



POKARNA LIMITED



ANNUAL REPORT

2021-22



Driving
Excellence.
Strengthening Market
Leadership.



Driving
Excellence.

Strengthening Market
Leadership.

At Pokarna, process innovation and an aspiration to provide world-class products have played a pivotal role in driving excellence.

In a year marked by several external headwinds, our agile and value-accretive business model helped us remain resilient.

As one of the leading exporters of granite and quartz surfaces, we provide contemporary designs, value for money and high-quality products that resonate with the changing aspirations of customers and evolving market dynamics.

At Pokarna, we constantly invest in new technologies and processes to increase our overall efficiency for a sustainable business. Our fully automated production line with cutting-edge technology helps us produce best-in-class products for our customers worldwide.

Our state-of-the-art manufacturing facilities in Telangana and Andhra Pradesh are equipped with 'Bretonstone' technology that ensures superior quality. Leveraging our presence in over 19 countries and an extensive and robust distribution network, we strengthen our market leadership and maximise value for our stakeholders.

Inside this report

120%

YoY growth in revenue

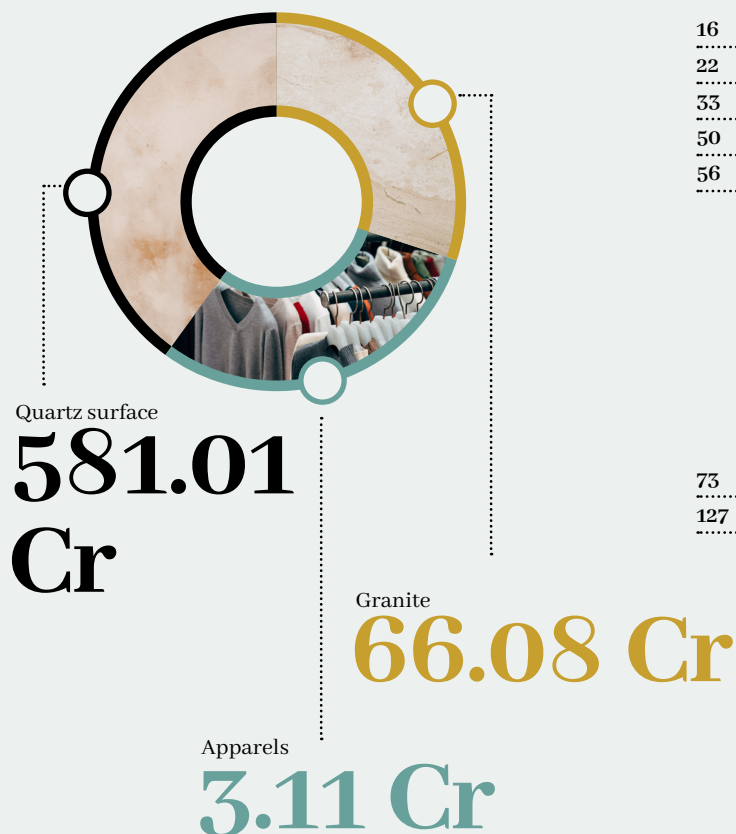
101%

YoY growth in EBITDA

177%

YoY growth in PAT

Revenue mix for FY22 (₹ crore)



Corporate Overview

02-15

02	About Pokarna
04	Financial highlight
06	Chairman's message
08	Our reach
10	Driving manufacturing excellence
12	Strengthening our market reach
13	Awards and recognitions
14	Board of directors
15	Corporate information

Statutory Reports

16-71

16	Management Discussion & Analysis
22	Notice of the Thirty-first Annual General Meeting
33	Board's Report to Shareholder
50	Business Responsibility Report
56	Corporate Governance Report

