. Property, plant and equipment & Intangible assets (Contd..)

- 3.1) Some of the assets acquired out of finance are under Hypothecation.
- 3.2) Details of security of property, plant and equipment subject to charge to secured borrowings - refer note. 15.1
- 3.3) Land includes cost of land admeasuring Acres 2.11 cents, which has been disputed by third parties pending disposal.
- 3.4) Title deeds of Immovable Properties not held in name of the Company

₹ In lakhs

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Relationship with Title holder	Property held Since which date	Reasons for not being held in the name of the company
Property, Plant & Equipment	Land	6.77	Promoter & Non Executive Director	NA	Since 1997	Transfer formalities are pending
Property, Plant & Equipment	Land	2.67	Erstwhile seller	NA	Since 1997	Transfer formalities are pending
Property, Plant & Equipment	Land	19.00	Government Land	NA	Since 2004	Transfer formalities are pending
<b>Total</b>		<b>28.44</b>				

- 3.5) Capital work-in-progress Nil (previous year ₹ 21.11 lakhs)

### Capital work-in-progress ageing schedule as at 31st March 2024

₹ In lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

### Capital work-in-progress ageing schedule as at 31st March 2023

₹ In lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	21.11	-	-	-	21.11
Projects temporarily suspended	-	-	-	-	-

Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan is ₹Nil (previous year ₹Nil)

## B. ROU Leased Assets \*

₹ In lakhs

Particulars	Buildings
<b>1. Deemed cost (Gross carrying amount)</b>	
Balance as at 1st April 2022	480.90
Additions	118.96
Disposals/ transfer	(60.96)
<b>Balance as at 31st March 2023</b>	<b>538.90</b>
Balance as at 1st April 2023	538.90
Additions	88.00
Disposals/ transfer	(84.85)
Relating to discontinued operations	(386.75)
<b>Balance as at 31st March 2024</b>	<b>155.30</b>

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 3. Property, plant and equipment & Intangible assets (Contd..)

₹ In lakhs

Particulars	Buildings
<b>2. Accumulated Depreciation</b>	
Balance as at 1st April 2022	236.33
Depreciation/ amortisation for the year	87.53
Disposals/ transfers	(43.26)
<b>Balance as at 31st March 2023</b>	<b>280.60</b>
Balance as at 1st April 2023	280.60
Depreciation/ amortisation for the year	33.22
Disposals/ transfers	(84.85)
Relating to discontinued operations	(178.13)
<b>Balance as at 31st March 2024</b>	<b>50.84</b>
<b>3. Carrying amount (net)</b>	
At 31st March 2023	258.30
<b>At 31st March 2024</b>	<b>104.46</b>

\*refer Note 40

## 4. Investments

₹ In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
Trade - unquoted		
Non-current - at cost		
In subsidiary companies -		
<b>Equity shares of Pokarna Engineered Stone Limited</b>		
100000 (previous year 100000) Equity Shares of ₹ 10/- each	10.00	10.00
4070584 (previous year 4070584) Equity Shares of ₹ 10/-each (at a premium of ₹ 140/-)	6105.88	6105.88
<b>Equity shares of Pokarna Foundation</b>		
5000 (previous year 5000) Equity Shares of ₹ 10/- each	0.50	0.50
<b>Total</b>	<b>6116.38</b>	<b>6116.38</b>

## 5. Loans

₹ In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A. Non-current loans</b>		
Loan receivables considered good -unsecured		
Other loans	128.35	128.35
<b>Total</b>	<b>128.35</b>	<b>128.35</b>
<b>B. Current loans</b>		
Loan receivables considered good -unsecured		
Other loans	131.55	291.68
Loans to employees	-	0.60
<b>Total</b>	<b>131.55</b>	<b>292.28</b>

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 6. Other financial assets

### A. Non-current financial assets

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Deposits with maturity for more than 12 months		
Margin money given against a bank guarantee/letter of credit	1.75	54.38
Interest accrued on fixed deposits	0.22	0.35
Security deposit	630.62	630.29
<b>Total</b>	<b>632.59</b>	<b>685.02</b>

6.1 Security deposit includes ₹ 115.60 lakhs (previous year ₹ 117.30 lakhs) pledged to mines & geology and other departments.

### B. Current financial assets

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Interest accrued on fixed deposits	4.70	3.99
<b>Total</b>	<b>4.70</b>	<b>3.99</b>

## 7. Other assets

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>A. Non-current assets</b>		
Unsecured, considered good		
Capital advances	4.39	2.39
Defer lease rentals	1.85	4.01
<b>Total</b>	<b>6.24</b>	<b>6.40</b>
<b>B. Current assets</b>		
Unsecured, considered good		
Indirect taxes receivable	66.82	76.68
Advance to suppliers	176.36	216.48
Prepaid expenses	280.86	221.88
<b>Total</b>	<b>524.04</b>	<b>515.04</b>

## 8. Inventories

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Raw materials	447.80	503.53
Work-in-progress	35.66	39.36
Finished goods	1720.64	2300.13
Traded goods	-	36.81
Consumables, stores & spares	322.69	335.04
Packing material	18.75	35.04
<b>Total</b>	<b>2545.54</b>	<b>3249.91</b>
<b>Details of materials in transit included in inventories above</b>		
Raw materials	2.75	22.84
Consumables, stores & spares	66.99	-

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 9. Trade receivables

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Considered good -secured	-	-
Considered good -unsecured	649.02	934.66
Which have significant increase in credit risk	198.67	174.95
Credit impaired	-	-
Allowance for credit losses	(198.67)	(174.95)
<b>Total</b>	<b>649.02</b>	<b>934.66</b>

9.1 There are no outstanding debts due from directors or other officers of the Company.

### 9.2 Trade receivables ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment					₹ In lakhs
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	484.67	77.79	65.83	20.73	-	649.02
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	198.67	198.67
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
	<b>484.67</b>	<b>77.79</b>	<b>65.83</b>	<b>20.73</b>	<b>198.67</b>	<b>847.69</b>
Less: Allowance for Credit losses						(198.67)
<b>Total Trade receivable</b>						<b>649.02</b>

### Trade receivables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment					₹ In lakhs
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	761.76	17.91	83.34	71.65	-	934.66
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	174.95	174.95
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
	<b>761.76</b>	<b>17.91</b>	<b>83.34</b>	<b>71.65</b>	<b>174.95</b>	<b>1109.61</b>
Less: Allowance for Credit losses						(174.95)
<b>Total Trade receivable</b>						<b>934.66</b>

## 10. Cash and cash equivalents

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Cash in hand	6.09	6.71
Balances with banks:		
On current accounts	55.86	57.00
On Cash Credit accounts	-	-
<b>Total</b>	<b>61.95</b>	<b>63.71</b>

10.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	61.95	63.71
Less: Cash credit [refer note. 15(B)]	(1769.80)	(1626.63)
<b>Total</b>	<b>(1707.85)</b>	<b>(1562.92)</b>

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 11. Other bank balances

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Margin money given against a bank guarantee/letter of credit		
with maturity for more than 3 months but less than 12 months	137.04	76.55
In unpaid dividend account	6.36	10.08
<b>Total</b>	<b>143.40</b>	<b>86.63</b>

## 12. Current tax assets

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Tax refundable	68.95	17.89
<b>Total</b>	<b>68.95</b>	<b>17.89</b>

## 13. Share capital

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Authorized:</b>		
10,00,00,000 (previous year 10,00,00,000)		
Equity Shares of ₹ 2/- each (₹ 2/-) par value	2000.00	2000.00
<b>Issued, Subscribed and fully paid-up:</b>		
3,10,04,000 (previous year 3,10,04,000)		
Equity Shares of ₹ 2/- each (₹ 2/-) fully paid-up	620.08	620.08
<b>Total</b>	<b>620.08</b>	<b>620.08</b>

### 13.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	₹ In lakhs	
	No. of shares	No. of shares
At the beginning of the period	31004000	31004000
Issued during the period	-	-
Outstanding at the end of the period	31004000	31004000

### 13.2 Terms / rights attached to equity shares:

The company has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares 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 shareholder.

### 13.3 Details of shareholders holding more than 5% shares in the company

Equity shares	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of ₹ 2 /- each fully paid</b>				
Gautam Chand Jain	15883885	51.23	15703885	50.65
Kotak Debt Hybrid	1569975	5.06	1570264	5.06

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 13. Share capital (Contd..)

### 13.4 Details of shareholders holding of Promoters in the company

#### Equity shares

S.No.	Promoter Name	No. of shares as at March 31, 2024	% of total shares as at March 31, 2024	No. of shares as at March 31, 2023	% of total shares as at March 31, 2023	% of change during the year	₹ In lakhs
							March 31, 2023
1	Gautam Chand Jain	15883885	51.23%	15703885	50.65%	1%	
2	Vidya Jain	500000	1.61%	500000	1.61%	0%	
3	Rahul Jain	498500	1.61%	498500	1.61%	0%	
4	Neha Jain	500000	1.61%	500000	1.61%	0%	
5	Megha Jain	125000	0.40%	125000	0.40%	0%	
6	Prakash Chand Jain	-	-	60000	0.19%	-100%	
7	Ashok Chand Jain Kantilal	-	-	60000	0.19%	-100%	
8	Raaj Kumar Jain Kantilal	60000	0.19%	60000	0.19%	0%	
9	Anju Jain	-	-	60000	0.19%	-100%	

## 14. Other equity

Refer Statement of Changes in Equity for detailed movement in Equity balance

### A. Summary of Other Equity balance

Particulars	As at March 31, 2024	As at March 31, 2023	₹ In lakhs
Securities Premium	73.96	73.96	
General reserve	980.36	980.36	
Retained Earnings	10022.71	10882.73	
Items of Other comprehensive income			
- Remeasurement of defined benefit plans	280.30	289.11	
<b>Total</b>	<b>11357.33</b>	<b>12226.16</b>	

### B. Nature and purpose of reserves

- a) **Securities Premium**: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.
- b) **General Reserve**: The company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- c) **Retained Earnings**: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- d) **Items of Other Comprehensive Income**:

**Remeasurement of Net Defined Benefit Plans**: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 15. Borrowings

### A. Non-current

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Secured loans - From banks (refer note. 15.1)</b>		
Term loans in Indian rupees	40.54	171.68
<b>Unsecured loans</b>		
<b>Loans &amp; advances from related parties</b>		
Loans from directors	1868.68	1486.62
<b>Total</b>	<b>1909.22</b>	<b>1658.30</b>

### B. Current

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Secured loans - From banks</b>		
Current maturities of long term borrowings:		
Secured - From banks (refer note.15.1)	185.73	365.40
Working capital Loans - repayable on demand (refer note. 15.1)		
Cash Credit Facilities in Indian rupees	1769.80	1626.63
Packing Credit Loans in Foreign currency	158.28	438.15
Bill Discounting facilities in Foreign currency	141.87	82.98
<b>Total</b>	<b>2255.68</b>	<b>2513.16</b>

#### Nature of security and terms of repayment for secured borrowings:

**15.1** Term loan in Indian rupees of ₹ 166.14 lakhs & working capital facilities of ₹ 2069.95 lakhs from Union Bank of India are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future and personal properties of some of the directors and guarantees of the Directors (other than independent directors).

Cash credit facility in Indian rupees carries interest @ 1Y MCLR+2.50% i.e., 11%, Packing credit loans in foreign currency and Bill discounting facilities in Foreign currency carries interest @ SOFR+130 bps i.e., 6.68%.

Term loans in Indian rupees of ₹ 60.13 lakhs are for purchase of assets, secured by hypothecation of respective assets and personal guarantee of the Directors (other than Independent directors).

The Company has satisfied all the covenants prescribed in terms of borrowings.

**15.2 Maturity profile of term loans from banks are as set out below:**

	Terms of Repayment	2024-25	2025-26	2026-27	2027-28	₹ In lakhs
Term loans of ₹166.14 lakhs (Interest rate of 1Y MCLR+3.50% ie., 12.25%)	Repayable in 2 quarterly instalments	166.14	-	-	-	
Term Loans of ₹60.13 lakhs (interest rates of 8.51% to 9.52%)	Repayable monthly instalments till Dec 27	19.59	13.59	14.98	11.97	

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 16. Lease liabilities

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>A. Non-current</b>		
Lease liability (refer note. 40)	79.45	236.43
<b>Total</b>	<b>79.45</b>	<b>236.43</b>
<b>B. Current</b>		
Lease liability (refer note. 40)	32.66	71.63
<b>Total</b>	<b>32.66</b>	<b>71.63</b>

## 17. Other financial liabilities

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Interest accrued but not due on borrowings	0.19	0.55
Unpaid dividend	6.36	10.08
<b>Total</b>	<b>6.55</b>	<b>10.63</b>

## 18. Provisions

### A. Non-current

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>For employee benefits</b>		
Gratuity (refer note. 27(1a))	280.40	269.88
Compensated absence (refer note. 27(1b))	35.41	31.81
<b>Others</b>		
Restoration liability	23.85	27.94
<b>Total</b>	<b>339.66</b>	<b>329.63</b>

18.1 Particulars	Opening Balance	Provision during the year	Related to Discontinued operations	Closing Balance
Restoration liability	27.94	1.20	5.29	23.85

### B. Current

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>For employee benefits</b>		
Gratuity (refer note. 27(1a))	36.81	27.71
Compensated absence (refer note. 27(1b))	1.70	1.81
<b>Total</b>	<b>38.51</b>	<b>29.52</b>

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 19. Deferred tax liabilities (net)

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Deferred Tax Liabilities</b>		
Property, plant & equipment	276.53	345.14
	<b>276.53</b>	<b>345.14</b>
<b>Deferred Tax Asset</b>		
Receivables	50.06	44.03
Provisions	124.49	159.22
Carryover losses	208.04	-
	<b>382.59</b>	<b>203.25</b>
<b>Total</b>	<b>(106.06)</b>	<b>141.89</b>

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
At the start of the year		
	141.89	205.18
Charge/ (Credit) to statement of P&L	(247.95)	(63.29)
<b>Total</b>	<b>(106.06)</b>	<b>141.89</b>

## Component of Deferred tax liabilities/(asset)

Deferred tax liabilities/(asset) in relation to:	As at March 31, 2023	Charge/(credit) to profit or loss	As at March 31, 2024	
			As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	345.14	(68.61)	276.53	
Provisions	(159.22)	34.73	(124.49)	
Carryover losses	-	(208.04)	(208.04)	
Receivables	(44.03)	(6.03)	(50.06)	
<b>Total</b>	<b>141.89</b>	<b>(247.95)</b>	<b>(106.06)</b>	

## 20. Trade payables

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
a) total outstanding dues of micro enterprises and small enterprises	0.91	0.78
b) total outstanding dues of creditors other than micro enterprises and small enterprises	404.62	386.82
<b>Total</b>	<b>405.53</b>	<b>387.60</b>

### 20.1 Trade payables ageing schedule as at March 31, 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME - Undisputed dues	0.91	-	-	-	0.91
(ii) Others - Undisputed dues	389.46	14.12	-	1.04	404.62
<b>Total</b>	<b>390.37</b>	<b>14.12</b>	<b>-</b>	<b>1.04</b>	<b>405.53</b>

### Trade payables ageing schedule as at March 31, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME - Undisputed dues	0.78	-	-	-	0.78
(ii) Others - Undisputed dues	346.60	2.59	0.81	37.02	386.82
<b>Total</b>	<b>347.38</b>	<b>2.59</b>	<b>0.81</b>	<b>37.02</b>	<b>387.60</b>

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 20. Trade payables (Contd..)

Disclosure in accordance with Section 22 of micro, small and medium enterprises development Act, 2006

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
a) Principal amount and interest due to suppliers registered under the MSMED Act and remaining unpaid at the year end	-	-
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	-	-
c) Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
d) Interest paid, under section 16 of MSMED Act, to suppliers registered under the Act, beyond the appointed day during the year	-	-
e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
f) Interest accrued and remaining unpaid at the end of accounting year	-	-
g) Further interest remaining due and payable for earlier years	-	-

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company, regarding the status of registration of such vendor under the said Act, as per the intimation received from them on the request made by the company.

## 21. Other liabilities

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Advance received from customers	15.37	638.65
Creditors for capital expenditure	1.87	26.05
Statutory liabilities	34.71	85.73
Other liabilities	465.72	506.50
<b>Total</b>	<b>515.67</b>	<b>1256.93</b>

## 22. Current tax liabilities (net)

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Provision for income tax	-	-
Less: Advance tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## 23. Revenue from operations

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	3796.57	5797.33
Sale of services	-	-
<b>Total</b>	<b>3796.57</b>	<b>5797.33</b>

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 24. Other income

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on		
Bank deposits	8.45	5.49
Others	8.01	6.88
Income tax refund	0.77	3.75
Dividend Received	417.06	250.24
Scrap sales	-	30.05
Other Income	256.54	-
Profit on Sale of Property, Plant & Equipment	58.51	-
Export Benefits	1.64	0.23
Exchange Gain (net)	13.19	-
<b>Total</b>	<b>764.17</b>	<b>296.64</b>

## 25. Cost of raw material consumed

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock	405.57	539.84
Add: Purchases	319.71	239.87
	<b>725.28</b>	<b>779.71</b>
Less: Closing stock	447.80	405.57
<b>Total</b>	<b>277.48</b>	<b>374.14</b>

## 26. Changes in stock of finished goods, work-in-progress and stock-in-trade

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Inventories at the beginning of the year</b>		
Finished goods	2137.79	2408.61
Work-in-progress	39.08	68.43
Stock-in-trade	-	8.21
	<b>2176.87</b>	<b>2485.25</b>
<b>Inventories at the end of the year</b>		
Finished goods	1720.64	2137.79
Work-in-progress	35.65	39.08
Stock-in-trade	-	-
	<b>1756.29</b>	<b>2176.87</b>
<b>Total</b>	<b>420.58</b>	<b>308.38</b>

## 27. Employee benefits expense

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages, bonus & allowances	1100.36	1178.46
Contribution to provident fund and other funds	61.99	72.79
Retirement benefits	57.32	58.87
Staff welfare expense	55.29	86.37
<b>Total</b>	<b>1274.96</b>	<b>1396.49</b>

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 27. Employee benefits expense (Contd..)

### 27.1 Employee benefits:

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Defined contribution plan		
Employer's contribution to provident fund	56.68	66.59

#### Defined benefit plan

The employees' gratuity fund scheme managed by a trust (Funded with Life Insurance Corporation of India for Granite Division of the company) is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for compensated absence is recognized in the same manner as gratuity.

##### a) Retiring gratuity:

(i) The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Change in defined benefit obligations:</b>		
Obligation at the beginning of the year	364.91	428.22
Current service costs	25.21	35.79
Interest costs	26.52	29.95
Remeasurement (gain)/losses	22.92	(33.21)
Benefit paid	(60.45)	(46.90)
<b>Obligation at the end of the year</b>	<b>379.11</b>	<b>413.85</b>

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	116.26	138.74
Interest income	6.17	8.78
Remeasurement (gain)/losses	(0.45)	0.02
Employers' contributions	0.37	15.63
Benefits paid	(60.45)	(46.91)
<b>Fair value of plan assets at the end of the year</b>	<b>61.90</b>	<b>116.26</b>

Amounts recognised in the balance sheet consists of:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets	(61.90)	(116.26)
Present value of obligation	379.11	413.85
<b>Recognised as:</b>		
Retirement benefit liability - Current	36.81	27.71
Retirement benefit liability - Non-current	280.40	269.88

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 27. Employee benefits expense (Contd..)

Expenses recognised in the statement of profit and loss consists of:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Employee benefits expenses:</b>		
Current service costs	26.52	30.39
Interest costs	19.04	16.70
Past service cost	-	-
	<b>45.56</b>	<b>47.09</b>
<b>Other comprehensive income:</b>		
(Gain)/loss on plan assets	0.45	(0.02)
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	5.59	1.30
Actuarial (gain)/loss arising from changes in experience adjustments	12.88	(34.51)
	<b>18.92</b>	<b>(33.23)</b>
<b>Expenses recognised in the statement of profit and loss</b>	<b>64.48</b>	<b>13.86</b>

(ii) The key assumptions used in accounting for retiring gratuity is as below:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	6.97%	7.17%
Rate of escalation in salary (per annum)	8.00%	8.00%

(iii) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors

(iv) The company expects to contribute ₹ 25.00 lakhs to its gratuity plan for the next year.

(v) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.

**As at March 31, 2024**

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 407.75 lakhs, increase by ₹ 353.78 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 406.83 lakhs, decrease by ₹ 354.10 lakhs

**As at March 31, 2023**

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 449.46 lakhs, increase by ₹ 382.64 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 448.39 lakhs, decrease by ₹ 382.98 lakhs

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

b) Compensated absence:

(i) The following table sets out the amounts recognised in the financial statements in respect of compensated absence:

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Change in defined benefit obligations:</b>		
Obligation at the beginning of the year	29.91	39.57
Current service costs	9.68	13.73
Interest costs	2.08	3.12
Remeasurement (gain)/losses	(2.95)	(18.06)
Benefit paid	(1.61)	(4.74)
<b>Obligation at the end of the year</b>	<b>37.11</b>	<b>33.62</b>

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 27. Employee benefits expense (Contd..)

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year		
Interest income		
Remeasurement gain/(losses)		
Employers' contributions	1.61	4.73
Benefits paid	(1.61)	(4.73)
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>
Amounts recognised in the balance sheet consists of:		
Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets	-	-
Short term compensated absence liability	-	-
Present value of obligation	37.11	33.62
	<b>37.11</b>	<b>33.62</b>
<b>Recognised as:</b>		
Retirement benefit liability - Current	1.70	1.81
Retirement benefit liability - Non-current	35.41	31.81
Expenses recognised in the statement of profit and loss consists of:		
Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Employee benefits expenses:</b>		
Current service costs	9.68	9.18
Interest costs	2.08	2.60
Past Service cost	-	-
	<b>11.76</b>	<b>11.78</b>
<b>Other comprehensive income:</b>		
(Gain)/loss on plan assets	-	-
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	0.57	2.28
Actuarial (gain)/loss arising from changes in experience adjustments	(5.54)	(20.34)
	<b>(4.97)</b>	<b>(18.06)</b>
<b>Expenses recognised in the statement of profit and loss</b>	<b>6.79</b>	<b>(6.28)</b>

(ii) The key assumptions used in accounting for compensated absence is as below:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	6.97%	7.19%
Rate of escalation in salary (per annum)	8.00%	8.00%

(iii) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors

(iv) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 27. Employee benefits expense (Contd..)