Financial Statements

72-180

73	Standalone Financial Statements
127	Consolidated Financial Statements



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the Company

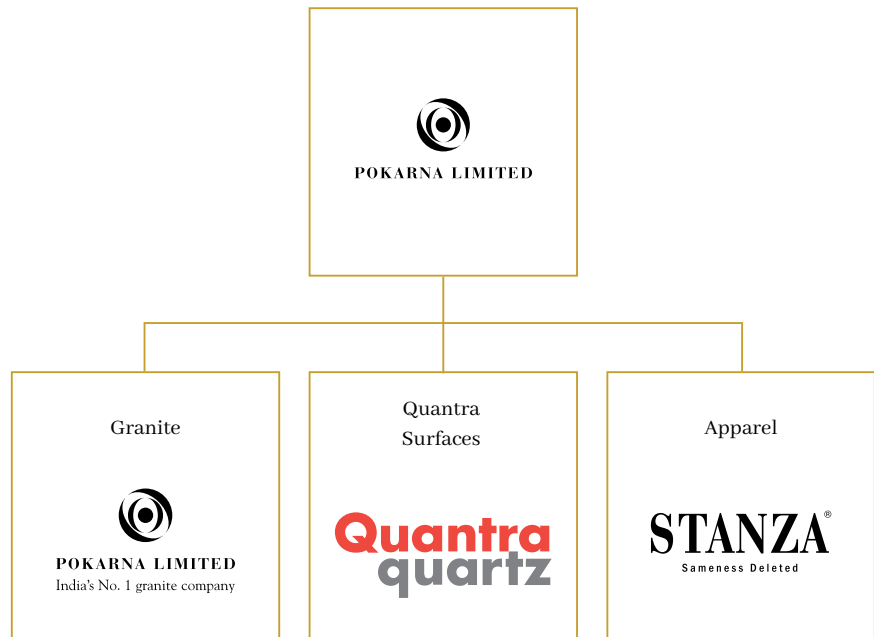


This Report is also
available online on
www.pokarna.com

About Pokarna

One of the leading exporters of Granite and the largest exporter of Quartz surface, Pokarna Limited (Pokarna) has been utilising its manufacturing expertise to delivery industry-leading quality and innovative products to our customers.

Founded in a year 1991 by Mr. Gautam Chand Jain, Chairman and Managing director. Our state-of-the-art quartz surfaces manufacturing facilities are equipped with Bretonstone® specialised technology to produce best-in-class products. We have presence in over 19 countries with an extensive and robust distribution network. We also produce and sell apparel wear under brand name of 'Stanza'.



Our five pillars



Value Our People



Health, Safety and Sustainability



Embrace Technology and Innovation



Operating Performance



Focus on Profitable Growth

Quick facts

30+

Years of experience

20+

Countries exported

31%

5-year CAGR growth of Net worth

22%

5-year CAGR growth of Gross Block

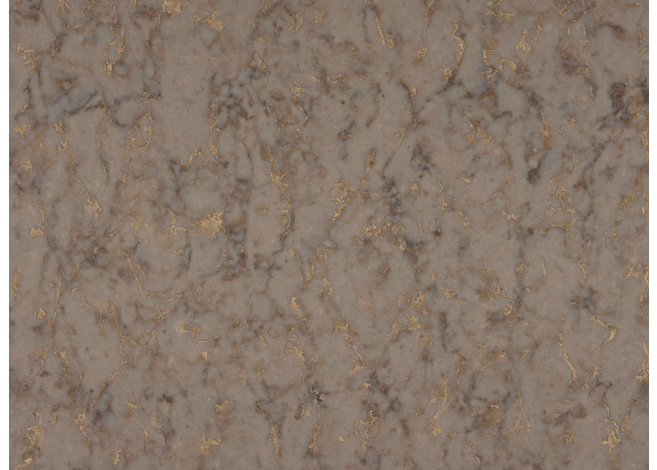
23%

5-year CAGR growth of Book Value

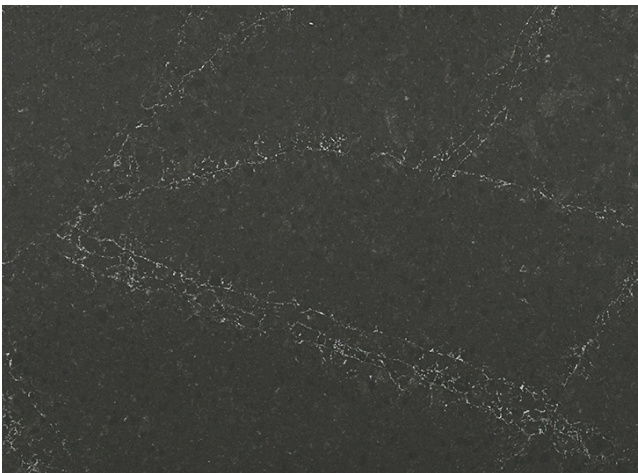
Our offerings



Arctic Breeze



Artisan Wool



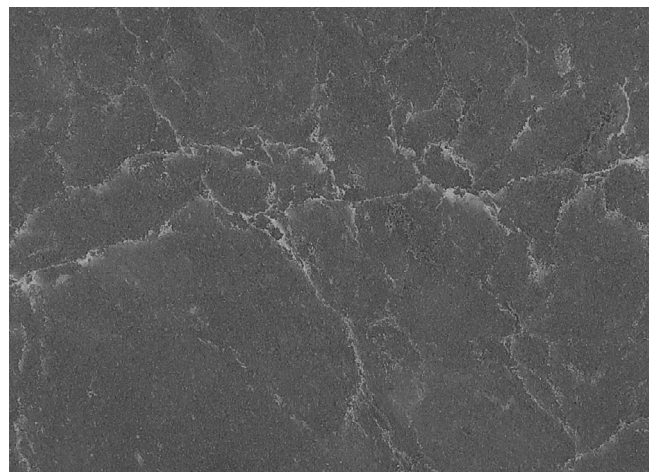
Bellini



Calacatta Capri



Donatello

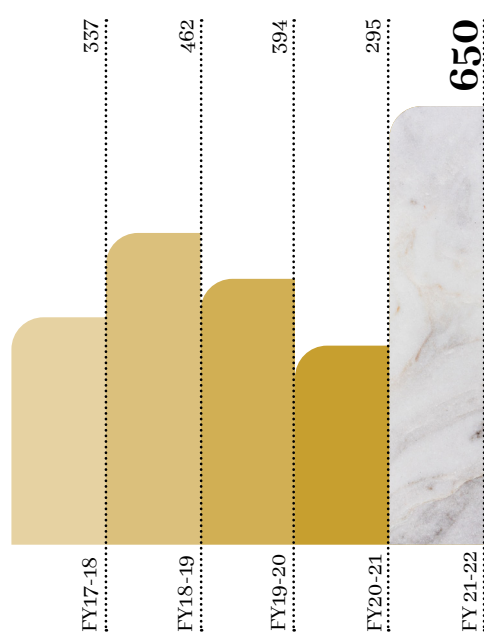


Masaccio

Financial highlight

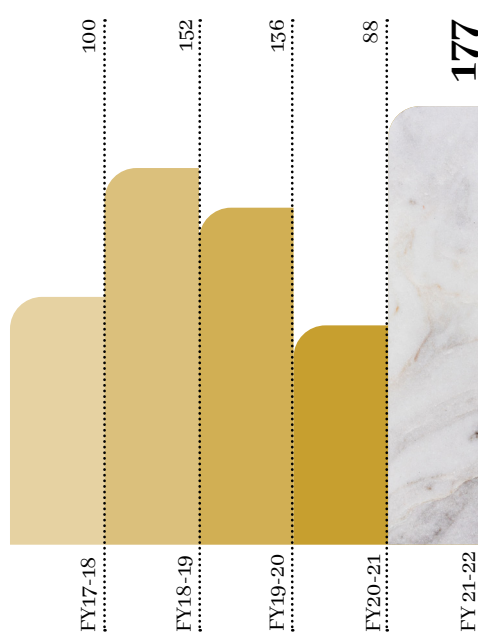
Revenue from Operations

(In INR crores)



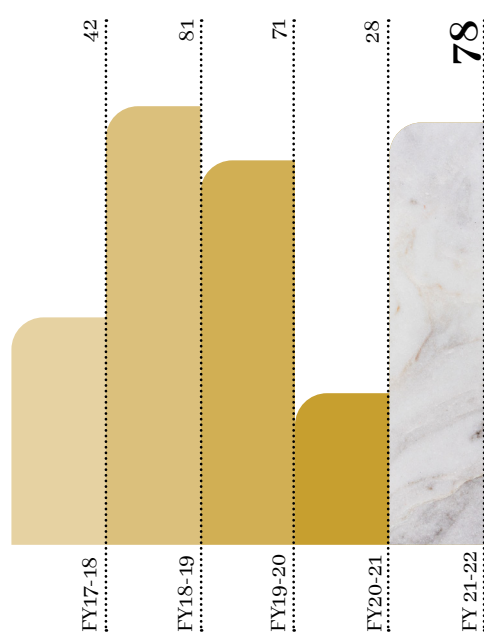
EBITDA

(In INR crores)



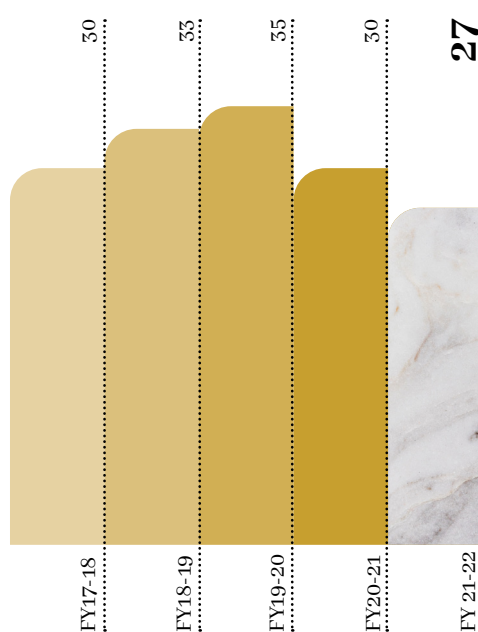
PAT

(In INR crores)