As at March 31, 2024

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 40.07 lakhs, increase by ₹ 34.53 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 39.98 lakhs, decrease by ₹ 34.56 lakhs

As at March 31, 2023

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 36.47 lakhs, increase by ₹ 26.12 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 36.39 lakhs, decrease by ₹ 31.16 lakhs

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

## 28. Depreciation & amortization expense

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on Property, plant & equipment (owned assets)	639.73	658.25
Depreciation on Property, plant & equipment (leased assets) (refer note. 40)	33.22	32.43
Amortization on intangible assets	4.32	4.32
<b>Total</b>	<b>677.27</b>	<b>695.00</b>

## 29. Finance costs

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest on borrowings:		
- Banks	239.28	218.78
- Others	142.24	121.22
Interest expense on lease liability (refer note.40)	14.76	10.10
Interest on taxes / duties	0.62	10.67
Exchange Fluctuation considered as Interest cost	-	22.41
<b>Total</b>	<b>396.90</b>	<b>383.18</b>

## 30. Other expenses

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores & spares	433.04	430.49
Packing material	65.12	90.50
Processing & job work exp.	79.56	92.23
Power and fuel	375.83	562.99
Repairs and maintenance:		
- Plant and machinery	12.40	29.98
- Building	1.06	0.01
- Others	1.38	2.82
Cutter and driller charges	22.15	76.48
Rent (refer note. 40)	25.04	15.94
Deferred lease expense written off	0.92	0.95
Rates and taxes	67.42	53.07
Insurance	25.23	30.62
Communication charges	21.09	23.10
Printing & stationery	3.47	3.96

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 30. Other expenses (Contd..)

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Travelling & conveyance expenses	16.22	15.75
Electricity charges	5.06	6.22
Vehicle maintenance	53.02	49.76
Auditors remuneration	8.89	8.94
Advertisement	3.42	1.15
Professional & consultancy	74.45	68.81
Directors sitting fees	12.00	11.50
Donations	5.49	3.68
Fees & subscriptions	22.65	23.57
Government royalty and dead rent	413.56	611.36
Carriage outwards	168.42	303.01
Sales commission	4.51	9.64
Discounts and claims	0.33	5.21
Business promotion expenses	6.45	9.78
Allowances for credit loss	24.54	26.52
Impairment / loss on sale of PPE	22.59	0.88
Bank charges	3.51	5.46
Exchange Loss (Net)	-	74.39
Miscellaneous expenses	39.29	22.86
<b>Total</b>	<b>2018.11</b>	<b>2671.63</b>

### 30.1 Auditors remuneration

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Statutory audit	8.75	7.50
Certification	-	1.25
Out of pocket expenses	0.14	0.19

### 30.2 Corporate social responsibility (CSR)

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Amount required to be spent by the company during the year	-	-
(ii) Amount of expenditure incurred	-	-
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reasons for shortfall	NA	NA
(vi) Nature of CSR activities	NA	NA
(vii) Details of related party transactions	NA	NA
(viii) Where a provision is made with respect to liability incurred by entering into a contractual obligation, the movement in the provision during the year shall be shown separately	NA	NA

CSR provisions are not applicable to the company for FY 2023-24 & 22-23 as the company is not satisfying the criteria specified under Section 135(1) of Companies Act

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 31. Income taxes

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>A) Income tax expense/(benefit) recognised in the statement of profit and loss</b>		
Current tax from continuing operations	(7.52)	25.01
Deferred tax from continuing operations	(242.81)	(80.47)
Deferred tax from discontinued operations	-	4.27
Deferred tax on comprehensive income	(5.14)	12.91
<b>Total</b>	<b>(255.47)</b>	<b>(38.28)</b>
<b>B) Reconciliation of income tax expense</b>		
Profit / (loss) before tax	(569.67)	204.42
Profit / (loss) before tax from discontinued operations	(354.66)	(181.16)
Other comprehensive Income	(13.95)	51.29
Effective tax rate	25.168%	25.168%
Computed effective tax expense	(7.52)	18.76
<b>Tax effect of:</b>		
Expenses disallowed	-	277.63
Allowable items from IT act	-	(271.38)
<b>Current tax provision (A)</b>	<b>(7.52)</b>	<b>25.01</b>
<b>Continued operations</b>		
Incremental deferred tax liability on account of tangible and intangible assets	(68.61)	(69.58)
Incremental deferred tax asset on account of financial assets and other items	(179.34)	(0.89)
<b>Discontinued operations</b>		
Incremental deferred tax liability on account of tangible and intangible assets	-	1.58
Incremental deferred tax asset on account of financial assets and other items	-	5.60
<b>Deferred tax provision (B)</b>	<b>(247.95)</b>	<b>(63.29)</b>
<b>Tax expense recognised in the statement of profit and loss (A+B)</b>	<b>(255.47)</b>	<b>(38.28)</b>
Effective tax rate	-	-

## 32. Earnings per share (EPS)

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Face value of equity share (in ₹)	2.00	2.00
(ii) Weighted average number of equity shares outstanding	31004000	31004000
(iii) Profit for the year (continuing operations)	(319.34)	259.88
(iv) Weighted average earnings per share for continuing operations(basic and diluted) (in ₹)	(1.03)	0.84
(v) (Loss) for the year (discontinued operations)	(354.66)	(185.43)
(vi) Weighted average earnings per share for discontinued operations(basic and diluted) (in ₹)	(1.14)	(0.60)
(vii) Profit for the year (total operations)	(674.00)	74.45
(viii) Weighted average earnings per share (basic and diluted) (in ₹)	(2.17)	0.24

## 33. Related party disclosures :

As per IND AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

### a) Enterprises where control exists:

Pokarna Engineered Stone Limited – wholly owned subsidiary, Pokarna Foundation - subsidiary

### b) Names of the associates:

Pokarna Fabrics Pvt Limited, Pokarna Fashions Pvt Limited, Pokarna Marketing Pvt Limited, Southend, Southend Extension, Pokarna Textiles

### c) Names of Key management personnel:

Gautam Chand Jain, Rahul Jain, Apurva Jain, Vishwanath Reddy, Disha Jindal\*

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 33. Related party disclosures : (Contd..)

### d) Names of relatives:

Raaj Kumar Jain, Ashok Chand Jain, Vidya Jain, Rekha Jain, Anju Jain, Ritu Jain, Pratik Jain, Neha Jain, Megha Jain, Gautam Chand Jain (HUF), Prakash Chand Jain (HUF)

### e) Name of executive & non-executive director:

Prakash Chand Jain, Mahender Chand Chordia, Meka Yugandhar, Vinayak Rao Juvvadi, Jayshree Rajesh Sanghani

\* Disha Jindal resigned as Company secretary w.e.f. 8th May 2024.

### A. Compensation of key management personnel of the company:

The amount mentioned below represents remuneration paid and debited to the company. The compensation includes salary, employer's contribution to PF, LTA, bonus, medical and termination benefits. The CMD, MD, ED, CFO and Company Secretary are regarded as Key management personnel in terms of Companies act, 2013.

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	219.61	219.92
Post-employment pension, provident fund and medical benefits	0.66	0.65
Termination benefits*	-	-
<b>Total compensation paid to key management personnel</b>	<b>220.27</b>	<b>220.57</b>

\* Expenses towards gratuity and leave encashment provisions are determined actuarial on an overall Company basis and, accordingly, have not been considered in the above information.

### B. Transactions with KMP and other related parties 2023-24 (2022-23)

Nature of the transaction	Subsidiary	Key management personnel	Non-executive directors	Associates/other related parties	Relatives	Total
<b>Purchases</b>						
Goods and services, net	-	-	-	<b>0.02</b>	-	<b>0.02</b>
	-	-	-	(4.44)	-	(4.44)
Purchase of Assets	<b>10.50</b>	-	-	-	-	<b>10.50</b>
	-	-	-	-	-	-
<b>Sales</b>						
Goods and services, net	<b>50.44</b>	-	-	<b>1.82</b>	-	<b>52.26</b>
	(75.72)	-	-	-	-	(75.72)
Purchase of Assets	<b>153.50</b>	-	-	-	-	<b>153.50</b>
	(17.22)	-	-	-	-	(17.22)
<b>Expenses</b>						
Remuneration	-	<b>219.61</b>	-	-	-	<b>219.61</b>
	-	(219.92)	-	-	-	(219.92)
Sitting fee & commission	-	-	<b>12.00</b>	-	-	<b>12.00</b>
	-	-	(11.50)	-	-	(11.50)
Rent & taxes	-	<b>5.92</b>	<b>6.64</b>	<b>34.33</b>	<b>28.11</b>	<b>75.00</b>
	-	(5.92)	(8.76)	(34.24)	(31.77)	(80.69)
Interest	-	<b>146.73</b>	-	-	-	<b>146.73</b>
	-	(128.36)	-	-	-	(128.36)
<b>Income</b>						
Rent / Hire Charges	<b>7.08</b>	-	-	-	-	<b>7.08</b>
	(7.08)	-	-	-	-	(7.08)
Fee Received on Corporate guarantee given	<b>295.03</b>	-	-	-	-	<b>295.03</b>
	-	-	-	-	-	-

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 33. Related party disclosures : (Contd..)

₹ In lakhs

Nature of the transaction	Subsidiary	Key management personnel	Non-executive directors	Associates/other related parties	Relatives	Total
<b>Dividend Received</b>						
Dividend	<b>417.06</b>	-	-	-	-	<b>417.06</b>
	(250.24)					(250.24)
<b>Dividend Paid</b>						
Dividend	-	<b>97.21</b>	<b>0.36</b>	-	<b>7.83</b>	<b>105.40</b>
	-	(97.21)	(0.36)	-	(7.83)	(105.40)
<b>Loans &amp; advances</b>						
Loans received	-	<b>250.00</b>	-	-	-	<b>250.00</b>
	-	(200.00)	-	-	-	(200.00)
<b>Carrying amount</b>						
Payables	-	<b>1891.21</b>	<b>9.00</b>	<b>6.86</b>	<b>0.52</b>	<b>1907.59</b>
	-	(1499.44)	(7.76)	(4.55)	(15.52)	(1527.07)
Rent deposit - receivable	-	-	-	<b>23.20</b>	-	<b>23.20</b>
	-	-	(8.33)	(23.20)	(16.66)	(48.19)
Investments	<b>6116.38</b>	-	-	-	-	<b>6116.38</b>
	(6116.38)	-	-	-	-	(6116.38)

Disclosure in respect of material transactions with KMP and other related parties during the year:

₹ In lakhs

S.No	Particulars	Relationship	Year ended March 31, 2024	Year ended March 31, 2023
<b>1</b>	<b>Purchases</b>			
	<b>Goods and services, net</b>			
	Pokarna Fabrics Pvt Limited	Associate	0.02	4.35
	Pokarna Marketing Pvt Ltd	Associate	-	0.09
	<b>Purchase of Assets</b>			
	Pokarna Engineered Stone Limited	Subsidiary	10.50	-
<b>2</b>	<b>Sales</b>			
	<b>Goods and services, net</b>			
	Pokarna Engineered Stone Limited	Subsidiary	50.44	75.72
	Pokarna Fashions Private Limited	Associate	1.82	-
	<b>Sale of Assets</b>			
	Pokarna Engineered Stone Limited	Subsidiary	153.50	17.22
<b>3</b>	<b>Expenses</b>			
	<b>Remuneration</b>			
	Rahul Jain	Key management personnel	120.00	120.00
	Apurva Jain	Key management personnel	24.00	24.00
	Viswanatha Reddy	Key management personnel	69.15	69.15
	Babita Chandrakar	Key management personnel	-	0.78
	Piyush Khandelwal	Key management personnel	-	5.99
	Disha Jindal	Key management personnel	6.46	-
	<b>Sitting fee &amp; commission</b>			
	Prakash Chand Jain	Non-Executive Director	2.00	2.50
	Mahender Chand Chordia	Non-Executive Director	1.50	2.00
	Meka Yugandhar	Non-Executive Director	3.00	2.00
	Vinayak Rao Juvvadi	Non-Executive Director	3.00	2.50
	Jayshree Rajesh Sanghani	Non-Executive Director	2.50	2.50
	<b>Rent &amp; taxes</b>			
	Pokarna Fabrics Pvt Limited	Associate	34.33	34.24
	Gautam Chand Jain	Key management personnel	5.92	5.92
	Prakash Chand Jain	Non-Executive Director	6.64	8.76
	Vidya Jain	Relative	7.20	8.76
	Ritu Jain	Relative	14.27	14.25
	Pratik Jain	Relative	6.64	8.76

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 33. Related party disclosures : (Contd..)

S.No	Particulars	Relationship	Year ended	₹ In lakhs
			March 31, 2024	March 31, 2023
<b>Interest</b>				
	Gautam Chand Jain	Key management personnel	145.82	128.36
	Rahul Jain	Key management personnel	0.91	-
<b>Dividend</b>				
	Gautam Chand Jain	Key management personnel	94.22	94.22
	Vidya Jain	Relative	3.00	3.00
	Neha Jain	Relative	3.00	3.00
	Rahul Jain	Key management personnel	2.99	2.99
	Prakash Chand Jain	Non-Executive Director	0.36	0.36
	Anju Jain	Relative	0.36	0.36
	Raaj Kumar Jain	Relative	0.36	0.36
	Ashok Chand Jain	Relative	0.36	0.36
	Megha Jain	Relative	0.75	0.75
<b>4</b>	<b>Income</b>			
<b>Rent Received</b>				
	Pokarna Engineered Stone Limited	Subsidiary	7.08	7.08
<b>Dividend Received</b>				
	Pokarna Engineered Stone Limited	Subsidiary	417.06	250.24
<b>Fee Received on Corporate guarantee given</b>				
	Pokarna Engineered Stone Limited	Subsidiary	295.03	-
<b>5</b>	<b>Loans &amp; advances</b>			
<b>Loans received</b>				
	Gautam Chand Jain	Key management personnel	-	200.00
	Rahul Jain	Key management personnel	250.00	-
<b>6</b>	<b>Carrying amount</b>			
<b>Payables</b>				
	Gautam Chand Jain	Key management personnel	1617.86	1486.62
	Rahul Jain	Key management personnel	261.94	7.03
	Apurva Jain	Key management personnel	2.46	1.55
	Viswanatha Reddy	Key management personnel	8.35	4.24
	Disha Jindal	Key management personnel	0.60	-
	Prakash Chand Jain	Non-Executive Director	1.80	7.76
	Pratik Jain	Relative	-	7.76
	Vidya Jain	Relative	0.52	7.76
	Pokarna Fabrics Pvt Limited	Associate	6.86	4.35
	Mahender Chand Chordia	Non-Executive Director	0.90	-
	Meka Yugandhar	Non-Executive Director	2.25	-
	Vinayak Rao Juvvadi	Non-Executive Director	2.25	-
	Jayshree Rajesh Sanghani	Non-Executive Director	1.80	-
<b>7</b>	<b>Rent deposit receivable</b>			
	Pokarna Fabrics Pvt Limited	Associate	23.20	23.20
	Prakash Chand Jain	Non-executive director	-	8.33
	Vidya Jain	Relative	-	8.33
	Pratik Jain	Relative	-	8.33
<b>8</b>	<b>Investments</b>			
	Pokarna Engineered Stone Limited	Subsidiary	6115.88	6115.88
	Pokarna Foundation	Subsidiary	0.50	0.50

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 34. Contingent liabilities and commitments

### 34.1 Contingent liabilities:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
a) Letter of credits outstanding	18.76	-
b) Bank guarantees	2.00	0.30
c) Corporate guarantees	5464.72	-
d) Claims against the company / disputed liabilities not acknowledged as debts:		
i) Income tax matters, pending decisions on various appeals made by the company and by the department. Amount deposited ₹ Nil (previous year ₹ Nil)	144.38	144.45
ii) Excise matters (including service tax), amount deposited ₹ 23.06 lakhs (previous year ₹ 23.06 lakhs)	396.34	396.34
iii) Customs matters, amount deposited ₹ Nil (previous year ₹ Nil)	75.91	75.91
iv) Sales tax matters, amount deposited ₹ 3.31 lakhs (previous year ₹ 34.97 lakhs)	20.76	266.05
v) Goods and Service Tax (GST) matters, amount deposited ₹ Nil .	630.79	71.65
vi) Mines & geology matters, amount deposited ₹ Nil (previous year ₹ Nil)	1317.54	1016.94
vii) Cross subsidy charges payable to state power distribution company	10.91	10.91
viii) Wheeling charges, transmission charges and FSA charges payable to TSSPDC	333.80	335.09
ix) As per the amendment in The Payment of Bonus Act, 1965 notified on 1 January 2016, which was effective retrospectively from 1st April, 2014, the company on the legal advice decided not to implement it in view of the interim order dated 26th April, 2016 of Hon'ble Andhra Pradesh High Court allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.	39.20	39.20
x) Other matters disputed	149.61	149.61

### 34.2 Capital commitments

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	-	22.85

### 34.3 Other commitments:

- i) Granite processing units of the company situated at Aliabad and Toopronpet village are registered as a 100% export oriented units ("EOU"). and are exempted from customs and central excise duties, GST and levies on imported & indigenous capital goods and stores & spares. The company has executed a bond cum legal undertaking to pay customs duty, central excise duty, GST, levies and liquidated damages payable, if any, in respect of imported and indigenous capital goods and stores & spares, consumed duty free, in the event that certain terms and conditions are not fulfilled. As on 31st March, 2024, the company has a positive net foreign exchange earning, as defined in the foreign trade policy 2023 wherever applicable.
- ii) Obligations towards environmental protection measures in respect of quarry leases ₹ 359.15 lakhs (previous year ₹ 308.63 lakhs)
- iii) The company is also involved in other lawsuits, claims, investigations and proceedings, including trade mark and commercial matters, which arise in the ordinary course of business. However, there are no material claims on such cases.
- iv) The date of implementation of the Code of Wages 2019 and Code on Social Security, 2020 is yet to be notified by the Government. The Company is in the process of assessing the impact of these Codes and will give effect in the financial results when the Rules/Schemes thereunder are notified.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 35. Discontinued operations

The Board of Directors ("Board") in their meeting held on 23rd March, 2024 approved the transfer, sale, lease, exchange, hive-off or otherwise disposing off of Apparel Business on a going concern basis. In the opinion of the Board, all assets of Apparel Business are realizable in the ordinary course of business at the value at which they are stated in the Financial Statements. The transfer, sale or otherwise disposing off of Apparel Business is subject to finding the buyer / investor and receipt of acceptable offer and which is subject to such other requisite approvals, consents and clearance from the Company's Bankers, Company's Shareholders and other Institutions or bodies and statutory authorities if and wherever necessary, and as may be required. The Company has initiated necessary steps and expects to complete the process in next twelve months. The financials of Apparel Division is considered as 'Assets held for sale and discontinued operations' as per Ind AS 105 and corresponding previous year figures of Statement of Profit and loss account has been restated accordingly.

Details of discontinued operations are as under:

Particulars	Discontinued operations	
	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	243.45	325.71
Expenses (net of other income)	598.11	506.87
Profit/(loss) before tax	(354.66)	(181.16)
Tax income / (expense)	-	4.27
Profit /(loss)after tax from discontinued operations	(354.66)	(185.43)
Other comprehensive income (net of tax of ₹ Nil, p.y. ₹2.91 lakhs)	6.48	8.65
<b>The major classes of assets and liabilities of the discontinued operations are as under:</b>		
<b>Assets</b>		
Property, plant and equipment	127.34	1346.68
Capital work-in-progress	-	-
Other financial assets	8.06	65.89
Deferred tax asset (net)	-	79.06
Other non-current assets	-	4.01
Inventories	61.67	299.35
Trade receivables	0.16	0.30
Cash and cash equivalents	2.89	0.46
Bank balances other than cash	-	-
Loans	0.45	0.37
Other financial assets	-	-
Other current assets	0.23	14.77
Current tax assets	-	-
<b>Assets held for sale and discontinued operations (A)</b>	<b>200.80</b>	<b>1810.89</b>
<b>Liabilities</b>		
Non current Borrowings	-	82.56
Lease Liabilities - non-current	-	193.29
Provisions	-	56.64
Deferred tax liabilities (net)	-	-
Current Borrowings	-	198.24
Lease Liabilities-current	-	61.06
Trade payables	12.90	43.89
Other current liabilities	26.99	116.86
Short- term provisions	-	1.31
<b>Liabilities held for sale and discontinued operations (B)</b>	<b>39.89</b>	<b>753.85</b>
<b>Net assets / (liabilities) of discontinued operations (A-B)</b>	<b>160.91</b>	<b>1057.04</b>
<b>Net cash flows attributable to the operating, investing and financing activities of discontinued operations:</b>		
Cash flows		
Operating	(150.45)	35.40
Investing	13.96	11.67
Financing	(137.98)	(112.98)

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

**36.** In accordance with IND AS-108 "Operating segment", segment information has been given in the consolidated financial statements of **Pokarna Limited** and therefore no separate disclosure on segment information is given in these financial statements.

## 37. Capital management

- i) The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital, which the company defines as result from operating activities divided by total shareholders' equity.
- ii) The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.
- iii) The company's adjusted net debt to equity ratio is as follows:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Gross debt	4164.90	4171.46
Less: Cash and bank balances	207.10	204.72
Adjusted net debt	3957.80	3966.74
Total equity	11977.41	12846.24
Adjusted net debt to equity ratio	0.33	0.31

## 38. Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31st March 2024

Particulars	Carrying Amount			Fair Value		
	Other financial assets -amortised cost	Other financial liabilities -amortised cost	Total carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>						
Security deposit	630.62	-	630.62	-	630.62	-
<b>Financial assets not measured at fair value</b>						
Investments	6116.38	-	6116.38	-	-	-
Other loans	259.90	-	259.90	-	-	-
Accrued interest	4.92	-	4.92	-	-	-
Trade receivables	649.02	-	649.02	-	-	-
Cash and bank balances	207.10	-	207.10	-	-	-
<b>Total</b>	<b>7867.94</b>	-	<b>7867.94</b>	-	<b>630.62</b>	-
<b>Financial liabilities measured at fair value</b>						
Lease liability	112.11	-	112.11	-	112.11	-
<b>Financial liabilities not measured at fair value</b>						
Secured bank loans	2296.22	-	2296.22	-	-	-
Accrued interest	0.19	-	0.19	-	-	-
Loans from related parties	1868.68	-	1868.68	-	-	-
Trade payables	405.53	-	405.53	-	-	-
Unpaid dividend	6.36	-	6.36	-	-	-
<b>Total</b>	<b>4689.09</b>	-	<b>4689.09</b>	-	<b>112.11</b>	-

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 38. Financial instruments (Contd..)

31st March 2023

₹ In lakhs

Particulars	Carrying Amount			Fair Value		
	Other financial assets- amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>						
Security deposit	630.29	-	630.29	-	630.29	-
<b>Financial assets not measured at fair value</b>						
Investments	6116.38	-	6116.38	-	-	-
Other loans	420.63	-	420.63	-	-	-
Accrued interest	4.34	-	4.34	-	-	-
Trade receivables	934.66	-	934.66	-	-	-
Cash and bank balances	204.72	-	204.72	-	-	-
<b>Total</b>	<b>8311.02</b>	-	<b>8311.02</b>	-	<b>630.29</b>	-
<b>Financial liabilities measured at fair value</b>						
Lease liability	308.06	-	308.06	-	308.06	-
<b>Financial liabilities not measured at fair value</b>						
Secured bank loans	2684.84	-	2684.84	-	-	-
Secured other loans	0.55	-	0.55	-	-	-
Loans from related parties	1486.62	-	1486.62	-	-	-
Trade payables	387.60	-	387.60	-	-	-
Unpaid dividend	10.08	-	10.08	-	-	-
<b>Total</b>	<b>4877.75</b>	-	<b>4877.75</b>	-	<b>308.06</b>	-

The fair value of financial instruments is determined using discounted cash flow analysis. The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature. The fair value of the long-term borrowings with floating-rate of interest is not impacted due to interest rate changes, and will be evaluated for their carrying amounts based on any change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans). For financial assets and liabilities that are measured at fair value, the carrying amount is equal to the fair values.

## 39. Financial risk management objectives and policies

### I. Overview

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

### II. Risk management framework:

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board is responsible for developing and monitoring the company's risk management policies.

#### • Credit risk

- i) 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, and arises principally from the company's receivables from customer.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 39. Financial risk management objectives and policies (Contd..)

ii) Trade and other receivables: The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Not due	240.46	94.70
Upto 1 year	322.00	684.97
1 to 2 years	65.83	83.34
2 to 3 years	20.73	71.65
More than 3 years	198.67	174.95
<b>Total</b>	<b>847.69</b>	<b>1109.61</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movements in allowance for credit losses of receivables is as below:	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	174.95	147.61
Charge in statement of profit and loss	24.54	27.34
Release to statement of profit and loss	-	-
Utilised during the year	-	-
Related to Discontinued operations	(0.82)	-
<b>Balance at the end of the year</b>	<b>198.67</b>	<b>174.95</b>

iii) **Cash and cash equivalents:** The company held cash and cash equivalents of ₹ 61.95 lakhs (previous year ₹ 63.71 lakhs). The cash and cash equivalents are held with public sector banks. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.

iv) In respect of financial guarantees provided by the Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

- **Liquidity risk**

i) 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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

ii) The company aims to maintain the level of its cash and cash equivalents and investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. This excludes potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disaster.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 39. Financial risk management objectives and policies (Contd..)

### iii) Exposure to Liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

**31st March 2024**

Particulars	Carrying amount	1 year or less	1-3 years	More than 3 years
Borrowings- secured	2296.22	2255.68	28.57	11.97
Borrowings- un-secured	1868.68	-	-	1868.68
Trade payables	405.53	390.37	14.12	1.04
Lease liabilities	112.11	32.67	72.24	7.20
Other financial liabilities	6.36	6.36	-	-

**31st March 2023**

Particulars	Carrying amount	1 year or less	1-3 years	More than 3 years
Borrowings- secured	2684.84	2513.16	171.68	-
Borrowings- un-secured	1486.62	-	-	1486.62
Trade payables	387.60	347.38	3.20	37.02
Lease liabilities	308.06	71.63	123.13	113.30
Other financial liabilities	10.08	10.08	-	-

### • Market risk

i) **Market risk** is the risk that changes in market prices such as foreign exchange rates and interest rates prices, 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 receivables and payables, long term debt and commodity prices. The company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Particulars	As at March 31, 2024		As at March 31, 2023	
	USD	Euro	USD	Euro
Currency				
Borrowings	-	160.14	468.05	-
Trade receivables	297.19	17.28	177.37	-
Trade and other payables (including payable for capital goods)	44.33	27.28	58.73	32.71
Bank balances ( Including deposits)	2.02	27.31	19.87	19.73
<b>Total</b>	<b>343.54</b>	<b>232.01</b>	<b>724.02</b>	<b>52.44</b>

ii) **Currency risk:** The company is exposed to foreign exchange risk arising from foreign currency transaction. The company also imports and the risk is managed by regular follow up . The company has a policy which is implemented when the foreign currency risk become significant.

A 10% appreciation/depreciation of the foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit before tax by approximately ₹ 11.20 lakhs (previous year ₹ 34.25 lakhs).

iii) **Interest rate risk:** Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the statement of profit and loss. Cash flow 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.

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss by ₹ 25.96 lakhs ( previous year ₹ 28.84 lakhs). This analysis assumes that all other variables remain constant.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 39. Financial risk management objectives and policies (Contd..)

- **Operational risk**

- i) Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company's operations.
- ii) The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.
- iii) The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall company standards for the management of operational risk in the following areas:
  - Requirements for appropriate segregation of duties, including the independent authorization of transactions
  - Requirements for the reconciliation and monitoring of transactions
  - Compliance with regulatory and other legal requirements
  - Documentation of controls and procedures
  - Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
  - Requirements for the reporting of operational losses and proposed remedial action
  - Development of contingency plans
  - Training and professional development
  - Ethical and business standards
  - Risk mitigation, including insurance when this is effective.
- iv) Compliance with company's standards is supported by a programme of periodic reviews undertaken by internal audit. The results of internal audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the audit committee and board of the company.

## 40. Leases disclosures :

### As a Lessee

Movement in lease liability during the year:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Opening balance	308.06	301.31
Additions on account of adoption of Ind As 116	88.00	-
Adjustments on modification of leases	(254.35)	93.23
Interest expenses on lease liability	14.76	39.48
Principal payments of lease liability	(44.36)	(125.96)
<b>Closing Balance</b>	<b>112.11</b>	<b>308.06</b>
Current	32.66	71.63
Non Current	79.45	236.43
<b>Amounts recognised in the statement of cash flows</b>	<b>44.36</b>	<b>125.96</b>
Payments for leases In financing activity		

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 40. Leases disclosures : (Contd..)

Amounts recognised in statement of profit or loss	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense on leased assets	33.22	32.45
Interest expense on lease liability	14.76	10.10
Rent expense (Short term leases and leases of low value assets)	25.04	15.94
<b>Total amount recognised in Profit or loss</b>	<b>73.02</b>	<b>58.47</b>

## 41. Ratios

Following are analytical ratios for the year ended

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reasons
Current Ratio (in times)	Current assets	Current liabilities	1.27	1.22	4%	----
Debt - Equity Ratio (in times)	Total Debts	Shareholder's Equity	0.07	0.16	-56%	Due to repayment of term loans
Debt - Service coverage Ratio (in times)	Earnings available for debt service	Debt service	0.45	1.26	-64%	Due to decrease in earnings and increase in interest costs
Return on Equity (ROE) (in %)	Net profits after taxes	Average Shareholder's Equity	-1.00%	0.58%	-272%	Due to decrease in profit
Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	0.97	0.94	3%	---
Trade receivables turnover ratio	Net credit sales	Average Trade Receivables	4.80	7.15	-33%	Due to decline in revenue
Trade payables turnover ratio	Net credit purchases	Average Trade Payables	2.15	1.54	40%	Due to decrease in purchases
Net capital turnover ratio	Revenue	Working capital	4.33	6.63	-35%	Due to decline in revenue
Net profit ratio (in %)	Net Profit	Revenue	-8.41%	4.48%	-288%	Due to decrease in profit
Return on capital employed (ROCE) (in %)	Earnings before interest and taxes	Capital Employed	0.15%	7.40%	-98%	Due to decrease in profit
Return on Investment (ROI) (in %)	Income generated from Investments	Time weighted average investments	-	-		

## 42. Additional Regulatory Information

- The Company has used the borrowings from banks and financial institutions for the specific purpose for which it has taken at the balance sheet date and quarterly returns or statements of current assets filed with banks are in agreement with the books of accounts.
- The Company has not revalued its Property, Plant and Equipment and its intangible assets.
- The Company is not holding any Benami Property and there are no proceedings initiated or pending against the Company.
- The Company has not been declared wilful defaulter by any bank or financial institutions.
- The Company does not have any relationship with Struck off Companies.
- There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax act.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# Notes to Standalone Financial Statements

for the Year ended 31 March, 2024

## 42. Additional Regulatory Information (Contd..)

There have been no funds that 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**43.** The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 16th May 2024, there are no subsequent events to be recognised or reported that are not already disclosed.

## 44. Disclosure required u/s.186(4) of the Companies Act, 2013

Particulars of security / guarantee	Name of the company	Purpose for which loan / guarantee is proposed to be utilised by recipient	₹ In lakhs	
			As at 31st March 2024	As at 31st March 2023
Corporate Guarantee	Pokarna Engineered Stone Limited (wholly owned subsidiary)	Corporate Guarantee to the supplier of machinery on behalf of subsidiary for acquisition of Machinery	5464.72	Nil

## 45. Dividend

	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Dividend on Equity shares paid during the year</b>		
Final dividend for the FY 2022-23 [₹ 0.60 (Previous year ₹0.60) per equity share of ₹2 each]	186.02	186.02

### Proposed Dividend:

The Board of Directors at its meeting held on 16th May 2024 have recommended payment of final dividend of ₹0.60 (rupees sixty paisa only) per equity share of face value of ₹2 each for the financial year ended 31st March 2024. The same amounts to ₹186.02 lakhs.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

**46.** Previous year figures are regrouped, rearranged and reclassified wherever considered necessary in order to conform to the current year's presentation.

**47.** The financial statements for the year ended 31st March 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 16th May 2024.

In terms of our report attached

For **S.Daga & Co.**

Chartered Accountants  
(F.No.000669S)

**Shantilal Daga**

Partner  
Membership No. 11617

Place : Hyderabad  
Date : 16th May, 2024  
UDIN : 24011617BKCRPF2474

For and on behalf of Board of Directors

**Gautam Chand Jain**

Chairman & Managing Director  
(D.No: 00004775)

**Rahul Jain**

Managing Director  
(D.No: 00576447)

**M Viswanatha Reddy**

Chief Financial Officer

# FORM AOC-1

## Statement containing salient features of the Financial statement of Subsidiaries

1	Sl. No.	1
2	Name of Subsidiary Company	Pokarna Engineered Stone Limited
3	'The date since when subsidiary was acquired	15.09.2008
4	Reporting Period of the subsidiary concerned, if different from the holding company's reporting period	No
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries	Indian Subsidiary - Not Applicable

	₹ In lakhs	March 31, 2024	March 31, 2023
6 Share capital	417.06	417.06	417.06
7 Other Equities	53337.47	43694.27	43694.27
8 Total Assets	110467.69	97178.94	97178.94
9 Total Liabilities	110467.69	97178.94	97178.94
10 Investments	0.50	0.50	0.50
11 Revenue from Operations	64972.84	66766.55	66766.55
12 Profit Before Taxation	15160.78	9350.98	9350.98
13 Provision for Taxation	5076.58	2562.38	2562.38
14 Profit after Taxation	10084.20	6788.60	6788.60
15 Other Comprehensive Income	(23.94)	(8.29)	(8.29)
16 Total Comprehensive Income	10060.26	6780.31	6780.31
17 Dividend	Nil	Nil	Nil
18 % of Share holding	100%	100%	100%

1	Sl. No.	2
2	Name of Subsidiary Company	Pokarna Foundation
3	'The date since when subsidiary was acquired	17.09.2021
4	Reporting Period of the subsidiary concerned, if different from the holding company's reporting period	No
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries	Indian Subsidiary - Not Applicable

	₹ In lakhs	March 31, 2024	March 31, 2023
6 Share capital	1.00	1.00	1.00
7 Other Equities	(0.89)	(0.46)	(0.46)
8 Total Assets	0.11	0.54	0.54
9 Total Liabilities	0.11	0.54	0.54
10 Investments	Nil	Nil	Nil
11 Revenue from Operations	-	-	-
12 Profit Before Taxation	-0.42	(0.12)	(0.12)
13 Provision for Taxation	-	-	-
14 Profit after Taxation	-0.42	(0.12)	(0.12)
15 Other Comprehensive Income	-	-	-
16 Total Comprehensive Income	-	-	-
17 Dividend	Nil	Nil	Nil
18 % of Share holding	50%	50%	50%

# Independent Auditor's Report

To  
THE MEMBERS OF  
POKARNA LIMITED

## Report on the Audit of the consolidated financial statements

### Opinion

We have audited the accompanying consolidated financial statements of Pokarna Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of the 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 to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S No.	Key Audit Matter	Auditors Response
1	<b>IT systems and controls over financial reporting</b>	<p>We identified IT systems and controls over financial reporting as a key audit matter for the Group because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and raw material consumption. Also, due to such large transaction volumes and the increasing challenge to protect the integrity of the Group's systems and data, cyber security has become more significant. Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.</p> <p>Our procedures included and were not limited to the following:</p> <p>Assessed the complexity of the IT environment by engaging IT specialists and through discussion with the head of IT and internal audit and identified IT applications that are relevant to our audit.</p> <p>Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations by engaging IT specialists.</p> <p>Performed inquiry procedures in respect of the overall security architecture and any key threats addressed by the Company in the current year.</p> <p>Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company by engaging IT specialists.</p>

S No.	Key Audit Matter	Auditors Response
2	<b>Contingent Liabilities and Commitments.</b>  The Group is exposed to a variety of different laws, regulations and interpretations thereof which encompasses taxation and legal matters. In the normal course of business, provisions and contingent liabilities may arise from legal proceedings, including regulatory and other Governmental proceedings, constructive obligations and commercial claims. Based on the nature of regulatory and legal cases management applies significant judgment when considering whether, and how much, to provide for the potential exposure of each matter. These estimates could change substantially over time as new facts emerge as each legal case or matters progresses. Given the different views possible, basis of the interpretations, complexity and the magnitude of the potential exposures, and the judgment necessary to determine required disclosures, this is a key audit matter.	Our audit procedures included the following:  We understood the processes, evaluated the design and implementation of controls and tested the operating effectiveness of the Group's controls over the recording and re-assessment of uncertain legal positions, claims and contingent liabilities;  We held discussions with the person responsible for legal and compliance to obtain an understanding of the factors considered in classification of the matter as 'probable' and 'possible'  We read the correspondence from competent authorities and considered legal opinion obtained by the Group from external law firms to challenge the basis used for provisions recognised or the disclosures made in the consolidated financial statements;  For those matters where Group concluded that no provision should be recorded, we also considered the adequacy and completeness of the Group's disclosures made in relation to contingent liabilities.
3	Inventory of raw material, Work in Progress and Finished Goods (Valuation) –  Finished goods inventory are valued at lower of cost and net realizable value (estimated selling price less estimated cost to sell). Considering the nature of finished goods consisting of raw blocks, granite slabs, Garments, Quartz surfaces etc., which is dependent upon various market conditions and evaluating possible impact of quality, class, size and ageing, determination of the net realizable value for goods involves significant management judgement and therefore has been considered as a key audit matter.	With respect to the net realisable value: <ul style="list-style-type: none"><li>• Obtained an understanding of the determination of the net realizable values of raw blocks, granites, cut slabs, Garments, Quartz surfaces and assessed and tested the reasonableness of the significant judgements applied by the management.</li><li>• Evaluated the design of internal controls relating to the valuation of finished goods/work in progress and finished goods and also tested the operating effectiveness of the aforesaid controls.</li><li>• To assess the reasonableness of the net realisable value considering the market condition and evaluating possible impact of quality, class, size and ageing that was estimated and considered by the management.</li><li>• Compared the actual costs incurred to sell based on the latest sale transactions to assess the reasonableness of the cost to sell that was estimated and considered by the management.</li><li>• Compared the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value.</li><li>• Tested the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework.</li></ul>

#### Information Other than the Consolidated financial statements and Auditor's Report Thereon

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so,

consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management, Board of Directors and Those Charged with Governance Responsibility for the Consolidated financial statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position,

consolidated financial performance including consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Group, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and Board of Directors either intends to liquidate 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 is also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibilities for the Audit of the consolidated financial statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial controls 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 Group and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements.

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

We communicate with those charged with governance of Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless a regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding and its subsidiary Company as on March 31, 2024 taken on record by the Board of Directors of the respective Company, none of the directors of the Group companies is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company and its subsidiary company, refer to our separate Report in "Annexure A" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the matters specified in paragraph 3(xxi) and 4 of the companies (Auditors report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the act to be Included in Auditors report, according to the information & explanation given to us, and based on the CARO report issued by us for the company and by auditors' of subsidiary included in the Consolidated financial statement of the company to which reporting under CARO is applicable, we report that there are no qualification or adverse remarks in their CARO reports.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note. 33 to the consolidated financial statements.
  - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Group and its subsidiary companies during the year ended March 31, 2024.
  - (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;
    - (c) Based on the audit procedures 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

(v) The final dividend paid by the Company during the current year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 45 to the consolidated financial statements, the Board of Directors of the parent Company have proposed final dividend for the current year which is subject to the approval of the members at the ensuing Annual General Meeting.

(vi) Based on our examination, which includes test checks, the Group has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For **S. DAGA & CO.**,  
Chartered Accountants  
(ICAI FRN: 0000669S)

**(Shantilal Daga)**  
Partner  
Membership No. 011617

Place: Hyderabad  
Date: 16.05.2024  
UDIN No-24011617BKCRPH6975

## Annexure - A to the Independent Auditors' Report

Referred to in paragraph 1 (f) of the Independent Auditors' Report of even date to the members of Pokarna Limited on the consolidated financial statements for the year ended March 31, 2024.

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to the financial statements of Pokarna Limited (hereinafter referred to as "the Holding Group") and its subsidiaries, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Group and its subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to the financial statements over financial reporting criteria established by the Group 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 Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls with reference to the Consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to the Consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over financial statement

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

### Inherent Limitations of Internal Financial Controls which refers to Consolidated financial statement

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

### Opinion

In our opinion, the Holding Group and its subsidiary have in all material respects, an adequate internal financial controls with reference to the Consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2024, based on the internal financial control with reference to the Consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **S. DAGA & CO.,**  
Chartered Accountants  
(ICAI FRN: 0000669S)

**(Shantilal Daga)**  
Partner  
Membership No. 011617

Place: Hyderabad  
Date: 16.05.2024  
UDIN No-24011617BKCRPH6975

# Consolidated Balance Sheet

as at March 31, 2024

	Note	As at March 31, 2024	As at March 31, 2023	₹ In lakhs
<b>ASSETS</b>				
<b>I Non-current assets</b>				
(a) Property, plant and equipment	3	69098.27	72176.14	
(b) Right-of-Use Assets	3	1787.55	1025.73	
(c) Capital work-in-progress		6468.77	59.64	
(d) Intangible assets	3	89.30	106.21	
(e) Financial assets				
(i) Loans	4(A)	128.35	148.01	
(ii) Other financial assets	5(A)	1432.19	1086.09	
(f) Deferred tax asset (net)	16	106.06		
(g) Other non-current assets	6(A)	732.98	179.30	
<b>Total non-current assets</b>		<b>79843.27</b>	<b>74779.12</b>	
<b>II Current assets</b>				
(a) Inventories	7	16385.46	18204.60	
(b) Financial assets				
(i) Trade receivables	8	11964.17	10932.87	
(ii) Cash and cash equivalents	9	6826.08	1949.95	
(iii) Bank balances other than (ii) above	10	1467.45	1089.26	
(iv) Loans	4(B)	179.38	335.25	
(v) Other financial assets	5(B)	218.93	33.75	
(c) Current tax assets	11	330.94	17.88	
(d) Other current assets	6(B)	4152.00	3077.65	
<b>Total current assets</b>		<b>41524.41</b>	<b>35639.21</b>	
<b>III Assets held for sale and discontinued operations</b>	34	200.80	-	
<b>TOTAL ASSETS</b>		<b>121568.48</b>	<b>110418.33</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>I Equity</b>				
(a) Equity share capital	12	620.08	620.08	
(b) Other equity	13	58612.42	50094.93	
<b>Total equity</b>		<b>59232.50</b>	<b>50715.01</b>	
<b>Liabilities</b>				
<b>II Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	14(A)	30587.01	34513.13	
(ia) Lease liabilities	15(A)	1093.81	351.75	
(b) Provisions	18(A)	933.14	787.50	
(c) Deferred tax liabilities (net)	16	4440.26	2103.18	
(d) Other non-current liabilities	20(A)	4291.25	179.92	
<b>Total non-current liabilities</b>		<b>41145.47</b>	<b>37935.48</b>	
<b>III Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	14(B)	8479.35	10875.62	
(ia) Lease liabilities	15(B)	142.95	118.41	
(ii) Trade payables	21			
a) total outstanding dues of micro enterprises and small enterprises		294.14	219.82	
b) total outstanding dues of creditors other than micro enterprises and small enterprises		7168.30	5704.19	
(iii) Other financial liabilities	17	9.88	14.36	
(b) Other current liabilities	20(B)	3935.43	3555.86	
(c) Provisions	18(B)	1122.57	1161.91	
(d) Current tax liabilities (net)	19	-	117.67	
<b>Total current liabilities</b>		<b>21150.62</b>	<b>21767.84</b>	
<b>IV Liabilities held for sale and discontinued operations</b>	34	<b>39.89</b>	-	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>121568.48</b>	<b>110418.33</b>	

Notes forming part of the financial statements

1 - 47

In terms of our report attached

For and on behalf of Board of Directors

For **S.Daga & Co.**

Chartered Accountants

Membership No. 11617

**Gautam Chand Jain**

Chairman &amp; Managing Director

(D.No: 00004775)

**Shantil Daga**

Partner

Membership No. 11617

**Rahul Jain**

Managing Director

(D.No: 00576447)

Place : Hyderabad

**M Viswanatha Reddy**

Date : 16th May, 2024

Chief Financial Officer

UDIN : 24011617BKCRPH6975

# Consolidated Statement of Profit and Loss

for the Year ended March 31, 2024

₹ In lakhs

	Note	Year ended March 31, 2024	Year ended March 31, 2023
<b>Continuing operations</b>			
<b>Income</b>			
<b>I Revenue from operations</b>	22	68761.40	72532.28
<b>II Other income</b>	23	1151.72	1115.91
<b>III Total income</b>		<b>69913.12</b>	<b>73648.19</b>
<b>IV Expenses</b>			
a) Cost of raw material consumed	24	23927.09	29029.57
b) Purchase of stock-in-trade		65.11	60.73
c) Changes in stock of finished goods, work-in-progress and stock-in-trade	25	719.53	1400.81
d) Employee benefits expense	26	6714.11	5695.70
e) Depreciation and amortization expense	27	4257.78	4039.15
f) Finance costs	28	3898.63	4768.86
g) Other expenses	29	16368.88	19338.06
<b>Total expenses</b>		<b>55951.13</b>	<b>64332.88</b>
<b>V Profit before tax (III-IV)</b>		<b>13961.99</b>	<b>9315.31</b>
<b>VI Tax expense:</b>			
a) Current tax	30	4665.19	2249.49
b) Deferred tax		161.06	257.43
<b>Total tax expense</b>		<b>4826.25</b>	<b>2506.92</b>
<b>VII Profit after tax from continuing operations (V-VI)</b>		<b>9135.74</b>	<b>6808.39</b>
<b>VIII Discontinuing Operations</b>			
(Loss) from discontinuing operations before tax		(399.48)	(223.03)
Tax expense of discontinuing operations		-	4.27
(Loss) after tax from discontinuing operations		(399.48)	(227.30)
<b>IX Profit for the year (VII+VIII)</b>		<b>8705.51</b>	<b>6611.19</b>
<b>X Other comprehensive income/(loss)</b>			
(i) Items that will not be reclassified to profit or loss		(45.94)	40.22
(ii) Income tax relating to items that will not be reclassified to profit or loss		13.19	(10.12)
<b>Total other comprehensive income/(loss)</b>		<b>(32.75)</b>	<b>30.10</b>
<b>XI Total comprehensive income for the year: (IX + X)</b>		<b>8705.51</b>	<b>6611.19</b>
<b>XII Profit from continuing operations for the year attributable to:</b>			
(i) Equity owners of the Company		9135.74	6808.39
(ii) Non-controlling interests		-	-
		<b>9135.74</b>	<b>6808.39</b>
<b>XIII Profit from discontinuing operations for the year attributable to:</b>			
(i) Equity owners of the Company		(399.48)	(227.30)
(ii) Non-controlling interests		-	-
		<b>(399.48)</b>	<b>(227.30)</b>
<b>XIV OCI for the year attributable to:</b>			
(i) Equity owners of the Company		(32.75)	30.10
(ii) Non-controlling interests		-	-
		<b>(32.75)</b>	<b>30.10</b>
<b>XV Total comprehensive income for the year attributable to:</b>			
(i) Equity owners of the Company		8705.51	6611.19
(ii) Non-controlling interests		-	-
		<b>8705.51</b>	<b>6611.19</b>
<b>XVI Earnings per share for continuing operations - Basic and Diluted (in ₹)</b>	31	29.47	21.96
<b>XVII Earnings per share for discontinuing operations - Basic and Diluted (in ₹)</b>		(1.29)	-0.73
<b>XVIII Earnings per share - Basic and Diluted (in ₹)</b>		28.18	21.23
<b>XIX Nominal Value of share (in ₹)</b>		2	2
Notes forming part of the financial statements	1 - 47		