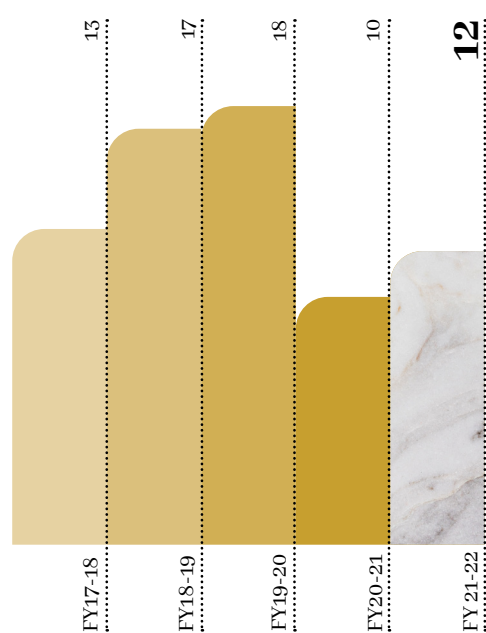


EBITDA Margin

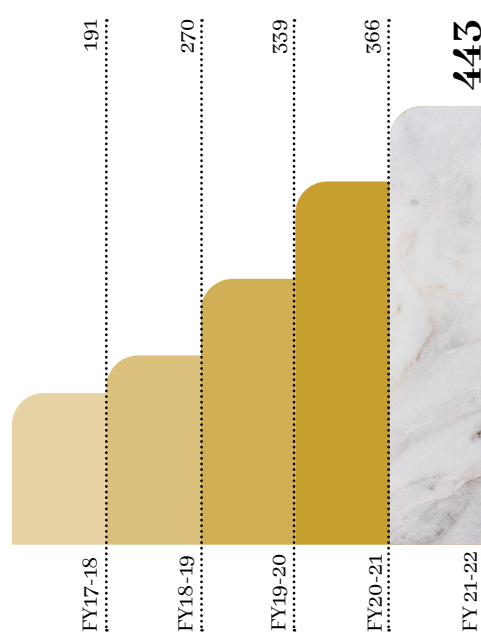
(%)



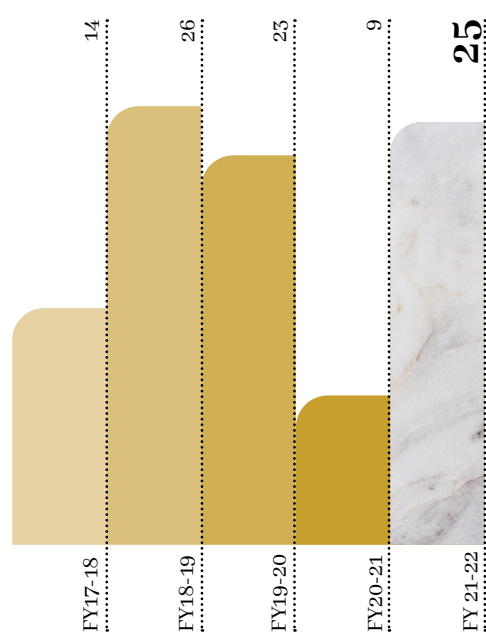
PAT Margin (%)



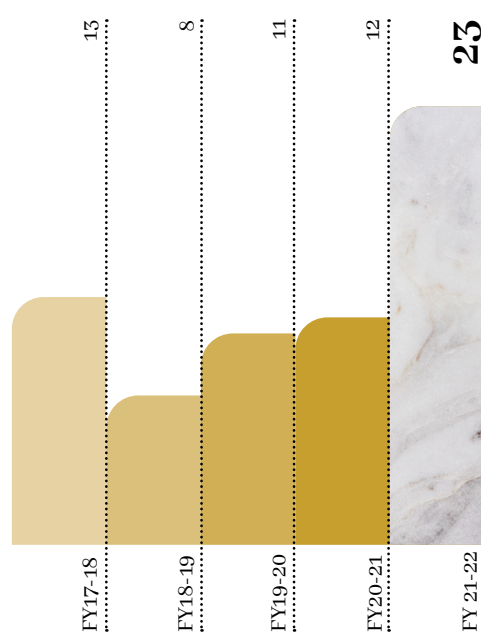
Net Worth (In INR crores)



EPS (in Rs.)



Cash and Cash Equivalent (In INR crores)



Chairman's message



I am pleased that we have grown by 50% in the Indian market in comparison to FY 2020-21. This is attributable to our brand building exercise and continuous efforts in establishing our reach.

Dear Stakeholders,

The year 2021-22 posed a unique set of challenges to the global economies. After dealing with subsequent waves of the pandemic, when the world was gearing up towards recovery, 2022 threw up more headwinds to the global outlook. Russia's invasion of Ukraine in the fourth quarter of the fiscal led to increasing raw material and freight costs and impacted several industries and businesses. Like many other businesses, our profitability and margins were also impacted despite the strong revenue momentum.

Amid a number of challenges, it is our team who showed up for our customers to cater to their demands throughout the year. I am so proud of our talented team, and I continue to be appreciative for their unwavering commitment as well as willingness to care, collaborate and learn for the upliftment of the organization.

In terms of our quartz business performance, during the fiscal, I am pleased that we have grown by 50% in the Indian market in comparison to FY 2020-21. This is attributable to our brand building exercise and continuous efforts in establishing our reach. Besides our endeavours in India, for our international markets, we carried out periodic participation in International exhibitions and trade shows to amplify our brand visibility and strengthen our customer connect.

Talking about the segment performance, in our Quartz business we introduced new products, which also witnessed positive response from customers. Our existing products also continued to perform well. We are continually directing our efforts in ramping up operations at New Quartz unit. Our Granite business could not perform as per expectations due to the highly competitive environment. Our profitability was impacted significantly for the Granite business. We therefore currently are directing our efforts towards preserving our margins. Similar to Granite business, our Apparel business was impacted too, however we are undertaking steps towards cost rationalization and containing our losses.