In terms of our report attached

For **S.Daga & Co.**

Chartered Accountants  
Membership No. 11617

**Shantilal Daga**  
Partner  
Membership No. 11617

Place : Hyderabad  
Date : 16th May, 2024  
UDIN : 24011617BKCRPH6975

For and on behalf of Board of Directors

**Gautam Chand Jain**  
Chairman & Managing Director  
(D.No: 00004775)

**Rahul Jain**  
Managing Director  
(D.No: 00576447)

**M Viswanatha Reddy**  
Chief Financial Officer

# Statement of Changes in Equity

for the Year ended 31st March, 2024

## A) Equity Shares

Particulars	Balance as at 1st April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2023	Changes in equity share capital during the year	₹ In lakhs
					Balance as at 31st March 2024
Equity shares of ₹ 2/- each issued, Subscribed and fully paid-up	620.08	-	620.08	-	620.08

Particulars	Balance as at 1st April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2022	Changes in equity share capital during the year	₹ In lakhs
					Balance as at 31st March 2023
Equity shares of ₹ 2/- each issued, Subscribed and fully paid-up	620.08	-	620.08	-	620.08

## B) Other Equity

Particulars	Attributable to the equity owners of the Company					₹ In lakhs	
	Reserves and Surplus			Items of Other Comprehensive Income (OCI)	Total Other Equity		
	General Reserve	Retained earnings	Securities Premium	Remeasurements of net defined benefit plans			
<b>Balance as at 01.04.2023</b>	<b>980.56</b>	<b>48757.70</b>	<b>73.96</b>	<b>282.91</b>	<b>50094.93</b>		
Changes in Accounting policy or prior period errors	-	-	-	-	-		
Restated balance at the beginning of the current reporting period	980.56	48757.70	73.96	282.91	50094.93		
Profit for the year	-	8736.26	-	-	8736.26		
Total Comprehensive Income for the year	-	-	-	(32.75)	(32.75)		
Dividends	-	(186.02)	-	-	(186.02)		
<b>Balance as at 31.03.2024</b>	<b>980.56</b>	<b>57307.94</b>	<b>73.96</b>	<b>250.16</b>	<b>58612.42</b>		

Particulars	Attributable to the equity owners of the Company					₹ In lakhs	
	Reserves and Surplus			Items of Other Comprehensive Income (OCI)	Total Other Equity		
	General Reserve	Retained earnings	Securities Premium	Remeasurements of net defined benefit plans			
<b>Balance as at 01.04.2022</b>	<b>980.56</b>	<b>42362.63</b>	<b>73.96</b>	<b>252.81</b>	<b>43669.76</b>		
Changes in Accounting policy or prior period errors	-	-	-	-	-		
Restated balance at the beginning of the current reporting period	980.56	42362.63	73.96	252.81	43669.76		
Profit for the year	-	6581.09	-	-	6581.09		
Total Comprehensive Income for the year	-	-	-	30.10	30.10		
Dividends	-	(186.02)	-	-	(186.02)		
<b>Balance as at 31.03.2023</b>	<b>980.56</b>	<b>48757.70</b>	<b>73.96</b>	<b>282.91</b>	<b>50094.93</b>		

In terms of our report attached

For **S.Daga & Co.**

Chartered Accountants

Membership No. 11617

**Shantil Daga**

Partner

Membership No. 11617

Place : Hyderabad

Date : 16th May, 2024

UDIN : 24011617BKCRPH6975

For and on behalf of Board of Directors

**Gautam Chand Jain**

Chairman & Managing Director

(D.No: 00004775)

**Rahul Jain**

Managing Director

(D.No: 00576447)

**M Viswanatha Reddy**

Chief Financial Officer

# Consolidated Statement of Cash Flow

for the year ended March 31, 2024

₹ In lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
<b>(A) Cash flows from operating activities</b>		
Profit before taxes	13961.99	9315.31
<b>Adjustments:</b>		
Depreciation and amortization expense	4257.78	4039.15
Loss/ (Profit) on Sale of property, plant and equipment (Net)	(20.59)	11.12
Gain on modification of lease	-	(1.21)
Unrealized foreign exchange (gain) / loss (Net)	(723.62)	103.19
Net gain/ (loss) on fair valuation of Financial Assets measured at FVTPL	38.43	87.51
Allowance for credit losses	38.38	2.26
Debit Balances written off	-	11.56
Finance costs	3855.58	4651.62
Interest income	(101.10)	(66.92)
<b>Operating profit before working capital changes</b>	21306.85	18153.59
Changes in working capital and other provisions:		
(Increase)\Decrease in Trade Receivables	(915.62)	3433.00
(Increase)\Decrease in Inventories	1519.80	132.90
(Increase)\Decrease in Financial Assets	(883.30)	(690.56)
(Increase)\Decrease in Non - Financial Assets	(1074.96)	921.60
Increase\Decrease in Provisions	163.06	111.51
Increase\Decrease in Non - Financial Liabilities	-	-
Increase\Decrease in Trade and Other Payables	1902.55	(5688.82)
<b>Cash generated from operations</b>	22018.38	16373.22
Income taxes paid, net	(3012.78)	(2795.23)
<b>Net cash from/(used in) operating activities</b>	19005.60	13577.99
Net cash from discontinued operations	(195.27)	(6.47)
<b>Net cash from/(used in) from continuing and discontinued operating activities</b>	18810.33	13571.52
<b>(B) Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4257.30)	(3357.78)
Proceeds from sale of property, plant and equipment	352.42	100.94
Interest income	112.80	71.30
<b>Net cash from / (used in) investing activities</b>	(3792.08)	(3185.54)
Net cash from discontinued operations	13.96	11.68
<b>Net cash from / (used in) from continuing and discontinued investing activities</b>	(3778.12)	(3173.86)
<b>(C) Cash flows from financing activities</b>		
Proceeds from Non-current borrowings (including current maturities)	1934.03	2346.44
Repayment of Non-current borrowings (including current maturities)	(5835.73)	(6373.61)
(Repayment) / Proceeds from Current borrowings (Net)	(2852.27)	(3300.48)
Principal payments of Lease Liabilities	(92.82)	(77.01)
Interest expense (including lease liabilities)	(3658.36)	(3700.71)
Dividend paid	(186.02)	(186.02)
<b>Net cash from / (used in) financing activities</b>	(10691.17)	(11291.39)
Net cash from discontinued operations	(137.99)	(112.98)
<b>Net cash from / (used in) from continuing and discontinued financing activities</b>	(10829.16)	(11404.37)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	4203.05	(1006.71)
Add: cash and cash equivalents at the beginning of the year	323.32	640.89
Effect of exchange gain on cash and cash equivalents	532.80	689.14
<b>Cash and cash equivalents at the end of the year</b>	5059.17	323.32
Cash and cash equivalents from continuing operations (refer note.9.1)	5056.28	323.32
Cash and cash equivalents from discontinued operations	2.89	-
Cash and cash equivalents from continuing and discontinued activities	5059.17	323.32

# Consolidated Statement of Cash Flow

for the year ended March 31, 2024

₹ In lakhs

Change in Liability arising from Financing Activities	1st April 2023	Cashflow	Foreign Exchange movement/others	31st March 2024
Borrowing- Non-current (including current maturities)	38120.98	(3901.70)	197.97	34417.25
Borrowing - Current	5558.60	(2852.27)	(27.02)	2679.51
Lease liability ( including current maturities)	215.80	(92.82)	1113.78	1236.76
	<b>43895.38</b>	<b>(6846.79)</b>	<b>1284.73</b>	<b>38333.32</b>

₹ In lakhs

Change in Liability arising from Financing Activities	1st April 2022	Cashflow	Foreign Exchange movement/others	31st March 2023
Borrowing- Non-current (including current maturities)	40503.18	(4027.17)	1644.97	38120.98
Borrowing - Current	8753.63	(3300.48)	105.45	5558.60
Lease liability ( including current maturities)	231.31	(77.02)	61.51	215.80
	<b>49488.12</b>	<b>(7404.67)</b>	<b>1811.93</b>	<b>43895.38</b>

**Note:** Cash Flow Statement has been prepared under the Indirect Method, as set out in Ind AS 7 -'Statement of Cash Flows'.

In terms of our report attached

For and on behalf of Board of Directors

For **S.Daga & Co.**

Chartered Accountants

Membership No. 11617

**Gautam Chand Jain**

Chairman & Managing Director

(D.No: 00004775)

**Shantilal Daga**

Partner

Membership No. 11617

**Rahul Jain**

Managing Director

(D.No: 00576447)

Place : Hyderabad

Date : 16th May, 2024

UDIN : 24011617BKCRPH6975

**M Viswanatha Reddy**

Chief Financial Officer

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 1 Corporate information

The Consolidated Financial Statements comprises financial statement of "**Pokarna Limited**" (" the Parent Company") and its wholly owned subsidiary Pokarna Engineered Stone Limited and Pokarna Foundation for the year ended 31.03.2024. The Company and its subsidiary are collectively referred to as 'the Group'.

The Group is principally engaged in the business:

- (a) quarrying, manufacturing & processing and selling of Granite;
- (b) manufacturing and selling of Apparel under the brand name 'Stanza'; and
- (c) manufacturing, processing and selling of high quality engineered quartz surfaces.
- (d) to implement, assist, facilitate or otherwise undertake programmes, projects and all activities relating to Corporate Social Responsibilities carried out by Pokarna Group companies.

## 2 Basis of preparation, measurement and material accounting policies

The material accounting policies applied by the Group in the preparation of its financial statements are listed below.

Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

### 2.1 Basis of preparation and measurement

#### (a) Basis of preparation

The Group financial statements are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

#### (b) Basis of measurement

The financial statements have been prepared on an accrual and going concern basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/ settlement within a twelve month period from the balance sheet date.

## 2.2 Key accounting judgement, estimates and assumptions

The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognised in the financial statements are included in the following notes:

- Measurement of defined benefit obligations - Note 26
- Measurement and likelihood of occurrence of provisions and contingencies - Note 18 and 33
- Recognition of deferred tax assets - Note 16
- Key assumptions used in discounted cash flow projections - Note 38
- Impairment of assets - Note 3
- Allowances for credit losses for finance receivables - Note 8
- Measurement of Right-of-use Asset and Lease liabilities - Note 3B and 41

## 2.3 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the group.

## 2.4 Material accounting policies

### A Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries.

The financial statements of the Parent company and its subsidiary have been consolidated on a line-by-line basis together with the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealized profits.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

The financial statements of the Parent Company and its subsidiary have been consolidated using uniform accounting policies.

The following subsidiary companies are considered in the consolidated financial statements:

Sl. No.	Name of the Subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2024	As at March 31, 2023
	Direct subsidiaries:			
1	Pokarna Engineered Stone Limited	India	100.00	100.00
	Indirect subsidiaries *			
2	Pokarna Foundation	India	100.00	100.00

\* Effective holding % of the company directly and through its subsidiaries

## B Property, plant and equipment

An item of property, plant and equipment is recognized as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognized in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognized. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalized. Borrowing costs incurred during the period of construction is capitalized as part of cost of the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognized in the statement of profit and loss.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

Project development and pre-operative expenses attributable to project are allocated to the cost of the fixed assets. Others are written off over the period of five years from the year of commercial operations begins.

### C Depreciation and amortisation of property, plant and equipment and intangible assets

Depreciation or amortization is provided so as to write off, on a straight line basis, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are determined with reference to Schedule II to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Freehold land is stated at cost and is not depreciated.

### D Intangible assets

(i) Intangible assets are stated at cost less accumulated amortization or impairment. Intangible assets are amortized on their estimated useful life of assets. Expenditure incurred in research phase is expensed as incurred.

#### Stripping costs

(ii) Stripping costs

The Group separates two different types of stripping costs that are incurred in surface mining activity:

(a) Developmental stripping costs and

(b) Production stripping costs

Developmental stripping costs which are incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalized as part of mining assets. Capitalization

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

of developmental stripping costs ends when the commercial production of the mineral reserves begins.

Production stripping costs are incurred to raw granite in the form of inventories and/or to improve access to deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realized in the form of inventories.

The Group recognizes a stripping activity asset in the production phase if, and only if, all of the following are met:

- (i) It is probable that the future economic benefit (improved access to the mine) associated with the stripping activity will flow to the Group
- (ii) The Group can identify the component of the mine for which access has been improved and
- (iii) The costs relating to the improved access to that component can be measured reliably. Such costs are presented within mining assets (Intangible Assets). After initial recognition, stripping activity assets are carried at cost less accumulated amortization and impairment. The Stripping activity assets are amortized based on cost of inventory produced compared with expected cost.

## E Right-of-use Assets

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

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

### (i) As a Lessee

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease

arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### (ii) As a Lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## F Provision for decommissioning, site restoration and environmental costs

Under Ind AS, cost of an item of property, plant and equipment or intangible assets includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. Such cost of decommissioning, restoration or similar liability is to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life.

The Group has liabilities related to restoration of mines and other related works, which are due upon the closure of certain of its production sites.

Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using a discount rate where the effect of time value of money is material. The effect of the time value of money on the restoration and environmental costs liability is recognized in the statement of profit and loss.

## G Impairment

### (i) Financial assets (including receivables)

A financial asset not carried at fair value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

"In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for trade receivables."

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss. This amount is reflected in a separate line in the statement of profit and loss as an impairment gain or loss.

### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of assets, impairment losses recognized in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## H Financial instruments

### Financial assets

All financial assets are initially recognized at fair value except trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

The Group's financial assets include security deposits, cash and cash equivalents, trade receivables and deposits with banks. Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

### Investment in subsidiaries:

The Group has accounted for its investments in subsidiaries at cost.

### Financial liabilities

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the

carrying amounts approximate fair value due to the short maturity of these instruments.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Group financial liabilities include Loans and borrowings and trade and other payables.

## I Cash and bank balances:

Cash and bank balances consist of:

**(i) Cash and cash equivalents** - which includes cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have maturities of less than three months from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdraft but including other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(ii) Other bank balances** - which includes balances and deposits with banks that are restricted for withdrawal and usage.

## J Employee benefits

### (i) Short term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid towards bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## (ii) Post-employment benefits:

### Defined contribution plans:

#### Provident Fund

Eligible employees of the Group receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Group make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Employer contribution is charged to statement of profit and loss. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Group has no further obligation to the plan beyond its monthly contributions.

#### Employee state Insurance Scheme

Eligible employees of the Group are covered under "Employees State Insurance Scheme Act 1948", which are also defined contribution schemes recognized and administered by Government of India.

The Group's contributions to these schemes are recognized as expense in statement of profit and loss during the period in which the employee renders the related service. The Group has no further obligation under these plans beyond its monthly contributions.

### Defined benefit plans:

The Group provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Group. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Group. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan for parent company (Granite division) is administered by a trust formed for this purpose through the Company gratuity Scheme.

The Group recognizes the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The

effect of any plan amendments is recognized in the statement of profit and loss.

### Other long-term employee benefits

The liabilities for compensated absences which are not expected to occur within twelve months are 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 projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods.

Group uses updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

## K Inventories

Inventories are valued at lower of cost and net realizable value. Cost of raw materials, Stores and Spares, Consumables, Packing materials and traded goods are valued at Cost on First-In-First-Out (FIFO) basis. Cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition on normal operating capacity. The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and appropriate portion of variable and fixed overhead expenditure, computed on normal capacity.

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

The Group assess the valuation of Inventories at each reporting period and write down the value for different finished goods based on their quality classes and ageing. Inventory provisions are provided to cover risks arising from slow-moving items, discontinued products, and net realizable value lower than cost. The process for evaluating these write-offs often requires to make subjective judgments and estimates, based primarily on historical experience, concerning prices at which such inventory will be able to be sold in the normal course of business, planned product discontinuances and introduction of competitive new products, to the extent each of these factors impact the Group's business.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## L Provisions, contingent liabilities and contingent assets

### Provisions

Provisions are recognized when the Group has 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 and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. 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 recognized as a finance cost.

### Provision for Warranties

The Group generally provides a standard warranty for covering manufacturing defects for different periods of time, depending on the type of product and the customer when the product is sold or service provided to the customer. The Group records a provision for the estimated cost to repair or replace products under warranty, which is estimated, based primarily on historical experience as well as management judgment. The assumptions made in relation to the current period are consistent with those in the prior year. This provision is not discounted to the present value and is determined based on the best estimate required to settle the obligations at the Balance Sheet date.

### Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

### Contingent assets

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

## M Government grants

Effective from 01st April 2019, the Group has adopted and opted Ind AS 20 policy for 'Accounting for Government Grants and Disclosure of Government Assistance' from 'Deferred Income recognised in Statement of Profit and Loss on a systematic basis over the useful life of the assets' to 'Option of deducting the same from carrying value'.

## N Non-current assets held for sale

Non-current assets comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in the statement of profit and loss. Gains are not recognized in excess of any cumulative impairment loss.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognized on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

## O Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the statement of profit and loss except relating to items recognized directly in equity or in other comprehensive income.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Income Tax Act, 1961.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognised to the extent it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carryforwards can be utilised.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

## P Revenue

Revenue is recognized at the amount of transaction price (net of variable consideration) when the performance obligations under contract are fulfilled and there are no unfulfilled obligations and amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company.

The specific recognition criteria described below must also be met before revenue is recognized:

**Goods Sold:** Revenue from sale of goods are recognized when controls of the product are transferred in accordance with the terms of sale, and there is no unfulfilled obligation that could affect the customers' acceptance of the products and is net of trade discounts, sales returns, where applicable. accordingly export and domestic revenue is recognized when the performance obligations in our contracts are fulfilled.

**Rendering of services:** Revenue recognition is based on the terms and conditions as per the contracts entered into / understanding with the customers and the service is performed and there are no unfulfilled obligations. All revenues from services, as rendered, are recognised when persuasive evidence of an arrangement exists, the sale price is fixed or determinable and collectability is reasonably assured and are reported net of sales incentives, discounts based on the terms of the contract and applicable indirect taxes.

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered a separate unit of account is accounted for separately. The allocation of the consideration from revenue arrangement to its separate units of account is based on the relative fair value of each unit.

**Interest income:** is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

**Dividend Income:** is recognized when the company's right to receive the payment has been established.

**Export Benefits:** Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

## Expenditure

Expenditure is accounted on accrual basis.

## Q Foreign currency

Items included in the financial statements of the Group are recorded using the currency of the primary economic environment (INR) in which the Group operates (the 'functional currency').

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the Statement of profit and loss of the year.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary assets and

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

liabilities that are measured in terms of historical cost in foreign currency are not translated.

The transactions like receipt or payment of advance consideration in a foreign currency are translated at the rates on the date of transaction. The date of transaction for the purpose of determining exchange rate is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

## R Finance income and finance cost

Finance income comprises interest income on funds invested and dividend income. Interest income is recognized as it accrues in the statement of profit and loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and lease liabilities, unwinding of the discount on provisions, impairment losses recognized on financial assets, interest expense and penalties related to income tax.

## S Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. 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 is adjusted for the effects of all dilutive potential equity shares.

## T Segment reporting

Each of the reportable segments derives its revenues from the main products and hence these have been identified as reportable segments by the Group's chief operating decision maker ("CODM"). Segment revenue, result, assets and liabilities include the respective amounts

identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and unallocated corporate liabilities respectively.

## U Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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

## V Dividend declared

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

## W Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. These are material items of income or expense that have to be shown separately due to their nature or incidence.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 3. Property, plant and equipment & Intangible assets

Particulars	₹ In lakhs						As at 31st March, 2024	As at 31st March, 2023
	Land	Buildings	Factory & quarry buildings	Plant and equipment	Furniture & fixtures	Office equipment		
<b>Property, plant and equipment</b>								
A.Owned Assets							69098.27	72176.14
B.ROU Leased Assets							17873.35	10237.73
<b>Total</b>							<b>70885.62</b>	<b>73199.87</b>
<b>Owned Intangible assets</b>							<b>89.30</b>	<b>106.21</b>
 <b>A. Owned Assets</b>								
 <b>Property, plant and equipment</b>								
Particulars	Land	Buildings	Factory & quarry buildings	Plant and equipment	Furniture & fixtures	Office equipment	Total of property, plant and equipment	Intangible assets
<b>1. Deemed Cost (Gross Carrying Amount)</b>								
Balance as at 1st April 2022	2931.85	1354.06	25473.23	69893.29	822.02	1283.15	1282.24	103039.84
Additions	0.25	407.94	218.06	694.74	31.22	110.93	101.50	1564.64
Disposals/ impairment	-	-	-	(370.17)	(277.10)	(11.20)	(41.02)	(699.49)
<b>Balance as at 31st March 2023</b>	<b>2932.10</b>	<b>1762.00</b>	<b>25891.29</b>	<b>70217.86</b>	<b>576.14</b>	<b>1382.88</b>	<b>1342.72</b>	<b>103904.99</b>
Balance as at 1st April 2023	2932.10	1762.00	25891.29	70217.86	576.14	1382.88	1342.72	103904.99
Additions	-	244.16	71.37	581.35	45.46	62.07	53.94	1543.81
Disposals/ impairment	(39.70)	(0.91)	-	(906.86)	(5.04)	(26.92)	(53.46)	(1038.89)
Relating to discontinued operations	-	-	-	(2140.39)	(54.36)	(228.57)	(47.60)	(2470.72)
<b>Balance as at 31st March 2024</b>	<b>2892.40</b>	<b>2005.25</b>	<b>25762.66</b>	<b>67751.96</b>	<b>562.20</b>	<b>1189.66</b>	<b>1775.06</b>	<b>101939.19</b>
<b>2. Accumulated Depreciation</b>								
Balance as at 1st April 2022	-	450.79	3748.06	21979.33	602.92	741.61	773.98	28296.69
Depreciation/Amortisation for the year	-	39.73	801.69	2885.78	31.94	143.25	103.33	4005.72
Disposals/ impairment	-	-	-	(260.58)	(265.23)	(11.15)	(38.60)	(573.56)
<b>Balance as at 31st March 2023</b>	<b>- 490.52</b>	<b>4549.75</b>	<b>24604.53</b>	<b>371.63</b>	<b>873.71</b>	<b>838.71</b>	<b>37128.85</b>	<b>382.80</b>
Balance as at 1st April 2023	-	490.52	4549.75	24604.53	371.63	873.71	37128.85	382.80
Depreciation/Amortisation for the year	-	49.09	805.39	2965.78	25.91	151.99	101.18	4099.34
Disposals/ impairment	-	-	-	(630.12)	(4.93)	(25.24)	(56.75)	(717.04)
Relating to discontinued operations	-	-	-	(1993.68)	(145.73)	(105.59)	(27.23)	(2270.23)
<b>Balance as at 31st March 2024</b>	<b>- 539.61</b>	<b>5555.14</b>	<b>24946.51</b>	<b>1271.48</b>	<b>2141.54</b>	<b>204.51</b>	<b>509.17</b>	<b>72176.14</b>
<b>3. Carrying Amount (Net)</b>								
<b>At 31st March 2023</b>	<b>2892.40</b>	<b>1465.64</b>	<b>20407.52</b>	<b>42805.45</b>	<b>313.32</b>	<b>294.79</b>	<b>919.15</b>	<b>69098.27</b>
<b>At 31st March 2024</b>	<b>2892.40</b>	<b>1465.64</b>	<b>20407.52</b>	<b>42805.45</b>	<b>313.32</b>	<b>294.79</b>	<b>919.15</b>	<b>69098.27</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 3. Property, plant and equipment & Intangible assets (Contd..)

- 3.1) Some of the assets acquired out of finance are under Hypothecation.
- 3.2) Details of security of property, plant and equipment subject to charge to secured borrowings - refer note. 14.1 & 14.3
- 3.3) Land includes cost of land admeasuring Acres 2.11 cents, which has been disputed by third parties pending disposal.
- 3.4) Title deeds of Immovable Properties not held in name of the Company

₹ In lakhs

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Relationship with Title holder	Property held Since which date	Reasons for not being held in the name of the company
Property, Plant & Equipment	Land	6.77	Promoter & Non Executive Director	NA	Since 1997	Transfer formalities are pending
Property, Plant & Equipment	Land	2.67	Erstwhile seller	NA	Since 1997	Transfer formalities are pending
Property, Plant & Equipment	Land	19.00	Government Land	NA	Since 2004	Transfer formalities are pending
<b>Total</b>		<b>28.44</b>				

- 3.5) Capital work-in-progress ₹ 6468.77 lakhs (previous year ₹ 59.64 lakhs).

### Capital work-in-progress ageing schedule as at 31st March 2024

₹ In lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6468.77	-	-	-	6468.77
Projects temporarily suspended	-	-	-	-	-

### Capital work-in-progress ageing schedule as at 31st March 2023

₹ In lakhs

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	59.64	-	-	-	59.64
Projects temporarily suspended	-	-	-	-	-

Capital work in progress, whose completion is overdue or has exceeded its cost compared to its original plan is ₹ Nil (previous year ₹ Nil)

## B. ROU Leased Assets \*

₹ In lakhs

Particulars	Leasehold Land	Building	Total
<b>1. Deemed cost (Gross carrying amount)</b>			
Balance as at 1st April 2022	766.59	756.69	1523.28
Additions	-	188.47	188.47
Disposals/ transfer	-	(151.45)	(151.45)
<b>Balance as at 31st March 2023</b>	<b>766.59</b>	<b>793.71</b>	<b>1560.30</b>
Balance as at 1st April 2023	766.59	793.71	1560.30
Additions	949.91	163.86	1113.77
Disposals/ transfer	-	(84.85)	(84.85)
Relating to discontinued operations		(386.75)	(386.75)
<b>Balance as at 31st March 2024</b>	<b>1716.50</b>	<b>485.97</b>	<b>2202.47</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 3. Property, plant and equipment & Intangible assets (Contd..)

₹ In lakhs

Particulars	Leasehold Land	Building	Total
<b>2. Accumulated Depreciation</b>			
Balance as at 1st April 2022	107.66	386.03	493.69
Depreciation/ amortisation for the year	35.95	133.89	169.84
Disposals/ transfers	-	(126.96)	(126.96)
<b>Balance as at 31st March 2023</b>	<b>143.61</b>	<b>392.96</b>	<b>536.57</b>
Balance as at 1st April 2023	143.61	392.96	536.57
Depreciation/ amortisation for the year	50.74	90.79	141.53
Disposals/ transfers	-	(84.85)	(84.85)
Relating to discontinued operations		(178.13)	(178.13)
<b>Balance as at 31st March 2024</b>	<b>194.35</b>	<b>220.77</b>	<b>415.12</b>
<b>3. Carrying amount (net)</b>			
<b>At 31st March 2023</b>	<b>622.98</b>	<b>400.75</b>	<b>1023.73</b>
<b>At 31st March 2024</b>	<b>1522.15</b>	<b>265.20</b>	<b>1787.35</b>

\*refer Note 41

## 4. Loans

₹ In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A. Non-current loans</b>		
Loan receivables considered good -unsecured		
Other loans	128.35	148.01
<b>Total</b>	<b>128.35</b>	<b>148.01</b>
<b>B. Current loans</b>		
Loan receivables considered good -unsecured		
Other loans	179.38	332.64
Loans to employees	-	0.61
<b>Total</b>	<b>179.38</b>	<b>333.25</b>

## 5. Other financial assets

₹ In lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A. Non-current financial assets</b>		
Unsecured, considered good		
Deposits with maturity for more than 12 months		
Margin money given against a bank guarantee/letter of credit	47.60	106.79
Interest accrued on fixed deposits	4.78	2.77
Deferred payment charges	340.43	7.88
Security deposit	1039.38	968.65
<b>Total</b>	<b>1432.19</b>	<b>1086.09</b>
<b>B. Current financial assets</b>		
Unsecured, considered good		
Interest accrued on fixed deposits	32.26	19.28
Deferred payment charges due within one year	186.67	14.47
<b>Total</b>	<b>218.93</b>	<b>33.75</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 6. Other assets

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>A. Non-current assets</b>		
Unsecured, considered good		
Capital advances	643.67	103.97
Defer lease rentals	37.29	9.15
Other Non-Current Assets	52.02	66.18
<b>Total</b>	<b>732.98</b>	<b>179.50</b>
<b>B. Current assets</b>		
Unsecured, considered good		
Indirect taxes receivable	2952.45	1650.17
Advance to suppliers	388.93	593.24
Other current assets	145.84	184.96
Prepaid expenses	664.78	649.28
<b>Total</b>	<b>4152.00</b>	<b>3077.65</b>

## 7. Inventories

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Raw materials	3129.36	3721.17
Work-in-progress	275.46	257.73
Finished goods	7303.88	8203.75
Traded goods	-	36.81
Consumables, stores & spares	5321.51	5165.16
Packing material	355.25	819.98
<b>Total</b>	<b>16385.46</b>	<b>18204.60</b>
<b>Details of materials in transit included in inventories above</b>		
Raw materials	477.24	131.64
Consumables, stores & spares	959.39	532.68
Packing material	138.12	0.74

## 8. Trade receivables

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Considered good -secured	-	-
Considered good -unsecured	11964.17	10932.87
Which have significant increase in credit risk	257.42	219.85
Credit impaired	-	-
Allowance for credit losses	(257.42)	(219.85)
<b>Total</b>	<b>11964.17</b>	<b>10932.87</b>

**8.1** There are no outstanding debts due from directors or other officers of the company.

**8.2 Trade receivables ageing schedule as at 31st March 2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	11470.06	158.78	310.62	24.71	-	11964.17
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	257.42	257.42
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
Less: Allowance for Credit losses	11470.06	158.78	310.62	24.71	257.42	12221.59
<b>Total Trade receivable</b>						<b>11964.17</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 8. Trade receivables (Contd..)

Trade receivables ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment					₹ In lakhs
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - Considered good	10672.84	86.66	89.81	83.56	0.00	10932.87
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	219.85	219.85
(iii) Undisputed Trade receivables - Credit impaired						
	<b>10672.84</b>	<b>86.66</b>	<b>89.81</b>	<b>83.56</b>	<b>219.85</b>	<b>11152.72</b>
Less: Allowance for Credit losses						(219.85)
<b>Total Trade receivable</b>						<b>10932.87</b>

## 9. Cash and cash equivalents

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Cash in hand	7.58	6.95
Balances with banks:		
On current accounts	6006.04	1405.87
On cash credit accounts	812.46	537.13
<b>Total</b>	<b>6826.08</b>	<b>1949.95</b>

9.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents	6826.08	1949.95
Less: Cash credit [refer note. 14(B)]	(1769.80)	(1626.63)
<b>Total</b>	<b>5056.28</b>	<b>323.32</b>

## 10. Other bank balances

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Margin money given against a bank guarantee/letter of credit with maturity for more than 3 months but less than 12 months	1461.09	1079.18
In unpaid dividend account	6.36	10.08
<b>Total</b>	<b>1467.45</b>	<b>1089.26</b>

## 11. Current tax assets

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Advance Income Tax	2914.93	42.89
Less: Provision for Tax	(2583.99)	(25.01)
<b>Total</b>	<b>330.94</b>	<b>17.88</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 12. Share capital

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Authorized:</b>		
10,00,00,000 (previous year 10,00,00,000)		
equity shares of ₹ 2/- each (₹ 2/-) par value	2000.00	2000.00
<b>Issued, subscribed and fully paid-up:</b>		
3,10,04,000 (previous year 3,10,04,000)		
equity shares of ₹ 2/- each (₹ 2/-) fully paid-up	620.08	620.08
<b>Total</b>	<b>620.08</b>	<b>620.08</b>

### 12.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	₹ In lakhs	
	No. of Shares	No. of Shares
At the beginning of the period	31004000	31004000
Issued during the period	-	-
Outstanding at the end of the period	31004000	31004000

### 12.2 Terms / rights attached to equity shares:

The group has only one class of equity shares having a par value of ₹ 2/- per share. Each holder of equity shares 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 shareholder.

### 12.3 Details of shareholders holding more than 5% shares

Equity shares	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of ₹ 2/- each fully paid</b>				
Gautam Chand Jain	15883885	51.23	15703885	50.65
Kotak Debt Hybrid	1569975	5.06	1570264	5.06

### 12.4 Details of shareholders holding of Promoters

S.No.	Promoter Name	No. of shares as at March 31, 2024	% of total shares as at March 31, 2024	No. of shares as at March 31, 2023	% of total shares as at March 31, 2023	₹ In lakhs	
						% of change during the year	
1	Gautam Chand Jain	15883885	51.23%	15703885	50.65%	1%	
2	Vidya Jain	500000	1.61%	500000	1.61%	0%	
3	Rahul Jain	498500	1.61%	498500	1.61%	0%	
4	Neha Jain	500000	1.61%	500000	1.61%	0%	
5	Megha Jain	125000	0.40%	125000	0.40%	0%	
6	Prakash Chand Jain	-	-	60000	0.19%	-100%	
7	Ashok Chand Jain Kantilal	-	-	60000	0.19%	-100%	
8	Raaj Kumar Jain Kantilal	60000	0.19%	60000	0.19%	0%	
9	Anju Jain	-	-	60000	0.19%	-100%	

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 13. Other equity

Refer Statement of Changes in Equity for detailed movement in Equity balance

### A. Summary of Other Equity balance

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Securities Premium	73.96	73.96
General reserve	980.36	980.36
Retained Earnings	57307.94	48757.70
Items of Other comprehensive income		
- Remeasurement of defined benefit plans	250.16	282.91
<b>Total</b>	<b>58612.42</b>	<b>50094.93</b>

### B. Nature and purpose of reserves

- a) **Securities Premium**: The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.
- b) **General Reserve**: The company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.
- c) **Retained Earnings**: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.
- d) **Items of Other Comprehensive Income**:

Remeasurement of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

## 14. Borrowings

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>A. Non-current</b>		
<b>Secured loans - From banks (refer note. 14.1 &amp; 14.3)</b>		
Term loans in Indian rupees	10337.08	12013.81
Term loans in Foreign currency	10451.07	12155.92
<b>Secured loans - From others (refer note. 14.1 &amp; 14.3)</b>		
Term loans in Indian rupees	45.70	61.35
<b>Unsecured loans</b>		
<b>Loans &amp; advances from related parties</b>		
Loans from directors	1868.68	2548.19
Inter Corporate Deposits	7684.48	7733.86
<b>Total</b>	<b>30387.01</b>	<b>34513.13</b>
<b>B. Current</b>		
<b>Secured loans - From banks</b>		
Current maturities of long term borrowings:		
<b>From banks -secured (refer note. 14.1 &amp; 14.3)</b>		
Term loans in Indian rupees	2514.41	2196.54
Term loans in Foreign currency	1500.73	1479.90
<b>From others -secured (refer note. 14.1)</b>		
Term loans in Indian rupees	15.10	13.95
<b>Working capital loans - repayable on demand (refer note. 14.1 &amp; 14.3)</b>		
Cash Credit Facilities in Indian rupees	1769.80	1626.63
Packing credit loans in Foreign currency	1855.47	4222.41
Bill discounting facilities in Foreign currency	823.84	1336.19
<b>Total</b>	<b>8479.35</b>	<b>10875.62</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 14. Borrowings (Contd..)

Nature of security and terms of repayment for secured borrowings:

**In respect of Parent company**

**14.1** Term loan in Indian rupees of ₹ 166.14 lakhs & working capital facilities of ₹ 2069.95 lakhs from Union Bank of India are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the, both present and future and personal properties of some of the directors and guarantees of the Directors (other than independent directors).

Cash credit facility in Indian rupees carries interest @ 1Y MCLR+2.50% i.e., 11%, Packing credit loans in foreign currency and Bill discounting facilities in Foreign currency carries interest @ SOFR+150 bps i.e., 6.68%.

Term loans in Indian rupees of ₹ 60.13 lakhs are for purchase of assets, secured by hypothecation of respective assets and personal guarantee of the Directors (other than Independent directors).

**14.2 Maturity profile of term loans from banks are as set out below:**

		2024-25	2025-26	2026-27	2027-28 & Beyond
Term loans of ₹166.14 lakhs (Interest rate of 1Y MCLR+3.50% ie., 12.25%)	Repayable in 2 quarterly instalments	166.14			
Term Loans of ₹60.13 lakhs (interest rates of 8.51% to 9.52%)	Repayable monthly instalments till Dec 27	19.59	13.59	14.98	11.97

**In respect of subsidiary company**

**14.3 a.** Term loan in Indian rupees of ₹ 9407.76 lakhs and Term loan in foreign currency of ₹ 11951.80 lakhs from Union Bank of India for Unit 2 at Mekaguda Gram Panchayat, Dooskal Village, Ranga Reddy District is secured by a first charge on Land, Building and Plant & Machinery of Unit-2 and 2nd charge on Land, Building and Plant & Machinery of Unit-1 at Visakhapatnam and also 2nd charge on Current assets of the Company as a additional collateral security and personal guarantees of the Directors (other than independent directors).

**b.** Term loan in Indian rupees of ₹ 238.62 lakhs from Union Bank of India is secured by exclusive charge on assets created out of bank finance and negative lien on the existing securities (offered to existing limits) and personal guarantees of the Directors (other than independent directors).

**c.** Term Loan in Indian rupees UGECL of ₹ 1304.79 lakhs and UGECL Ext. ₹ 1026.15 lakhs from Union Bank of India is secured by 2nd charge with existing credit facilities.

**d.** Term loans in Indian rupees of ₹ 708.70 lakhs are for purchase of assets from Banks and others is secured by hypothecation of respective assets and personal guarantee of the Directors (other than Independent directors).

**e.** Working capital facilities of ₹ 2379.16 lakhs from Union bank of India are secured by first charge on Land, Building and Plant & Machinery of Unit-1 at Visakhapatnam and 2nd charge on Land, Building and Plant & Machinery of Unit-2 Hyderabad and personal guarantees of the Directors (other than independent directors).

Cash credit facilities in Indian rupees carries interest @ 1Y MCLR+1% i.e., 9.70%, Packing credit loans in foreign currency carries interest @ SOFR+100 bps i.e., 6.38% and Bill discounting facility in foreign currency carries interest @ SOFR+75 bps i.e., to 6.13%.

**14.4 Maturity profile of term loans from banks are as set out below:**

Rate of interest		2024-25	2025-26	2026-27	2027-28 & Beyond
a. Term loans in Foreign currency ₹ 11951.80 lakhs (interest @ 6.8833% (Six months SOFR plus 150bps) & Indian Rupees ₹ 9407.76 lakhs interest @9.20% and 9.65% (1Y MCLR+1.00%))	Repayable in 20 quarterly instalments	2609.38	3914.08	5218.77	9617.53
b. Term loan ₹ 238.62 lakhs (interest rate of 9.30% 1Y MCLR+0.40%)	60 monthly instalments with 3 months moratorium from Mar,24	187.50	51.12	-	-
c. Term loan ₹ 1304.79 lakhs (interest 9.25% or 1Y MCRL+0.60% whichever is lower)	Repayable in 20 monthly instalments	559.34	559.34	186.11	-

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 14. Borrowings (Contd..)

Rate of interest		2024-25	2025-26	2026-27	2027-28 & Beyond
d. Term loan ₹ 1026.15 lakhs (interest 9.25% or 1Y MCRL+0.60% whichever is lower)	Repayable in 45 monthly instalments	273.71	273.71	273.71	205.02
e. Term Loans ₹ 708.70 lakhs (interest 8% to 9.25%)	Repayable monthly instalments till Mar 28	214.58	181.18	161.96	150.98

14.5 The group has satisfied all the covenants prescribed in terms of borrowings.

## 15. Lease Liabilities

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>A. Non-Current</b>		
Lease liability (refer note. 41)	1093.81	351.75
<b>Total</b>	<b>1093.81</b>	<b>351.75</b>
<b>B. Current</b>		
Lease liability (refer note. 41)	142.95	118.41
<b>Total</b>	<b>142.95</b>	<b>118.41</b>

## 16. Deferred tax

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax liabilities (net)</b>		
Deferred tax liabilities		
Property, plant & equipment	5923.09	5834.43
	<b>5923.09</b>	<b>5834.43</b>
<b>Deferred tax asset</b>		
Receivables	14.79	55.33
Provisions	929.29	1054.02
MAT credit entitlement	538.75	2621.90
	<b>1482.83</b>	<b>3731.25</b>
<b>Total</b>	<b>4440.26</b>	<b>2103.18</b>
<b>Deferred tax Asset (net)</b>		
<b>Deferred Tax Asset</b>		
Receivables	50.06	-
Provisions	124.49	-
Carryover losses	208.04	-
	<b>382.59</b>	-
<b>Deferred Tax Liabilities</b>		
Property, plant & equipment	276.53	-
	<b>276.53</b>	-
<b>Total</b>	<b>106.06</b>	-

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 16. Deferred tax (Contd..)

Deferred tax liabilities (net)

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
At the start of the year	2103.18	1237.64
Unused tax credit	2083.15	593.72
Charge/ (Credit) to statement of P&L	147.87	271.82
<b>At the end of the year</b>	<b>4334.20</b>	<b>2103.18</b>

Component of deferred tax liabilities/(asset)

Deferred tax liabilities/(asset) in relation to:	₹ In lakhs		
	As at March 31, 2023	Charge/ (credit) to profit or loss	As at March 31, 2024
Property, plant and equipment	5834.43	365.19	6199.62
Provisions	(1054.01)	0.24	(1053.77)
Carryover losses	-	(208.04)	(208.04)
Receivables	(55.33)	(9.52)	(64.85)
Unused tax credit	(2621.91)	2083.15	(538.76)
<b>Total</b>	<b>2103.18</b>	<b>2231.02</b>	<b>4334.20</b>

## 17. Other financial liabilities

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Current</b>		
Interest accrued but not due on borrowings	3.52	4.28
Unpaid dividend	6.36	10.08
<b>Total</b>	<b>9.88</b>	<b>14.56</b>

## 18. Provisions

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>A. Non-current</b>		
<b>For employee benefits</b>		
Gratuity (refer note. 26(1a))	727.28	612.32
Compensated absence (refer note. 26(1b))	182.01	147.24
<b>Others</b>		
Restoration liability	23.85	27.94
<b>Total</b>	<b>933.14</b>	<b>787.50</b>
<b>B. Current</b>		
<b>For employee benefits</b>		
Gratuity (refer note. 26(1a))	51.70	42.50
Compensated absence (refer note. 26(1b))	10.10	9.41
<b>Others</b>		
Warranties	1060.77	1110.00
<b>Total</b>	<b>1122.57</b>	<b>1161.91</b>

18.1 Particulars	₹ In lakhs			
	Opening balance	Provision recognized	Provision utilized	Closing balance
Provision for warranty	1110.00	-	49.23	1060.77

**Product warranties:** The subsidiary company gives warranties on its products in the nature of repairs / replacement, which fail to perform satisfactorily during warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of rectification / replacement. The timing of outflows is expected to be within a period of 1- 2 year.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 18. Provisions (Contd..)

18.2 Particulars	Opening balance	Provision recognized	₹ In lakhs	
			Related to Discontinued operations	Closing balance
Restoration Liability	27.94	1.20	5.29	23.85

## 19. Current tax liabilities (net)

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Provision for income tax	-	1630.75
Less: Advance tax	-	1513.08
<b>Total</b>	<b>-</b>	<b>117.67</b>

## 20. Other liabilities

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>A. Non-Current</b>		
Creditors for capital expenditure	4291.25	179.92
<b>Total</b>	<b>4291.25</b>	<b>179.92</b>
<b>B. Current</b>		
Advance received from customers	221.61	953.81
Creditors for capital expenditure	1194.13	1069.76
Statutory liabilities	103.71	143.69
Other liabilities	2413.98	1388.60
<b>Total</b>	<b>3933.43</b>	<b>3555.86</b>

## 21. Trade payables

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
a) total outstanding dues of micro enterprises and small enterprises	294.14	219.82
b) total outstanding dues of creditors other than micro enterprises and small enterprises	7168.50	5704.19
<b>Total</b>	<b>7462.44</b>	<b>5924.01</b>

### 21.1 Trade payables ageing schedule as at 31st March 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME - Undisputed dues	294.14	-	-	-	294.14
(ii) Others - Undisputed dues	7147.18	20.08	-	1.04	7168.50
<b>Total</b>	<b>7441.32</b>	<b>20.08</b>	<b>-</b>	<b>1.04</b>	<b>7462.44</b>

### Trade payables ageing schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME - Undisputed dues	219.82	-	-	-	219.82
(ii) Others - Undisputed dues	5657.41	4.52	0.81	41.45	5704.19
<b>Total</b>	<b>5877.23</b>	<b>4.52</b>	<b>0.81</b>	<b>41.45</b>	<b>5924.01</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 21. Trade payables (Contd..)

### 21.2 Disclosure in accordance with Section 22 of micro, small and medium enterprises development Act, 2006

Sl. No.	Particulars	₹ In lakhs	
		As at March 31, 2024	As at March 31, 2023
a)	Principal amount and interest due to suppliers registered under the MSMED Act and remaining unpaid at the year end	-	-
b)	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	-	-
c)	Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	43.34
d)	Interest paid, under section 16 of MSMED Act, to suppliers registered under the Act, beyond the appointed day during the year	-	0.07
e)	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
f)	Interest accrued and remaining unpaid at the end of accounting year	-	-
g)	Further interest remaining due and payable for earlier years	-	-

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group, regarding the status of registration of such vendor under the said Act, as per the intimation received from them on the request made by the Group.