On the financial front, our consolidated revenue grew from Rs 295 Crore in 2020-21 to Rs 650 in 2021-22 registering a growth of 120%. Our EBITDA increased to Rs 177



Leveraging our manufacturing expertise and more than three decades of experience, we will keep delivering industry-leading quality and innovative products to our customers fortifying our presence in both domestic and overseas market.

Crore in 2021-22 from Rs 87 Crore in 2020-21 with a growth of 101%. Our PAT stood at Rs 78.30 in 2021-22 in comparison to Rs 28.29 in the previous year.

Looking forward, although supply chain disruptions, port congestion, container unavailability and rising shipping costs continue to pose challenge in near term, we are optimistic for our long term success. As the real estate keeps gaining momentum, the demand for kitchen countertops and thereby Quartz and Granite will continue to be promising. Leveraging our manufacturing expertise and more than three decades of experience, we will keep delivering industry-leading quality and innovative products to our customers fortifying our presence in both domestic and overseas market.

To conclude, I will take this opportunity to thank our shareholders for reposing their

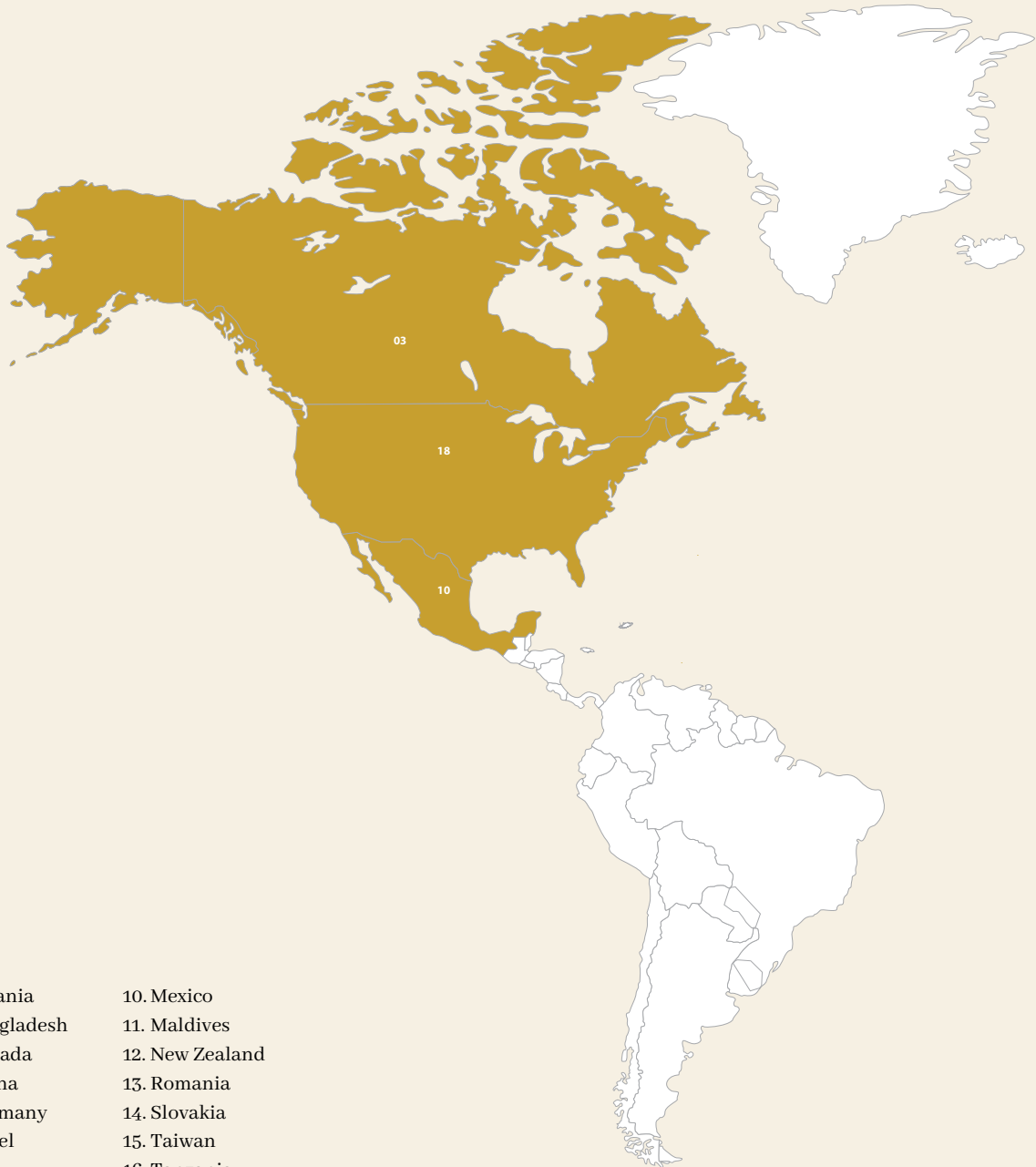
confidence in our capabilities. We will continue with our focus towards creating long term value for our stakeholders by adhering to highest standards of commitment and promoting innovation.

Regards,

Gautam Chand Jain

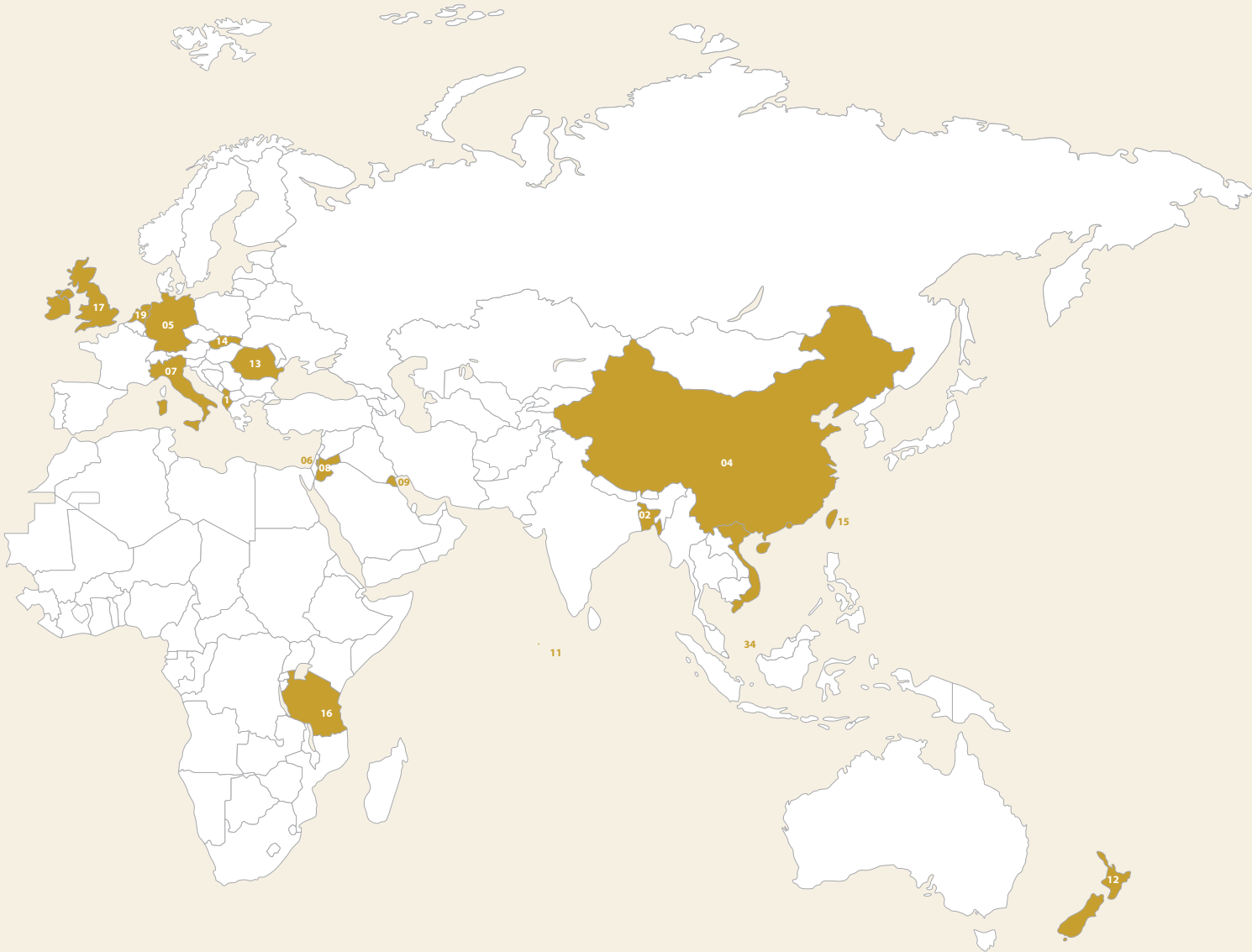
Chairman & Managing Director

Our reach



1. Albania
2. Bangladesh
3. Canada
4. China
5. Germany
6. Israel
7. Italy
8. Jordan
9. Kuwait
10. Mexico
11. Maldives
12. New Zealand
13. Romania
14. Slovakia
15. Taiwan
16. Tanzania
17. UK
18. USA
19. Netherlands.

*This includes Granite and Quartz business reach.



Map not to scale. Only for representation purpose

Driving manufacturing excellence

At Pokarna, we constantly invest towards embracing new technologies and processes to increase the overall efficiency and register sustainable business growth. Our fully automated production line with cutting edge technology armed with fully computer-controlled high speed polishing lines helps us to produce best-in-class products for our customers worldwide.