## 22. Revenue from operations

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	68202.43	72258.83
Sale of services	558.97	273.45
	<b>68761.40</b>	<b>72532.28</b>

## 23. Other income

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest income on		
Bank deposits	77.78	48.76
Others	28.76	22.48
Income tax refund	0.77	3.74
Scrap sales	57.61	97.20
income	6.52	-
Insurance claim	-	0.10
Profit on sale of property, plant & equipment	58.48	2.07
Exchange gain	920.16	915.86
Gain on modification of lease	-	1.21
Allowance for credit losses written back	-	24.26
Export Benefits	1.64	0.23
<b>Total</b>	<b>1151.72</b>	<b>1115.91</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 24. Cost of raw material consumed

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock	3623.22	3737.46
Add: Purchases	23433.23	28915.33
	<b>27056.45</b>	<b>32652.79</b>
Less: Closing stock	3129.36	3623.22
<b>Total</b>	<b>23927.09</b>	<b>29029.57</b>

## 25. Changes in stock of finished goods, work-in-progress and stock-in-trade

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Inventories at the beginning of the year</b>		
Finished goods	8041.41	8383.90
Work-in-progress	257.46	1307.56
Stock-in-trade	-	8.22
	<b>8298.87</b>	<b>9699.68</b>
<b>Inventories at the end of the year</b>		
Finished goods	7303.88	8041.41
Work-in-progress	275.46	257.46
Stock-in-trade	-	-
	<b>7579.34</b>	<b>8298.87</b>
<b>Total</b>	<b>719.53</b>	<b>1400.81</b>

## 26. Employee benefits expense

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages, bonus & allowances	6004.14	5011.38
Contribution to provident fund and other funds	218.41	218.00
Retirement benefits	204.73	170.93
Staff welfare expense	286.83	295.39
<b>Total</b>	<b>6714.11</b>	<b>5695.70</b>

### 26.1 Employee benefits:

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Defined contribution plan</b>		
Employer's contribution to provident fund	201.56	197.31

#### Defined benefit plan

The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The employees' gratuity fund scheme managed by a trust (Funded with Life Insurance Corporation of India for Granite Division of the parent company) is a defined benefit plan.

The obligation for compensated absence is recognized in the same manner as gratuity.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 26. Employee benefits expense (Contd..)

a) Retiring gratuity:

(i) The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Change in defined benefit obligations:</b>		
Obligation at the beginning of the year	722.14	699.12
Current service costs	96.22	92.17
Interest costs	51.70	49.23
Remeasurement (gain)/losses	61.67	(17.32)
Benefit paid	(90.86)	(52.12)
<b>Obligation at the end of the year</b>	<b>840.87</b>	<b>771.08</b>

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	116.26	138.74
Interest income	6.17	8.78
Remeasurement gain/(losses)	(0.45)	0.02
Employers' contributions	30.78	20.83
Benefits paid	(90.86)	(52.11)
<b>Fair value of plan assets at the end of the year</b>	<b>61.90</b>	<b>116.26</b>

Amounts recognised in the balance sheet consists of:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Fair value of plan assets	(61.90)	(116.26)
Present value of obligation	840.87	771.08
	<b>778.97</b>	<b>654.82</b>
Recognised as:		
Retirement benefit liability - Current	51.70	42.50
Retirement benefit liability - Non-current	727.27	612.32

Expenses recognised in the statement of profit and loss consists of:

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Employee benefits expenses:</b>		
Current service costs	97.53	86.78
Interest costs	44.22	35.98
Past service cost -(vested benefits)	-	-
	<b>141.75</b>	<b>122.76</b>
<b>Other comprehensive income:</b>		
(Gain)/loss on plan assets	0.45	(0.02)
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	19.03	4.65
Actuarial (gain)/loss arising from changes in experience adjustments	38.18	(21.97)
	<b>57.66</b>	<b>(17.34)</b>
<b>Expenses recognised in the statement of profit and loss</b>	<b>199.41</b>	<b>105.42</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 26. Employee benefits expense (Contd..)

(ii) The key assumptions used in accounting for retiring gratuity is as below:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	6.97%	7.20%
Rate of escalation in salary (per annum)	8.00%	8.00%

(iii) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

(iv) The parent company expects to contribute ₹ 25.00 lakhs to its gratuity plan for the next year.

(v) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.

As at March 31, 2024

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 935.34 lakhs, increase by ₹ 761.07 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 928.12 lakhs, decrease by ₹ 765.06 lakhs

As at March 31, 2023

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 856.31 lakhs, increase by ₹ 698.74 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 851.49 lakhs, decrease by ₹ 701.01 lakhs

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

b) Compensated absence:

(i) The following table sets out the amounts recognised in the financial statements in respect of compensated absence:

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Change in defined benefit obligations:</b>		
Obligation at the beginning of the year	152.93	136.49
Current service costs	52.31	43.30
Interest costs	10.67	9.94
Remeasurement (gain)/losses	(9.71)	(22.88)
Benefit paid	(14.08)	(10.21)
<b>Obligation at the end of the year</b>	<b>192.12</b>	<b>156.64</b>

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Remeasurement gain/(losses)	-	-
Employers' contributions	14.08	10.22
Benefits paid	(14.08)	(10.22)
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 26. Employee benefits expense (Contd..)

Amounts recognised in the balance sheet consists of:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Fair value of plan assets	-	-
Short term compensated absence liability	-	-
Present value of obligation	192.11	156.64
	<b>192.11</b>	<b>156.64</b>
Recognised as:		
Retirement benefit liability - Current	10.10	9.41
Retirement benefit liability - Non-current	182.01	147.23

Expenses recognised in the statement of profit and loss consists of:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<b>Employee benefits expenses:</b>		
Current service costs	52.31	38.75
Interest costs	10.67	9.42
Past Service cost	-	-
	<b>62.98</b>	<b>48.17</b>
<b>Other comprehensive income:</b>		
(Gain)/loss on plan assets	-	-
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	5.00	3.38
Actuarial (gain)/loss arising from changes in experience adjustments	(16.73)	(26.26)
	<b>(11.73)</b>	<b>(22.88)</b>
<b>Expenses recognised in the statement of profit and loss</b>	<b>51.25</b>	<b>25.29</b>

(ii) The key assumptions used in accounting for compensated absence is as below:

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	6.97%	7.20%
Rate of escalation in salary (per annum)	8.00%	8.00%

(iii) The estimates of future salary increases considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors.

(iv) The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.

### As at March 31, 2024

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 216.92 lakhs, increase by ₹ 171.57 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 216.05 lakhs, decrease by ₹ 171.89 lakhs

### As at March 31, 2023

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 176.10 lakhs, increase by ₹ 135.43 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹ 175.47 lakhs, decrease by ₹ 140.67 lakhs

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 27. Depreciation & Amortization expense

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on Property, plant & equipment (owned assets)	4099.34	3919.93
Depreciation on Property, plant & equipment (leased assets) (refer note.41)	141.53	114.73
Amortization on intangible assets	16.91	4.49
<b>Total</b>	<b>4257.78</b>	<b>4039.15</b>

## 28. Finance costs

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest on borrowings:		
- Banks	2691.85	2595.90
- Others	952.73	1159.94
Interest expense on lease liability(refer note.41)	49.83	34.73
Interest on taxes / duties	6.24	29.73
Exchange Fluctuation considered as Interest cost	197.98	948.56
<b>Total</b>	<b>3898.63</b>	<b>4768.86</b>

## 29. Other expenses

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores & spares	5306.67	5210.13
Packing material	1261.69	1341.66
Processing & job work expenses	569.54	561.47
Power and fuel	2082.98	2189.37
Repairs and maintenance:		
- Plant and machinery	132.35	154.67
- Building	43.18	16.27
- Others	90.22	82.17
Cutter and driller charges	22.15	76.48
Rent (refer note.41)	35.33	30.48
Rates and taxes	126.94	111.36
Deferred lease expense written off	7.06	4.32
Insurance	355.22	335.59
Communication charges	57.09	59.77
Printing & stationery	33.58	30.92
Travelling & conveyance expenses	243.85	199.19
Electricity charges	24.87	25.83
Vehicle maintenance	250.34	221.12
Auditors remuneration	27.47	25.67
Advertisement	3.42	1.15
Professional & consultancy	426.63	373.29
Commission to non-executive directors	40.59	25.09
Directors sitting fees	24.00	24.50
Donations	58.12	6.08
CSR activity expenses	170.01	174.65
Fees & subscriptions	41.90	42.87
Government royalty and dead rent	413.56	611.36
Carriage outwards	2612.49	5781.36
Sales commission	9.52	9.64
Discounts and claims	41.91	71.88
Business promotion expenses	1586.79	1202.17
Debit balances written off	0.00	11.56
Allowance for credit losses	38.38	26.52

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 29. Other expenses (Contd..)

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Exchange Loss (Net)	-	74.39
Bank charges	94.45	126.69
Impairment / loss on sale of PPE	37.89	13.18
Miscellaneous expenses	98.69	85.21
<b>Total</b>	<b>16368.88</b>	<b>19338.06</b>

### 29.1 Auditors remuneration

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Statutory audit	26.75	24.00
Certification	-	1.25
Out of pocket expenses	0.72	0.42

### 29.2 Corporate social responsibility (CSR)

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Amount required to be spent by the company during the year	170.01	174.65
(ii) Amount of expenditure incurred (on purpose other than construction /acquisition of assets)	60.00	60.60
(iii) Shortfall at the end of the year *	110.01	114.05
(iv) Total of previous years shortfall	113.14	167.60
(v) Reasons for shortfall	Pertains to ongoing projects	Pertains to ongoing projects
(vi) Nature of CSR activities	Health, Sanitation, Education & Rural Development	Health, Sanitation, Education & Rural Development
(vii) Details of related party transactions	Nil	Nil
(viii) Where a provision is made with respect to liability incurred by entering into a contractual obligation, the movement in the provision during the year shall be shown separately	Nil	Nil

\*The unspent amount will be transferred to unspent CSR account within 30 days from the end of the financial year, in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

## 30. Effective tax rate

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Income taxes</b>		
<b>A) Income tax expense/(benefit) recognised in the statement of profit and loss</b>		
Current tax from continuing operations	4665.19	2249.49
Deferred tax from continuing operations	161.06	257.43
Deferred tax from discontinued operations	-	4.27
Deferred tax on comprehensive income	(15.19)	10.12
<b>Total</b>	<b>4813.06</b>	<b>2521.31</b>
<b>B) Reconciliation of income tax expense</b>		
Profit / (loss) before tax	13961.99	9092.28
Other comprehensive Income	(45.94)	40.22
Effective tax rate	38.00%	30.00%
Computed effective tax expense	5279.08	2738.54

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 30. Effective tax rate (Contd..)

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Tax effect of:</b>		
Expenses disallowed	1509.01	1866.63
Allowable items from IT act	(2018.52)	(2329.95)
Setoff against carryover losses	-	-
Deductions under IT act	(104.58)	(25.73)
<b>Current tax provision (A)</b>	<b>4665.19</b>	<b>2249.49</b>
<b>Continued operations</b>		
Incremental deferred tax liability on account of PPE and intangible assets	323.22	736.50
Incremental deferred tax asset on account of financial assets and other items	(175.35)	(471.86)
<b>Discontinued operations</b>		
Incremental deferred tax liability on account of PPE and intangible assets	-	1.58
Incremental deferred tax asset on account of financial assets and other items	-	5.60
<b>Deferred tax provision (B)</b>	<b>147.87</b>	<b>271.82</b>
<b>Tax expense recognised in the statement of profit and loss (A+B)</b>	<b>4813.06</b>	<b>2521.31</b>
Effective tax rate	34.59%	27.61%

## 31. Earnings per share (EPS)

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
(i) Face value of equity share (in ₹)	2.00	2.00
(ii) Weighted average number of equity shares outstanding	31004000	31004000
(iii) Profit for the year (continuing operations)	9135.74	6808.39
(iv) Weighted average earnings per share from continuing operations (basic and diluted) (in ₹)	29.47	21.96
(v) (Loss) for the year (discontinued operations)	(399.48)	(227.30)
(vi) Weighted average earnings per share from discontinued operations (basic and diluted) (in ₹)	(1.29)	(0.73)
(vii) Profit for the year (total operations)	8736.26	6581.09
(viii) Weighted average earnings per share (basic and diluted) (in ₹)	28.18	21.23

## 32. Related party disclosures :

As per IND AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and related parties with whom transactions have taken place and relationships:

### a) Names of the associates:

Pokarna Fabrics Pvt Limited, Pokarna Fashions Pvt Limited, Pokarna Marketing Pvt Limited, Southend, Southend Extension, Pokarna Textiles

### b) Names of Key management personnel:

Gautam Chand Jain, Rahul Jain, Apurva Jain, Paras Kumar Jain, Vishwanath Reddy, Disha Jindal\*

### c) Names of relatives:

Raaj Kumar Jain, Ashok Chand Jain, Vidya Jain, Rekha Jain, Anju Jain, Ritu Jain, Pratik Jain, Neha Jain, Megha Jain, Gautam Chand Jain (HUF), Prakash Chand Jain (HUF)

### d) Name of executive & non-executive director:

Prakash Chand Jain, Mahender Chand Chordia, Meka Yugandhar, Vinayak Rao Juvvadi, Jayshree Rajesh Sanghani

\* Disha Jindal resigned as Company secretary w.e.f. 8th May 2024.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 32. Related party disclosures : (Contd..)

### A. Compensation of Key management personnel of the Group

The amount mentioned below represents remuneration paid and debited to the Group. The compensation includes salary, employer's contribution to PF, LTA, bonus, medical and termination benefits. The CMD, MD, Wholt Time Directors, CFO and Company Secretary are regarded as Key management personnel in terms of Companies act, 2013.

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	1329.93	717.53
Post-employment pension, provident fund and medical benefits	1.12	0.88
Termination benefits*	-	-
<b>Total compensation paid to Key management personnel</b>	<b>1331.05</b>	<b>718.41</b>

\* Expenses towards gratuity and leave encashment provisions are determined actuarially on an overall basis at the end and, accordingly, have not been considered in the above information.

### B. Transactions with key management personnel and other related parties - 2023-24 (2022-23)

Nature of the transaction	Key Management personnel	Non-executive directors	Associates / other related parties	Relatives	Total
<b>Purchases</b>					
Goods and services, net	-	-	0.02	-	0.02
	-	-	(4.44)	-	(4.44)
<b>Sales</b>					
Goods and services, net	-	-	6.28	-	6.28
	-	-	-	-	-
<b>Expenses</b>					
Remuneration	1329.93	-	-	24.00	1353.93
	(717.53)	-	-	(8.00)	(725.53)
Commission & Sitting fee	-	64.60	-	-	64.60
	-	(49.40)	-	-	(49.40)
Rent & taxes	16.81	8.76	52.33	90.68	168.58
	(5.92)	(8.76)	(34.24)	(93.19)	(142.11)
Interest	187.90	-	742.40	-	930.30
	(323.18)	-	(787.86)	-	(1111.04)
Rent Deposits given	9.23	7.18	72.00	14.36	102.77
	-	-	-	-	-
<b>Dividend Paid</b>					
Dividend	97.21	0.36	-	7.83	105.40
	(97.21)	(0.36)	-	(7.83)	(105.40)
<b>Loans &amp; advances</b>					
Loans received	250.00	-	-	-	250.00
	(200.00)	-	-	-	(200.00)
<b>Carrying amount</b>					
Payables	2658.38	52.06	7707.54	1.04	10419.02
	(2559.47)	(34.16)	(7733.86)	(15.52)	(10343.01)
Rent deposit - receivable	9.23	7.18	95.20	75.72	187.33
	-	(8.33)	(27.55)	(97.82)	(133.70)

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 32. Related party disclosures : (Contd..)

Disclosure in respect of material transactions with KMP and other related parties during the year:

₹ In lakhs

S.No	Particulars	Relationship	Year ended March 31, 2024	Year ended March 31, 2023
<b>1</b>	<b>Purchases</b>			
	<b>Goods &amp; Services, net</b>			
	Pokarna Fabrics Pvt Limited	Associate	0.02	4.35
	Pokarna Marketing Pvt Ltd	Associate	-	0.09
<b>2</b>	<b>Sales</b>			
	<b>Goods &amp; Services, net</b>			
	Pokarna Fashions Private Limited	Associate	6.28	-
<b>3</b>	<b>Expenses</b>			
	<b>Remuneration</b>			
	Gautam Chand Jain	Key management personnel	811.78	497.61
	Rahul Jain	Key management personnel	120.00	120.00
	Apurva Jain	Executive director	24.00	24.00
	Neha Jain	Relative	24.00	8.00
	Viswanatha Reddy	Key management personnel	69.15	69.15
	Babita Chandrakar	Key management personnel	-	0.78
	Piyush Khandelwal	Key management personnel	-	5.99
	Disha Jindal	Key management personnel	6.46	-
	Paras Kumar Jain	Key management personnel	298.54	-
	<b>Commission &amp; Sitting fee</b>			
	Prakash Chand Jain	Non-executive director	12.12	9.98
	Mahender Chand Chordia	Non-executive director	11.12	8.98
	Meka Yugandhar	Non-executive director	14.12	9.48
	Vinayak Rao Juvvadi	Non-executive director	14.12	10.48
	Jayshree Rajesh Sanghani	Non-executive director	13.12	10.48
	<b>Rent &amp; taxes</b>			
	Pokarna Fabrics Pvt Limited	Associate	34.33	34.24
	Gautam Chand Jain	Key management personnel	16.81	5.92
	Prakash Chand Jain	Non-executive director	8.76	8.76
	Gautam Chand Jain (HUF)	Relative	14.70	14.70
	Prakash Chand Jain (HUF)	Relative	15.27	15.27
	Vidya Jain	Relative	8.75	8.76
	Ritu Jain	Relative	14.27	14.25
	Pratik Jain	Relative	8.76	8.76
	Rekha Jain	Relative	17.25	17.25
	Ashok Chand Jain (HUF)	Relative	11.68	11.68
	Anju Jain	Relative	-	2.52
	Kishore Industries	Relative	18.00	-
	<b>Interest</b>			
	Pokarna Fabrics Pvt Limited	Associate	706.43	677.02
	Pokarna Marketing Pvt Limited	Associate	35.97	110.84
	Gautam Chand Jain	Key management personnel	145.82	181.79
	Rahul Jain	Key management personnel	42.08	141.39
	<b>Dividend</b>			
	Gautam Chand Jain	Key management personnel	94.22	94.22
	Vidya Jain	Relative	3.00	3.00
	Neha Jain	Relative	3.00	3.00
	Rahul Jain	Key management personnel	2.99	2.99
	Prakash Chand Jain	Non-Executive Director	0.36	0.36
	Anju Jain	Relative	0.36	0.36
	Raaj Kumar Jain	Relative	0.36	0.36
	Ashok Chand Jain	Relative	0.36	0.36
	Megha Jain	Relative	0.75	0.75

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 32. Related party disclosures : (Contd..)

S.No	Particulars	Relationship	Year ended	₹ In lakhs
			March 31, 2024	March 31, 2023
<b>4</b>	<b>Loans &amp; Advances</b>			
	<b>Loans received</b>			
	Gautam Chand Jain	Key management personnel	-	200.00
	Rahul Jain	Key management personnel	250.00	-
<b>5</b>	<b>Rent Deposits given</b>			
	Gautam Chand Jain	Key management personnel	9.23	-
	Kishore Industries	Related party	72.00	-
	Prakash Chand Jain	Non-executive director	7.18	-
	Pratik Jain	Relative	7.18	-
	Vidya Jain	Relative	7.18	-
<b>6</b>	<b>Carrying amount</b>			
	<b>Payables</b>			
	Pokarna Fabrics Pvt Limited	Associate	7691.34	7053.04
	Pokarna Marketing Pvt Limited	Associate	-	685.17
	Gautam Chand Jain	Key management personnel	2237.49	1486.62
	Rahul Jain	Key management personnel	261.94	1068.61
	Paras Kumar Jain	Key management personnel	150.00	-
	Viswanatha Reddy	Key management personnel	8.35	4.24
	Disha Jindal	Key management personnel	0.60	0.00
	Apurva Jain	Executive director	2.46	1.55
	Prakash Chand Jain	Non-executive director	9.92	12.73
	Mahender Chand Chordia	Non-executive director	9.02	4.97
	Meka Yugandhar	Non-executive director	10.37	4.97
	Vinayak Rao Juvvadi	Non-executive director	10.37	4.97
	Jayshree Rajesh Sanghani	Non-executive director	9.92	4.97
	Vidya Jain	Relative	1.04	7.76
	Pratik Jain	Relative	-	7.76
	Kishore Industries	Related party	16.20	-
<b>7</b>	<b>Rent deposit receivable</b>			
	Pokarna Fabrics Pvt Limited	Associate	23.20	23.20
	Prakash Chand Jain	Non-executive director	7.18	8.33
	Gautam Chand Jain (HUF)	Relative	16.44	16.44
	Prakash Chand Jain (HUF)	Relative	17.10	17.10
	Rekha Jain	Relative	16.48	16.48
	Anju Jain	Relative	-	19.80
	Ashok Chand Jain (HUF)	Relative	11.34	11.34
	Gautam Chand Jain	Key management personnel	9.23	-
	Kishore Industries	Related party	72.00	-
	Vidya Jain	Relative	7.18	8.33
	Pratik Jain	Relative	7.18	8.33

## 33. Contingent liabilities and commitments

### 33.1 Contingent liabilities :

Particulars	As at	₹ In lakhs
	March 31, 2024	March 31, 2023
a. Letter of credits outstanding	184.38	306.85
b. Bank guarantee	37.00	35.30
<b>c. Claims against the Group / disputed liabilities not acknowledged as debts:</b>		
i) Income tax matters, pending decisions on various appeals made by the company and by the department. Amount deposited ₹ Nil (previous year ₹ Nil)	144.38	144.45
ii) Excise matters (including service tax), amount deposited ₹ 23.06 lakhs (previous year ₹ 23.06 lakhs)	396.34	396.34
iii) Customs matters, amount deposited ₹ Nil (previous year ₹ Nil)	75.91	75.91
iv) Sales tax matters, amount deposited ₹ 3.31 lakhs (previous year ₹ 34.97 lakhs)	20.76	266.05

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 33. Contingent liabilities and commitments (Contd..)