India's largest

.....
Manufacturer and exporter of
quartz surfaces

Bretonstone Technology

.....
Integrated with the new
manufacturing facility

10+

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

Two

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

Two

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

One

.....
State-of-the-art apparel
manufacturing unit in
Telangana

Strengthening our market reach

Over the past three decades, we have been successful in building a strong brand name and recall in the market. To further strengthen our reach, we continue take active participation in in exhibits and trade events. We also undertake regular engagement with customer through trade shows and other programs that enables us to understand emerging requirements and fulfil customer needs.



Marmomac 2021



KBIS 2022



KBIS 2022



Coverings 2022

Awards and recognitions



This is to certify that Pokarna Engineered Stone Limited has successfully completed the assessment conducted by Great Place to Work® Institute, India, and is certified as a great workplace.

This certificate is valid from Jan 2022 to Jan 2023.

A handwritten signature in black ink, reading "Yeshaswini R".

Yeshaswini Ramaswamy
Chief Executive Officer
Great Place to Work® Institute, India

Note: The certificate is valid subject to the terms and conditions agreed to by the Organization.

Board of directors



Mr. Gautam Chand Jain
Chairman & Managing Director



Mr. Mahender Chand
Independent Director



Mr. Meka Yugandhar
Independent Director



Mr. Vinayak Rao Juvvadi
Independent Director



Mr. Prakash Chand Jain
Non-Executive Director



Mr. Rahul Jain
Managing Director



Mrs. Apurva Jain
Executive Director



Dr. Jayshree Rajesh Sanghani
Independent Director



For Further Details
scan the QR Code

Corporate information

Board of Directors

Mr. Gautam Chand Jain
Chairman & Managing Director

Mr. Mahender Chand
Independent Director

Mr. Meka Yugandhar
Independent Director

Mr. Vinayak Rao Juvvadi
Independent Director

Mr. Prakash Chand Jain
Non-Executive Director

Mr. Rahul Jain
Managing Director

Mrs. Apurva Jain
Executive Director

Dr. Jayshree Rajesh Sanghani
Independent Director

Statutory Auditors

M/s. K.C. Bhattacharjee & Paul
Chartered Accountants, Hyderabad

Internal Auditor

Mr. M. Murali Jaganmohan
Chartered Accountant, Hyderabad

Secretarial Auditor

Mr. K. V. Chalama Reddy
Practising Company Secretary, Hyderabad

Chief Financial Officer

Mr. M. Viswanatha Reddy

Company Secretary

Ms. Babita Chandrakar[#]
Mr. Piyush Khandelwal[%]

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.

Apparel Division

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 - 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.

Foot notes:

* Mr. Thati Venkataswamy Chowdary ceased to be Independent Director of the Company pursuant to his resignation w.e.f. 28th January, 2022.

Ms. Babita Chandrakar ceased to be Company Secretary & Compliance Officer of the Company pursuant to his resignation w.e.f. 23rd May, 2022.

% Mr. Piyush Khandelwal was appointed as Compliance Officer of the Company w.e.f. 9th July, 2022 and was further re-designated as Company Secretary & Compliance Officer of the Company w.e.f. 3rd August, 2022.

Management Discussion & Analysis

Global Economy

Although the global economy is progressively improving, the possibility of persistent inflation persists. The recovery has been supported by increased vaccine distribution across the world, however it has been uneven.

The conflict in Ukraine has generated an expensive humanitarian disaster that must be resolved peacefully. At the same time, the conflict's economic consequences will cause a considerable slowdown in global economy in 2022, as well as an increase in inflation and supply chain disruptions. Fuel and food prices have risen significantly, disproportionately affecting disadvantaged populations in the low-income nations.

Inflation predictions for 2022 are 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies, respectively, 1.8 and 2.8 percentage points higher than that anticipated in January.

Outlook

Global growth is expected to drop from 6.1 percent in 2021 to 3.6 percent in 2022 and 2023, according to projections. This is 0.8 and 0.2 percentage points lower than the January projections for 2022 and 2023, respectively. Over the medium run, global growth is expected to slow to around 3.3 percent after 2023. Multilateral measures are critical in responding to the humanitarian crisis, preventing further economic fragmentation, maintaining global liquidity, managing financial distress, combating climate change, and ending the pandemic.¹

Indian economy

In a globally uncertain climate, India has remained consistent in its recovery owing to macro factors that have shielded the economy from global pressures. According to the National Statistical Office's second advance forecasts, the Indian economy will grow at an annual rate of 8.9% in FY22 (NSO).²

India is now one of the world's fastest-growing major economies, thanks in part to a low base effect in Q1. The economy picked up steam in Q2, with economic activity rebounding to a considerable part as a result of the Covid-related restrictions being relaxed and the vaccination rate rising.

Following considerable increase in Q2, the gradual rebound became rough in Q3, revealing fragility across the various sectors. In the future, the government's focus on capital spending and exports is anticipated to boost production capacity and aggregate demand. This would entice private capital as well. The favourable

financial environment will increase investment activity. According to studies conducted by the Reserve Bank of India (RBI), capacity utilisation is increasing, which should boost investment and consumption demand.³

Outlook

During the year under review, India was hit by multiple COVID inflections, which resulted in massive loss of life and livelihood. However, increasing vaccine coverage, the Reserve Bank of India's (RBI) stable and accommodating monetary policy, and the Government of India's fiscal support all helped to mitigate the damage to a great extent.