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
v) Goods and Service Tax (GST) matters, amount deposited ₹ Nil .	630.79	71.65
vi) Mines & geology matters, amount deposited ₹ Nil (previous year ₹ Nil)	1317.54	1016.94
vii) Cross subsidy charges payable to state power distribution company	10.91	10.91
viii) Wheeling charges ,transmission charges and FSA charges payable to TSSPDC	333.80	335.09
ix) As per the amendment in The Payment of Bonus Act, 1965 notified on 1 January 2016, which was effective retrospectively from 1st April, 2014, the Group on the legal advice decided not to implement in view of the interim order dated 26th April, 2016 of Hon'ble Andhra Pradesh High Court allowing stay on the amendment with retrospective effect till the time its constitutional validity is established.	72.03	72.03
x) Other matters disputed	176.54	176.54

## 33.2 Capital commitments

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed on capital account not provided for	3862.09	195.08

## 33.3 Other Commitments:

- i) Granite processing units of the parent company situated at Aliabad and Toopronpet village are registered as a 100% export oriented units ("EOU"), and are exempted from Customs and Central Excise duties and levies on imported & indigenous capital goods and stores & spares. The Company has executed a Bond Cum Legal Undertaking to pay Customs duty, Central Excise duty, levies and liquidated damages payable, if any, in respect of imported and indigenous capital goods and stores & spares, consumed duty free, in the event that certain terms and conditions are not fulfilled. As on 31st March, 2024, the Company has a positive Net Foreign Exchange Earning, as defined in the Foreign Trade Policy 2023 wherever applicable.
- ii) Obligations towards environmental protection measures in respect of quarry leases ₹ 359.15 lakhs (previous year ₹ 308.63 lakhs)
- iii) The undertaking of the subsidiary company situated at Atchutapuram, Visakhapatnam being a SEZ has executed a legal undertaking for obligations regarding proper utilization and accountable of goods, including capital goods, stores & spares, raw materials, components and consumables including fuels, imported or procured duty free and regarding achievement of positive net foreign exchange earning. As on 31st March, 2024, the Company has a positive Net Foreign Exchange Earning, as defined in the SEZ Act, 2005.
- iv) The undertaking of the subsidiary company situated at Mekaguda Gram panchayat and Dooskal village, Ranga Reddy Dist. is registered as a 100% export oriented unit ("EOU"), and is exempted from customs and central excise duties, GST and levies on imported & indigenous capital goods and stores & spares. The company has executed a bond cum legal undertaking to pay customs duty, central excise detests, levies and liquidated damages payable, if any, in respect of imported and indigenous capital goods and stores & spares, consumed duty free, in the event that certain terms and conditions are not fulfilled. As on 31st March, 2024, the Company has a positive Net Foreign Exchange Earning, as defined in the foreign trade policy 2023 wherever applicable.
- v) The Group is also involved in other lawsuits, claims, investigations and proceedings, including trade mark and commercial matters, which arise in the ordinary course of business. However, there are no material claims on such cases.
- vi) The date of implementation of the Code of Wages 2019 and Code on Social Security, 2020 is yet to be notified by the Government. The Company is in the process of assessing the impact of these Codes and will give effect in the financial results when the Rules/Schemes thereunder are notified.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 33. Contingent liabilities and commitments (Contd..)

### 33.4 Lease commitments of short term lease and low value lease

Lease commitments are the future cash out flows from the lease contracts which are not recorded in the measurement of lease liabilities. These include potential future payments related to leases of low value assets and leases with term less than twelve months.

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Not later than One year	16.28	20.54
Later than one year and not later than five years	-	-

**34.** The Board of Directors ("Board") in their meeting held on 23rd March, 2024 approved the transfer, sale, lease, exchange, hive-off or otherwise disposing off of Apparel Business of parent company on a going concern basis. In the opinion of the Board, all assets of Apparel Business are realizable in the ordinary course of business at the value at which they are stated in the Financial Statements. The transfer, sale or otherwise disposing off of Apparel Business is subject to finding the buyer / investor and receipt of acceptable offer and which is subject to such other requisite approvals, consents and clearance from the Company's Bankers, Company's Shareholders and other Institutions or bodies and statutory authorities if and wherever necessary, and as may be required. The Company has initiated necessary steps and expects to complete the process in next twelve months. The financials of Apparel Division is considered as 'Assets held for sale and discontinued operations' as per Ind AS 105 and corresponding previous year figures of Statement of Profit and loss account has been restated accordingly.

Details of discontinued operations are as under:

Particulars	₹ In lakhs	
	Discontinued operations Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	243.45	325.71
Expenses (net of other income)	598.11	506.87
Profit/(loss) before tax	(354.66)	(181.16)
Tax income / (expense)	0.00	4.27
Profit /(loss)after tax from discontinued operations	(354.66)	(185.43)
Other comprehensive income (net of tax of ₹Nil lakhs, p.y. ₹2.91 lakhs)	6.48	8.65
<b>The major classes of assets and liabilities of the discontinued operations are as under:</b>		
<b>Assets</b>		
Property, plant and equipment	127.34	1346.68
Capital work-in-progress	-	-
Other financial assets	8.06	65.89
Deferred tax asset (net)	-	79.06
Other non-current assets	-	4.01
Inventories	61.67	299.35
Trade receivables	0.16	0.30
Cash and cash equivalents	2.89	0.46
Bank balances other than cash	-	-
Loans	0.45	0.37
Other financial assets	-	-
Other current assets	0.23	14.77
Current tax assets	-	-
<b>Assets held for sale and discontinued operations (A)</b>	<b>200.80</b>	<b>1810.89</b>
<b>Liabilities</b>		
Non current Borrowings	-	82.56
Lease Liabilities - non-current	-	193.29
Provisions	-	56.64
Deferred tax liabilities (net)	-	-
Current Borrowings	-	198.24
Lease Liabilities-current	-	61.06
Trade payables	12.90	43.89
Other current liabilities	26.99	116.86
Short- term provisions	-	1.31
<b>Liabilities held for sale and discontinued operations (B)</b>	<b>39.89</b>	<b>753.85</b>
<b>Net assets / (liabilities) of discontinued operations (A-B)</b>	<b>160.91</b>	<b>1057.04</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 34. (Contd..)

Net cash flows attributable to the operating, investing and financing activities of discontinued operations:

Cash flows	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Operating	(150.45)	35.40
Investing	13.96	11.67
Financing	(137.98)	(112.98)

## 35. Segment Reporting

Disclosure of segment reporting for the year 2023-24 (2022-23):

### (a) Information about Primary Business Segments:

Description	Granite	Discontinued operations	Quartz surfaces	Total
Sales to external customers	3788.56	130.05	64972.84	68891.45
	(5765.72)	(266.70)	(66766.55)	(72798.97)
Inter segment sales	8.01	38.82	-	46.83
	(31.61)	(35.86)	-	(67.47)
Total revenue	3796.57	168.87	64972.84	68938.28
	(5797.33)	(302.56)	(66766.55)	(72866.44)
<b>Segment results</b>				
Profit / (loss)	(847.77)	(372.47)	18708.81	17488.57
	(555.27)	(165.00)	(13529.01)	(13919.28)
Unallocable Expenses				0.42
				(0.12)
Interest expenses				3925.64
				(4826.88)
Income tax				4826.25
				(2511.19)
Profit after tax				8736.26
				(6581.09)
<b>Other segment information:</b>				
Capital expenditure	102.76	2.71	8121.12	8226.59
	(36.80)	(2.69)	(1581.97)	(1621.46)
Depreciation	677.17	21.83	3580.61	4279.61
	(695.00)	(140.88)	(3344.16)	(4180.04)
<b>Particulars of segment assets and liabilities:</b>				
Segment assets	11278.57	200.80	110089.00	121568.37
	(11632.06)	(1731.16)	(97054.57)	(110417.79)
Unallocable segment assets				0.11
				(0.54)
Segment liabilities	5582.94	39.89	56713.16	62335.99
	(5960.92)	(674.80)	(53067.60)	(59703.32)

### (b) Information about secondary segments – geographical

Revenue attributable to location of customers is as follows

Geographical Market	Year ended March 31, 2024				Year ended March 31, 2023			
	Granite	Discontinued operations	Quartz Surfaces	Total	Granite	Discontinued operations	Quartz Surfaces	Total
USA	1056.91	-	56049.43	57106.34	1003.22	-	61528.52	62531.74
China	614.06	-	-	614.06	1478.98	-	-	1478.98
India	1785.62	130.05	2053.04	3968.71	2403.41	266.69	2177.45	4847.55
Rest of the world	331.97	-	6870.37	7202.34	880.12	-	3060.58	3940.70
<b>Total</b>	<b>3788.56</b>	<b>130.05</b>	<b>64972.84</b>	<b>68891.45</b>	<b>5765.73</b>	<b>266.69</b>	<b>66766.55</b>	<b>72798.97</b>

The entire activity pertaining to sales outside India is carried out from India.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 35. Segment Reporting (Contd..)

### Notes:

- (i) The group has disclosed Business Segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system and which is also the basis on which the Chief Operating Decision Maker (CODM) reviews and assess the Group's performances. The operations predominantly relate to Granite, Apparel and Quartz Surfaces segments.
- (ii) Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on reasonable basis.
- (iii) The Group's exposure to customers is diversified and there is one customer who contributes more than 10% each of the total revenue for the year ended March 31, 2024 and two were there for the year ended March 31, 2023 for Granite segment and there are three customers who contributes more than 10% each of the total revenue for the year ended March 31, 2024 and four customers for the year ended March 31, 2023 for Quartz surfaces segment.

## 36. Additional information pursuant to para 2 of general instructions for the preparation of the Consolidated Financial Statements

March 31, 2024	₹ In lakhs							
	Consolidated net assets		Consolidated Profit or loss		Consolidated OCI		Consolidated total comprehensive income	
	Percentage	₹ In lakhs	Percentage	₹ In lakhs	Percentage	₹ In lakhs	Percentage	₹ In lakhs
<b>Parent</b>								
Pokarna Limited	18%	11977.41	-7%	(674.00)	27%	(8.81)	-7%	(682.81)
<b>Indian Subsidiaries</b>								
Pokarna Engineered Stone Ltd	82%	53754.53	107%	10084.20	73%	(23.94)	107%	10060.25
Pokarna Foundation	0%	0.11	0%	(0.42)	0%	0.00	0%	(0.42)
<b>Sub Total</b>	<b>100%</b>	<b>65732.05</b>	<b>100%</b>	<b>9409.78</b>	<b>100%</b>	<b>(32.75)</b>	<b>100%</b>	<b>9377.02</b>
Adjustments arising out of consolidation		(6499.56)		(673.52)		-		(673.51)
<b>Total</b>		<b>59232.49</b>		<b>8736.26</b>		<b>(32.75)</b>		<b>8703.51</b>

March 31, 2023	₹ In lakhs							
	Consolidated net assets		Consolidated Profit or loss		Consolidated OCI		Consolidated total comprehensive income	
	Percentage	₹ In lakhs	Percentage	₹ In lakhs	Percentage	₹ In lakhs	Percentage	₹ In lakhs
<b>Parent</b>								
Pokarna Limited	23%	12846.24	1%	74.45	128%	38.38	2%	112.83
<b>Indian Subsidiaries</b>								
Pokarna Engineered Stone Ltd	77%	44111.33	99%	6788.60	-28%	(8.28)	98%	6780.31
Pokarna Foundation	0%	0.54	0%	(0.12)	0%	0.00	0%	(0.11)
<b>Sub Total</b>	<b>100%</b>	<b>56958.11</b>	<b>100%</b>	<b>6862.93</b>	<b>100%</b>	<b>30.10</b>	<b>100%</b>	<b>6893.03</b>
Adjustments arising out of consolidation		(6243.10)		(281.84)		-		(281.84)
<b>Total</b>		<b>50715.01</b>		<b>6581.09</b>		<b>30.10</b>		<b>6611.19</b>

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 37. Capital management

- i) The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity.
- ii) The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.
- iii) The Group's adjusted net debt to equity ratio is as follows:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Gross debt	38866.56	45588.75
Less: Cash and bank balances	8341.13	3146.00
Adjusted net debt	30525.23	42242.75
Total equity	59232.50	50715.01
Adjusted net debt to equity ratio	0.52	0.83

## 38. Financial instruments

### Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31st March 2024

Particulars	Carrying Amount			Fair Value		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>						
Security Deposit	1039.38	-	1039.38	-	1039.38	-
Deferred payment charges	527.10	-	527.10	-	527.10	-
<b>Financial assets not measured at fair value</b>						
Other loans	307.73	-	307.73	-	-	-
Accrued interest	37.04	-	37.04	-	-	-
Trade receivables	11964.17	-	11964.17	-	-	-
Cash and cash equivalents	8341.13	-	8341.13	-	-	-
<b>Total</b>	<b>22216.55</b>	-	<b>22216.55</b>	-	<b>1566.48</b>	-
<b>Financial liabilities measured at fair value</b>						
Lease liability	1236.76	-	1236.76	-	1236.76	-
<b>Financial liabilities not measured at fair value</b>						
Secured bank loans	29252.40	-	29252.40	-	-	-
Secured other loans	60.80	-	60.80	-	-	-
Loans from related parties	9553.16	-	9553.16	-	-	-
Trade payables	7462.44	-	7462.44	-	-	-
Accrued interest	3.52	-	3.52	-	-	-
Unpaid dividend	6.36	-	6.36	-	-	-
<b>Total</b>	<b>47575.44</b>	-	<b>47575.44</b>	-	<b>1236.76</b>	-

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 38. Financial instruments (Contd..)

31st March 2023

₹ In lakhs

Particulars	Carrying Amount			Fair Value		
	Other financial assets- amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>						
Security Deposit	968.65	-	968.65	-	968.65	-
Deferred payment charges	22.35	-	22.35	-	22.35	-
<b>Financial assets not measured at fair value</b>						
Other loans	481.26	-	481.26	-	-	-
Accrued interest	22.05	-	22.05	-	-	-
Trade receivables	10932.87	-	10932.87	-	-	-
Cash and cash equivalents	3146.00	-	3146.00	-	-	-
<b>Total</b>	<b>15573.18</b>	-	<b>15573.18</b>	-	<b>991.00</b>	-
<b>Financial liabilities measured at fair value</b>						
Lease liability	470.16	-	470.16	-	470.16	-
<b>Financial liabilities not measured at fair value</b>						
Secured bank loans	35031.40	-	35031.40	-	-	-
Secured other loans	75.30	-	75.30	-	-	-
Loans from related parties	10282.05	-	10282.05	-	-	-
Trade payables	5924.01	-	5924.01	-	-	-
Accrued interest	4.28	-	4.28	-	-	-
Unpaid dividend	10.08	-	10.08	-	-	-
<b>Total</b>	<b>51797.28</b>	-	<b>51797.28</b>	-	<b>470.16</b>	-

The fair value of financial instruments is determined using discounted cash flow analysis. The carrying amount of current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature. The fair value of the long-term borrowings with floating-rate of interest is not impacted due to interest rate changes, and will be evaluated for their carrying amounts based on any change in the under-lying credit risk of the Company borrowing (since the date of inception of the loans). For financial assets and liabilities that are measured at fair value, the carrying amount is equal to the fair values.

## 39. Financial risk management objectives and policies

### I. Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

### II. Risk management framework:

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 39. Financial risk management objectives and policies (Contd..)

- **Credit risk**

- i) Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers
- ii) Trade and other receivables: The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The following table provides information about the exposure to credit risk and measurement of loss allowance using Life time expected credit loss for trade receivables:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Not due	7045.14	8951.67
Upton 1 year	4583.70	1807.83
1 to 2 years	310.61	89.81
2 to 3 years	36.12	83.56
More than 3 years	246.02	219.85
<b>Total</b>	<b>12221.59</b>	<b>11152.72</b>

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movements in allowance for credit losses of receivables is as below:	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	219.85	216.77
Charge in statement of profit and loss	38.39	27.34
Release to statement of profit and loss	-	(24.26)
Utilised during the year	-	-
Related to Discontinued operations	(0.82)	
<b>Balance at the end of the year</b>	<b>257.42</b>	<b>219.85</b>

- iii) Cash and cash equivalents: The Group held cash and cash equivalents of ₹ 6826.08 lakhs as at 31 March 2024 (previous year ₹ 1949.95 lakhs). The cash and cash equivalents are held with public sector banks and leading private sector bank. There is no impairment on cash and cash equivalents as on the reporting date and the comparative period.
- iv) In respect of financial guarantees provided by the Parent Company to banks and financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

- **Liquidity risk**

- i) 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 always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.
- ii) The Group aims to maintain the level of its cash and cash equivalents and investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. This excludes potential impact of extreme circumstances that cannot be reasonably predicted, such as natural disaster.
- iii) Exposure to Liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 39. Financial risk management objectives and policies (Contd..)

31st March 2024

Particulars	Carrying amount	1 year or less	1-3 years	More than 3 years	₹ In lakhs
Borrowings- secured	29313.20	6100.19	10848.55	12364.46	
Borrowings- un-secured	9553.16	-	-	9553.16	
Trade payables	7462.44	7447.29	14.12	1.05	
Lease liabilities	1236.76	142.97	263.69	830.10	
Other financial liabilities	9.88	9.88	-	-	

31st March 2023

Particulars	Carrying amount	1 year or less	1-3 years	More than 3 years	₹ In lakhs
Borrowings- secured	35106.70	10875.62	8418.58	15812.50	
Borrowings- un-secured	10282.05	-	-	10282.05	
Trade payables	5924.01	5883.79	3.20	37.02	
Lease liabilities	470.16	118.42	158.92	192.82	
Other financial liabilities	14.36	14.36	-	-	

- Market risk

i) **Market risk** is the risk that changes in market prices such as foreign exchange rates and interest rates prices, 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 receivables and payables, long term debt and commodity prices. The Group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Particulars	As at March 31, 2024		As at March 31, 2023	
	USD	EURO	USD	EURO
Borrowings	14468.00	160.14	17940.77	-
Trade receivables	10767.41	607.11	9662.80	127.65
Trade and other payables (including payable for capital goods)	513.76	7613.99	155.12	2313.20
Cash & Bank balances (Including deposits)	5208.19	506.01	888.52	97.47
<b>Total</b>	<b>30957.36</b>	<b>8887.25</b>	<b>28647.21</b>	<b>2538.32</b>

ii) **Currency risk:** The Group is exposed to foreign exchange risk arising from foreign currency transaction. The Group also imports and the risk is managed by regular follow up . The Group has a policy which is implemented when the foreign currency risk become significant.

A 10% appreciation/depreciation of the foreign currencies with respect to functional currency of the Group would result in an increase/decrease in the Group's net profit before tax by approximately ₹ 589.12 lakhs for the year ended March 31, 2024 (previous year ₹ 963.26 lakhs).

iii) **Interest rate risk:** Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through the Statement of profit and loss. Cash flow 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.

A reasonably possible change of 100 basis points in interest rate at the reporting date would have increased or decreased profit or loss by ₹ 317.64 lakhs ( previous year ₹ 373.17 lakhs). This analysis assumes that all other variables remain constant.

i) Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

ii) The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 39. Financial risk management objectives and policies (Contd..)

- iii) The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:
  - Requirements for appropriate segregation of duties, including the independent authorization of transactions
  - Requirements for the reconciliation and monitoring of transactions
  - Compliance with regulatory and other legal requirements
  - Documentation of controls and procedures
  - Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
  - Requirements for the reporting of operational losses and proposed remedial action
  - Development of contingency plans
  - Training and professional development
  - Ethical and business standards
  - Risk mitigation, including insurance when this is effective.
- iv) Compliance with Group's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and Board of the Group

**40.** Pokarna Engineered Stone Limited ("PESL") was selected by the U.S. Department of Commerce ("USDOC") as a "mandatory respondent" second administrative review of the Antidumping duty ("ADD") Order on the imports of quartz surface products from India and as a result, PESL's ADD assessment rate for the second review period continues to be 0% and also the ADD cash deposit continues to be 0% with effect from November 20, 2023.

The third administrative ADD review is ongoing whose preliminary results are expected in June 2024. With regard to CVD review, none of the parties have requested for second and third review, hence the CVD duty of 2.34% as determined in investigation period is final CVD assessment rate for entries of the second as well as third review period.

There is no impact on the financials of the company.

## 41. Leases disclosures

### As a Lessee

#### Movement in lease liability during the year:

Particulars	₹ In lakhs	
	As at March 31, 2024	As at March 31, 2023
Opening balance	470.16	444.66
Additions on account of adoption of Ind As 116	1113.76	-
Adjustments on modification of leases	(254.35)	154.73
Interest expenses on lease liability	49.84	64.12
Principal payments of lease liability	(142.65)	(193.35)
<b>Closing Balance</b>	<b>1236.76</b>	<b>470.16</b>
Current	142.95	118.41
Non Current	1093.81	351.75
<b>Amounts recognised in the statement of cash flows</b>		
Payments for leases In financing activity	142.65	193.35

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 41. Leases disclosures (Contd..)

Amounts recognised in statement of profit or loss	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation expense on leased assets	141.53	169.83
Interest expense on lease liability	49.83	64.12
Rent expense-Short term leases and leases of low value assets	35.33	30.48
<b>Total amount recognised in Profit or loss</b>	<b>226.69</b>	<b>264.43</b>

## 42. Ratios

Following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variance	Reasons
Current Ratio (in times)	Current assets	Current liabilities	2.08	1.72	21%	---
Debt - Equity Ratio (in times)	Total Debts	Shareholder's Equity	0.58	0.75	-23%	----
Debt - Service coverage Ratio (in times)	Earnings available for debt service	Debt service	1.74	1.53	14%	----
Return on Equity(ROE) (in %)	Net profits after taxes	Average Shareholder's Equity	15%	13%	15%	----
Inventory turnover ratio	Cost of goods sold	Average Inventory	2.20	2.38	-8%	----
Trade receivables turnover ratio	Revenue	Average Trade Receivables	6.01	5.77	4%	----
Trade payables turnover ratio	Trade payables	Average Trade Payables	4.33	4.24	2%	----
Net capital turnover ratio	Revenue	Working capital	3.19	4.87	-34%	Due to decrease in utilisation of working capital
Net profit ratio (in %)	Net Profit	Revenue	13%	9%	44%	Due to increase in profit
Return on capital employed (ROCE) (in %)	Earnings before interest and taxes	Capital Employed	23%	20%	15%	
Return on Investment (ROI) (in %)	Income generated from Investments	Time weighted average investments	-	-	-	

## 43. Additional Regulatory Information

- The Group has used the borrowings from banks and financial institutions for the specific purpose for which it has taken at the balance sheet date and quarterly returns or statements of current assets filed with banks are in agreement with the books of accounts.
- The Group has not revalued its Property, Plant and Equipment and its intangible assets.
- The Group is not holding any Benami Property and there are no proceedings initiated or pending against the Group.
- The Group has not been declared wilful defaulter by any bank or financial institutions.
- The Group does not have any relationship with Struck off Companies.
- There are no transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax act.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- Other than in the normal and ordinary course of business there are no funds that have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company; or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# Notes to Consolidated Financial Statements

for the Year ended 31 March, 2024

## 43. Additional Regulatory Information (Contd..)

There have been no funds that 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 directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**44.** The Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 16th May 2024, there are no subsequent events to be recognised or reported that are not already disclosed.

## 45. Dividend

Particulars	₹ In lakhs	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>Dividend on Equity shares paid during the year</b> Final dividend for the FY 2022-23 [₹ 0.60 (Previous year ₹0.60) per equity share of ₹2 each]	186.02	186.02

### Proposed Dividend:

The Board of Directors of Parent company at its meeting held on 16th May 2024 have recommended payment of final dividend of ₹0.60 ( rupees sixty paisa only) per equity share of face value of ₹2/- each for the financial year ended 31st March 2024. The same amounts to ₹186.02 lakhs.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

**46.** Previous year figures are regrouped, rearranged and reclassified wherever considered necessary in order to conform to the current years presentation.

**47.** The financial statements for the year ended 31st March 2024 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 16th May 2024.

In terms of our report attached

For **S.Daga & Co.**

Chartered Accountants

Membership No. 11617

**Shantil Daga**

Partner

Membership No. 11617

Place : Hyderabad

Date : 16th May, 2024

UDIN : 24011617BKCRPH6975

For and on behalf of Board of Directors

**Gautam Chand Jain**

Chairman & Managing Director

(D.No: 00004775)

**Rahul Jain**

Managing Director

(D.No: 00576447)

**M Viswanatha Reddy**

Chief Financial Officer

# Notice of the Thirty-Third Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT THE 33RD ANNUAL GENERAL MEETING OF THE MEMBERS OF POKARNA LIMITED (THE COMPANY) WILL BE HELD ON MONDAY, 30TH SEPTEMBER, 2024 AT 11:00 A.M IST THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM"), TO TRANACT THE FOLLOWING BUSINESSES.**

## Ordinary Business

### 1. To receive, consider and adopt:

(a) the Audited Standalone Financial Statements of the Company consisting of the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors report thereon;

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

**"RESOLVED THAT** the audited Standalone financial statements of the Company consisting of the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors report, as circulated to the Members, be and are hereby considered and adopted."

(b) the Audited Consolidated Financial Statements of the Company consisting of the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the Auditors' Report thereon;

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

**"RESOLVED THAT** the audited Consolidated financial statements of the Company consisting of the Balance Sheet Registered office address: as at 31st March, 2024, the Statement of Profit and Loss, 1ST FLOOR, 105, SURYA TOWERS, SECUNDERABAD, A.P.TG 500003 IN

Cash Flow Statement and Statement of Changes in Equity for the year ended on that date and the Explanatory Notes annexed to, and forming part of, any of the said documents together with the reports of the Board of Directors and the Auditors report, as circulated to the Members, be and are hereby considered and adopted."

### 2. To declare dividend on Equity Shares for the Financial Year 2023-24

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

**"RESOLVED THAT** a dividend at the rate of Rs. 0.60 per equity share of Rs 2 each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024."

### 3. To appoint a director in place of Mr. Rahul Jain (DIN: 00576447), who retires by rotation and being eligible, offers himself for re-appointment:

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions**:

**"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Rahul Jain (DIN: 00576447), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

By Order of the Board of Directors  
For **Pokarna Limited**

**Gautam Chand Jain**

Din: 00004775

Chairman and Managing Director

Date: 13th August, 2024

Place: Hyderabad

Name: POKARNA LIMITED

### Notes and Shareholder Information:

1. In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 2/2022 dated May 05, 2022, Circular No. 10/2022 dated 28th December, 2022 and General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of corporate Affairs, Government of India (collectively referred to as "MCA Circulars") Circular No. SEBIAIO/CFD/CMD 1/CIR/P/2020/79 dated May 12, 2020 read with the Circular No. SEBLHO. CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Circular No. SEBI/HO/CFD/PoD2/P/CIR/2023/4 dated January 05, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 along with other relevant circulars in this regard issued by the Securities and Exchange Board of India (collectively referred to as "SEBI Circulars"). Thus, the Thirty Third Annual General Meeting will be held through video conferencing (VC) or other audio visual means (OAVM) without the physical presence of the Members at a common venue. Members can attend and participate in the ensuing AGM through VC/OAVM. In compliance with the MCA Circulars and SEBI Circulars, the Annual General Meeting of the members of the Company is being held through VC / OAVM (hereinafter referred to as "AGM" or "e-AGM"). The registered office of the Company shall be deemed to be the venue for the e-AGM.
2. Since the ensuing AGM is being held pursuant to the MCA Circulars through VC/OAVM which does not require physical attendance of Members at the AGM, the facility to appoint proxy by the Members will not be available for this AGM and therefore, Proxy Form and Attendance Slip are not annexed to this Notice.
3. Since AGM will be held through VC/OAVM, the Route Map is not required and hence, not annexed to this Notice.
4. Members are requested to carefully read the "Procedure for joining the AGM through VC/OAVM" given in this Notice.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. Only those members, who are present in the meeting through VC/OAVM facility and have not casted their vote on resolutions through remote e-voting and are otherwise not barred from doing so, will be allowed to vote through e-voting system at the AGM ("InstaPoll").
7. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ authorization etc., authorizing their representative to attend the AGM through VC/OAVM on their behalf and to vote via. remote e-voting. The said resolution/authorization shall be sent by email from through the registered email address to KFin Technologies Limited (KFin/RTA) at [evoting@kfintech.com](mailto:evoting@kfintech.com) and to the Company at [igrc@pokarna.com](mailto:igrc@pokarna.com).
8. All investor related communication may be addressed to KFin at the following address:
 

KFin Technologies Limited  
Unit: Pokarna Limited  
Selenium Tower B Plot No. 31 & 32 Gachibowli, Financial District, Nanakramguda Serilingampally Mandal Hyderabad – 500 032  
Toll free number - 1800-309-4001  
E-mail: [einward.ris@Kfintech.com](mailto:einward.ris@Kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)
9. In compliance with above mentioned circulars of MCA the Notice calling this AGM along with the Annual Report for FY 24 is being sent only by electronic mode to those Members whose e-mail addresses are registered with the Depository Participants or the Company's RTA. Members may kindly note that the Notice of AGM and Annual Report for FY 24 will also be available on the Company's website viz. [www.pokarna.com](http://www.pokarna.com) and website of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited ([www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)).
10. In order to enable the Company to comply with MCA circulars issued for holding AGM via VC/OAVM and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) and in respect of shares held in physical form, the shareholder can be sent an email to [evoting@kfintech.com](mailto:evoting@kfintech.com) for getting the password to the RTA with details of folio number and self- attested copy of PAN card at KFin Technologies Limited, Unit: Pokarna Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 or by sending email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Members are advised to receive the Notice convening the AGM and Annual Report for FY-24 via e-mail, by updating their email id by sending KYC forms to KFin Technologies Limited, Unit: Pokarna Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 or by sending email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Notice of AGM can be downloaded through <https://evoting.kfintech.com/public/Downloads.aspx>.
11. Members holding shares in physical form can avail the facility of nomination on their shareholding pursuant to the provisions of Section 72 of the Act and for the same, they are advised to send their nomination in the prescribed Form No. SH-13 to KFin at the above- mentioned address. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.
12. In terms of SEBI's circular dated April 20, 2018, members holding shares in physical form and whose PAN and Bank details are not updated in the records of KFin, are requested to submit their PAN and Bank Account details, along with self-attested copy of PAN Card and original cancelled cheque/ attested copy of bank passbook bearing name of the Member to the Company/KFin.

13. SEBI has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.

Members holding shares in physical mode can submit their PAN to the Company/KFin.

14. In terms of SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, with effect from April 1, 2019, securities of listed companies can be transferred only in dematerialised form. Accordingly, the Company will not accept any fresh lodgement of transfer of shares in physical form. The members are therefore advised, in their own interest, to dematerialize the shares held by them in physical form.

15. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Company's RTA, details of such folios together with the share certificates and KYC proof(s) viz. PAN, Aadhar etc. for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon.

16. Members are requested to send their queries, if any, on the financial statements/operations of the Company, via email to the Company Secretary at [companysecretary@pokarna.com](mailto:companysecretary@pokarna.com) atleast 7 days before the AGM, so that the information can be compiled in advance.

17. The documents referred to in this Notice are available for inspection electronically without any fee by the Members on all business days (except Saturday, Sunday and Public Holidays) upto the date of AGM. The Register of Directors, Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements, in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection electronically by the members during the AGM. Members seeking to inspect such documents may send request from their email id registered with the Company/RTA to the Company at [companysecretary@pokarna.com](mailto:companysecretary@pokarna.com).

18. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI LODR, the Company is providing to its members facility to exercise their right to vote on the Resolutions as set out in notice of AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting"). The facility for voting through electronic voting system will also be available during the AGM ("InstaPoll") and members attending the AGM who have not cast their vote(s) by remote e-voting, will be able to cast their vote at the meeting through InstaPoll. The Company has engaged the services of KFin as the agency to provide e-voting facility at the AGM.

19. The remote e-voting facility will be available during the following period:

Commencement of  
remote e-voting

From 9.00 a.m. (IST) on Friday,  
27 Sept 2024

End of remote e-voting  
Up to 5.00 p.m. (IST) on  
Sunday 29th September, 2024

Remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFin upon expiry of aforesaid period.

20. Persons whose name appears in the Register of Member/list of Beneficial Owners as on 23rd September, 2024 (Cut-off date) shall be entitled to cast their vote by remote e-voting on the resolutions set forth in this Notice or participating at the AGM and vote through Insta Poll. Any person who is not a Member as on the Cut-off date should treat this Notice for information purpose only.

21. The Board of Directors has appointed K.V. Chalama Reddy, proprietor of K V C Reddy & Associates Company secretaries, as Scrutinizer to scrutinize the remote e-voting and InstaPoll process in a fair and transparent manner and he has communicated his willingness to get appointed and will be available for the said purpose.

22. After conclusion of e-voting at the AGM, Scrutinizer will scrutinize the votes cast via InstaPoll and remote e-voting, and make a consolidated Scrutinizer's Report submission to the Chairman/Director.

23. The result of e-voting (remote e-voting and InstaPoll) will be declared within two working days of the conclusion of AGM and the same, alongwith the consolidated Scrutinizer's Report, will be placed on Company's website viz. [www.pokarna.com](http://www.pokarna.com) and on the website of KFin viz. <https://evoting.kfintech.com>. The result will be simultaneously communicated to the stock exchanges viz. NSE and BSE.

24. The resolutions as set out in the notice of AGM shall be deemed to be passed on the date of AGM, subject to receipt of requisite number of votes in favour of the resolution(s).

25. Pursuant SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on "e-Voting Facility provided by Listed Entities", individual shareholders holding equity shares in dematerialised form can cast their vote, by way of single login credential, through their demat account/websites of Depositories/ Depository Participants.

The members are advised to update their mobile number and E-mail ID in their demat accounts in order to access e-voting facility

The process and manner of remote e-Voting, attending AGM through VC / OAVM and e-Voting at AGM is as under:

#### Procedure for Login for E-voting and Attending AGM through VC/OAVM for Individual Shareholders holding securities in Demat mode.

In terms of SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts to access e-Voting facility.

**Login method for Individual shareholders holding securities in Demat mode is given below:**

<p>Individual shareholders holding securities in Demat mode with National Securities Depository Limited ("NSDL")</p>	<p><b>A. User already registered for IDeAS facility.</b></p> <ol style="list-style-type: none"> <li>1. Open <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>2. Click on the "Beneficial Owner" icon under 'IDeAS' section.</li> <li>3. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>4. Click on Bank Name or e-Voting service provider and you will be re-directed to e-voting service provider website for casting your vote during the remote e-Voting period.</li> </ol> <p><b>B. User not registered for IDeAS e-Services.</b></p> <ol style="list-style-type: none"> <li>1. To register, open <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>2. Select "Register Online for IDeAS "Portal or click on <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Proceed with completing the required fields</li> </ol> <p><b>C. By visiting the e-Voting website of NSDL.</b></p> <ol style="list-style-type: none"> <li>1. Open <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Click on the icon "Login" which is available under 'Shareholder/Member' section</li> <li>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>4. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</li> <li>5. Click on Bank name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
<p>Individual Shareholders holding securities in Demat mode with Central Depository Services (India) Limited ("CDSL")</p>	<p><b>A. Existing user who has opted for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>1. Click at <a href="https://web.cDSLindia.com/myeasitoken/Home/Logi">https://web.cDSLindia.com/myeasitoken/Home/Logi</a> or <a href="http://www.cDSLindia.com">www.cDSLindia.com</a></li> <li>2. Click on New System Myeasi.</li> <li>3. Login with user ID and Password</li> <li>4. After successful login of Easi / Easiest, Option will be made available to reach e-voting page</li> <li>5. Click on e-voting service provider name to cast your vote</li> </ol> <p><b>B. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>1. Option to register is available at <a href="https://web.cDSLindia.com/myeasitoken/Registration/EasiRegistration_EasiRegistration">https://web.cDSLindia.com/myeasitoken/Registration/EasiRegistration_EasiRegistration</a>.</li> <li>2. Proceed with completing the required fields.</li> </ol> <p><b>C. By visiting the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>1. Visit at <a href="http://www.cDSLindia.com">www.cDSLindia.com</a></li> <li>2. Provide Demat Account Number and PAN No.</li> <li>3. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account.</li> <li>4. After successful authentication, user will be provided links for the respective e-voting service provider where the e-voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in Demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</p> <p>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Bank Name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

**Important note.** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

**I) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

- i. Initial password is provided in the body of the e-mail.
- ii. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- iii. Enter the login credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- iv. After entering the correct details, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned

image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutinizer through email at [kvcr133@gmail.com](mailto:kvcr133@gmail.com) and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BFL\_EVENT No.'

- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

**A. Voting at e-AGM**

- i. Only those members/shareholders, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.
- ii. Members who have voted through remote e-voting will still be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes.

Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

**B. Instructions for members for attending the e-AGM**

- i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.
- ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile devices) with Google Chrome for seamless experience.

- iii. Further, members registered as speakers will be required to allow camera during e-AGM and hence are requested to use internet with a good speed to avoid any disturbance during the meeting.
- iv. Members may join the meeting using headphones for better sound clarity.
- v. While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' during the period starting from 25th September, 2024 (9:00 a.m.) up to 27th September, 2024 (5:00 p.m.). Only those members who have registered themselves as a speaker will be allowed to express their views/ ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.
- vii. A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://emeetings.kfintech.com/>, under the "How It Works" tab placed on top of the page.
- viii. Members who need technical assistance before or during the e-AGM can contact KFin at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001.

#### Procedure for Registration of email and Mobile & securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-POD-1/P/ CIR/2023/37, dated March 16th, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

- b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

#### E-VOTING RESULT:

The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: [www.pokarna.com](http://www.pokarna.com) and on the website of KFinTech at: <https://evoting.kfintech.com>. The result will simultaneously be communicated to the Stock Exchanges. Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., Monday, 30th September, 2024.

#### IEPF RELATED INFORMATION:

In terms of section 124(5) of the Act, dividend amount for the year ended 31st March 2017 remaining unclaimed for a period of seven years shall become due for transfer in October 2024 to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF's demat account. Members who have not claimed dividends in respect of the financial years from 2016-17 onwards are requested to approach the Company/KFin for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF's demat account.

#### DIVIDEND RELATED INFORMATION:

The Company has fixed Monday, 23rd September, 2024 as the 'Record Date' for the purpose of AGM and for determining entitlement of Members to dividend for the financial year ended March 31, 2024.

The dividend for the year ended 31 March 2024 as recommended by the Board, i.e. 30% @ Rs. 0.60 (Sixty paisa only) per equity share of Rs. 2/- each, if declared at the meeting, will be paid to those members whose names appear in the Company's register of members as on the Record Date. In respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date. The dividend on equity shares, if declared at the meeting, will be credited / dispatched within 30 days from the date of this meeting.

Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts / cheque will be despatched to the registered address of the shareholders who have not updated their bank account details. Members holding shares in physical form are requested to notify/send any change in their address and bank account details to Registrar and Share Transfer Agents, KFinTech or the Company. Members whose shareholding is in electronic mode are requested to direct change of address notification and updates of bank account details / PAN to their respective depository participant(s). Members are encouraged to utilize Electronic Clearing System (ECS) for receiving dividends. Members are requested to address all correspondence, including on dividends, to the Registrar and Share Transfer Agents, KFin, Unit: Pokarna Limited, Selenium Tower B,

Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032.

Under section 194 of the Income Tax Act, 1961, as amended by the Finance Act, 2020 ("Act"), dividend paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the domestic shareholders and the Company would also be required to deduct tax at source (TDS) at the prescribed rates from the dividend paid to shareholders. Similarly in case of non-resident shareholders the Company would require to withhold tax (WHT) under section 195 / 196D of the Act. Accordingly, the Company shall be required to apply TDS / WHT at the time of making payment of the said Dividend after obtaining the approval of shareholders in the forthcoming AGM. The TDS / WHT rate would vary depending on the residential status of the shareholder and the valid documents submitted by them and accepted by the Company as explained herein below:

As per the amended provisions of Section 206AB of the Act vide Finance Act 2022, in case of non-filers of income-tax return for the preceding financial year and in whose case TDS / TCS exceeds Rs. 50000 in the said preceding financial year, the deduction of tax at source is required to be made at the higher of the following rates, namely-

- (i) at twice the rate specified in the relevant provision of the Act; or
- (ii) at twice the rate or rates in force; or
- (iii) at the rate of five per cent.

**The provisions of section 206AB of the Act is applicable to the following category of persons:**

- (i) Residents who are required to file return under section 139 of the Income Tax Act, 1961; and
- (ii) Non-residents having a permanent establishment in India.

**For Resident Shareholders**

Tax is required to be deducted at source under Section 194 of the Act @ 10% from the amount of dividend where valid PAN is available and provided to us, except for nil / lower rate of tax indicated in specific cases stated hereunder:

**(A) For Resident Individuals**

Income-tax will be deducted either at nil or lower rate from the dividend payable to resident individuals if –

- a. Total dividend to be received by them during Financial Year 2023-24 does not exceed INR 5,000/-, or
- b. The shareholder provides Form 15G duly signed (applicable to individual) / Form 15H duly signed (applicable to an individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatory to be filled up and Company may at its sole discretion reject the form if it does not fulfil the requirement of law., or
- c. The shareholder provides certificate issued by the Income-tax Department u/s. 197 of the Act for lower rate / nil rate, or
- d. The Shareholder provides Exemption certificate issued by the Income-tax Department, if any under any other provisions of the Act.

**(B) For Resident Non-Individual shareholders.**

Income-tax will be deducted either at nil or lower rate from the dividend payable to resident non-individual shareholders if they provide the following documents –

- a. Insurance Companies: Public & Other Insurance Companies, a declaration duly signed that it has full beneficial interest with respect to the shares owned by it along with its self attested copy of PAN
- b. Mutual Funds: Certificate of registration u/s 10(23D) of the Act issued by the appropriate authority along with its self-attested copy of PAN
- c. Alternative Investment Fund ("AIF"): Self certified copy of SEBI registration certificate that the AIF is registered under SEBI along with its self- attested copy of PAN
- d. Other Non-Individual shareholders who are holding certificate issued by the Income- tax Department u/s. 197 of the Act for lower / nil rate of tax deduction at source under provisions of Section 194 of the Act or who are covered u/s 196 of the Act, are required to submit an attested copy of the PAN along with the documentary evidence in relation to the exemption/ lower rate.

Kindly submit the declaration along with all the attachments referred to above as may be applicable latest by 23rd September, 2024, so as to enable us to determine appropriate rate of TDS, if any applicable to the payment of dividend. In the absence of this declaration, the Company would be constrained

to deduct tax at applicable rate as per the relevant provisions of the Income tax Act, 1961. The forms are available at [www.pokarna.com](http://www.pokarna.com) for the shareholders.

Further, it may kindly be noted that recording of the Permanent Account Number (PAN) for the registered Folio/ DP id-Client Id is mandatory; failing which tax will be deducted @ 20% as provided under Section 206AA of the Act, in case payment of dividend exceeds Rs. 5000 during the financial year 2023-24.

#### **Non-resident Shareholders.**

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, the TDS on dividend shall be @ 20% or applicable rate plus applicable surcharge and health and education cess on the amount of dividend payable to the non-resident shareholders. For FII/ FPI shareholders, section 196D provides for TDS @ 20% or applicable rate plus applicable surcharge and health and education cess. However, as per section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) read with applicable Multilateral Instrument provisions, if they are more beneficial to them. A list of documents/ declarations required to be provided by the resident shareholders and list of documents/declarations required to claim the benefit of DTAA by the non-resident shareholders should be uploaded with KFin

Technologies Pvt Ltd., the Registrar and Transfer Agent at <https://ris.kfintech.com/> or form15 or e-mailed to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). No communication on the tax determination/ deduction shall be entertained after 23rd September, 2024.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act. In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
- For deduction of tax at source, the Company would be relying on the above data shared by KFin as updated up to the record date. It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the aforementioned details/ documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to e-mail the softcopy of the TDS certificate to shareholders at the registered e-mail id within the prescribed time, post payment of the said dividend, if declared in the AGM. The said certificate can also be viewed in Form 26AS at TRACES <https://www.tdscpc.gov.in/app/login.xhtml> or the website of the Income Tax department of India <https://www.incometax.gov.in/home>. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company, and also provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

#### **OTHER INFORMATION:**

35. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / KFinTech have stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialisation.

36. **Members holding shares in physical mode are:**

- a. required to submit their Permanent Account Number (PAN) and bank account details to the Company / KFinTech, if not registered with the Company / KFinTech, as mandated by SEBI by writing to the Company at [igrc@pokarna.com](mailto:igrc@pokarna.com) or to KFinTech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with the details of folio no., self-attested copy of PAN card, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details) and cancelled cheque.
- b. advised to register nomination in respect of their shareholding in the Company.

37. **Members holding shares in electronic mode are:**

- a. requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.
- b. advised to contact their respective DPs for registering nomination.

38. Non-Resident Indian members are requested to inform KFinTech / respective DPs, immediately of:

- a. Change in their residential status on return to India for permanent settlement.
- b. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

39. Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting on September 30, 2024 Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India] is given as an annexure

## Annexure to the Notice dated August 13, 2024

**Additional Details of Director seeking appointment/re-appointment at the ensuing Annual General Meeting on September 30, 2024**

**[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]**

1	Name	Mr. Rahul Jain
2	DIN	00576447
3	Nationality	Indian
4	Date of birth and Age	09.11.1979
5	Qualification	Graduate from University of Michigan, Ann Arbor, USA
6	Experience and expertise in specific functional areas	He has 23 years of experience in Marketing, Corporate Planning, General Corporate Management and Information Technology
7	Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Son of Mr. Gautam Chand Jain, Chairman and Managing Director and Spouse of Mrs. Apurva Jain, Whole Time Director
8	Nature of appointment (appointment/re-appointment)	Re-appointment upon retirement by rotation
9	Terms and conditions of appointment / re- appointment	As per member's approval dated 26.03.2024 for holding the position of Managing director of the Company and also Kindly refer the Corporate Governance Report annexed to this Annual Report
10	Remuneration last drawn by such person, if applicable and remuneration sought to be paid	Rs.1,20,00,000/- per annum and also Kindly refer the Corporate Governance Report annexed to this Annual Report
11	Date of first appointment on the Board	17.09.2001
12	No. of shares held in the Company	4,98,500
13	The number of Meetings of the Board attended during the year	4 out of 6
14	Listed entities in which the person holds the directorship and the Membership of Committees of the board along with listed entities from which the person has resigned in the past three years	Nil
15	Directorship details of other Companies	<ul style="list-style-type: none"> <li>• Pokarna Engineered Stone Limited</li> </ul>
16	Chairman/Member of the Committees of the Board of Directors of the Company	<p>Audit Committee -Member Pokarna Engineered Stone Limited      Stake holder relationship Committee –Member Pokarna Engineered Stone Limited      Risk Management Committee -Member Pokarna Engineered Stone Limited</p>

By Order of the Board of Directors  
 For Pokarna Limited

**Gautam Chand Jain**

(DIN: 00004775)

Chairman and Managing Director

## Notes





Photo: A cross section of a vibrant tree trunk; its rings tell a story of resilience, wisdom and the journey of growth through the passing of seasons and time