As the Omicron fear faded at the conclusion of the fiscal year, the Indian economy, particularly the non-contact industries, began to recover. However, high commodity costs, global supply chain concerns, and geopolitical tensions kept inflation high.

India's real GDP is predicted to increase at 7.2 percent in 2022-23, with growth of 16.2 percent in Q1, 6.2 percent in Q2, 4.1 percent in Q3, and 4 percent in Q4. Inflation is expected to average 5.7 percent in 2022-23, with 6.3 percent in the first quarter, 5.8 percent in the second, 5.4 percent in the third, and 5.1 percent in the fourth. The economic interruptions created by the Russia-Ukraine conflict are mostly to blame for the steep increase in inflation projections.⁴

Stone Industry Overview

Global Granite Stone Industry

According to analysts, the global granite market will increase at a CAGR of 4.1 percent over the following five years, from \$16,540 million in 2019 to \$19,460 million in 2025.

The United States, as the developed world's representative, will sustain a 3.7 percent growth rate. Germany will add about 238.7 billion metric tonnes to Europe's size and clout in the next 5 to 6 years, ensuring the region's continued importance in the global economy. Rest of Europe markets will account for around 195.9 billion metric tonnes of estimated demand in the region. By the end of the analysis period, the market for granite in Japan will have grown to 1.4 trillion metric tonnes. China, as the world's second largest economy and a new game changer in global markets, has the potential to grow at 7.7% over the next few years, adding nearly 2 trillion metric tonnes of addressable opportunity for aspiring enterprises and their intelligent executives to choose from. The expansion and evolution of demand patterns in emerging Asia-Pacific, Latin America, and the Middle East will be shaped by a number of macroeconomic factors and internal market pressures.⁵

¹ <https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022>

² <https://mospi.gov.in/documents/213904/416359/PRESS%20NOTE%20SAE%2028-02-2022M1646051035697.pdf/f0035128-6098-8329-3e7b-6d7df22e8b2d>

³ <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.3333pdf>

⁴ https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=53601

⁵ <https://www.prnewswire.com/news-releases/global-granite-marble-and-stone-industry-301043378.html>

Indian Granite Stone Industry

India is one of the world's leading producers and exporters of granite. The granite business, worth Rs.25,000 crore, has massive granite reserves of 4 trillion cubic metres. Granite deposits abound in Tamil Nadu, Andhra Pradesh, Karnataka, Rajasthan, and Odisha, making the country one of the world's largest granite reserves. In addition, India has over 100 varieties of granite, which come in a variety of colours and textures, with 60 of those varieties being commercially viable.⁶

While Indian granite is utilised for a wide range of projects, including inventive and modern sculptures, memorials, and structures, it is especially popular for kitchen interiors. Indian granite's unrivalled design, grace, and quality have helped it become a multi-million-dollar foreign currency commodity. Famous structures around the world, including as the Vietnam War Memorial, Japan's Atomic Bomb Victims Memorial, and Washington's Bruce Lee Memorial, have all been built with Indian granite.

In FY 22, the global pandemic has caused unprecedented disruption in the Indian granite sector, as it has in many other industries. Factors include Covid-19, the Ukraine-Russia conflict, port congestion, and other supply chain interruptions

Quartz

Quartz is a valuable mineral with a wide range of applications. Sand, which is made up of little Quartz stones, is a necessary component in the assembly of glass. Quartz rock crystal offers a wide range of electronic applications. It's used as an oscillator in radios, watches, and weight scales, as well as in optics research. Quartz can also be used as a grating for sandblasting, hammering glass, and fine stone cutting. It is mostly used in the Personal Computer industry, as quartz is used to manufacture the majority of silicon semiconductors. Quartz is predicted to fuel global market expansion as it becomes more widely employed in various end-user industries.

From 2019 to 2026, the global quartz market is expected to increase at a CAGR of 6.4 percent, from \$8.23 billion in 2018 to \$13.61 billion in 2026. Quartz is one of the most diverse minerals on the planet, and its many colours result in a wide range of gemstones. The most well-known and notable Quartz pearl varieties are amethyst and citrine. Any form of Quartz that is microcrystalline and has a reduced structure is referred to as Chalcedony. Agate, Carnelian, Tiger's Eye, and Chrysoprase are just a few of the chalcedony kinds that are used as gemstones. Pure Quartz, often known as Rock Crystal, is a colourless mineral. However, different impurities are introduced, resulting in a wide spectrum of quartz hue.⁷

Countertop market Overview

The global countertop market is expected to reach USD 110.54 billion by 2027, growing at a CAGR of 2.8 percent over that time.⁸

Factors driving market expansion include rising disposable income, an increase in the number of food service outlets, a growing preference for large kitchens and multiple bathrooms, and an increase in the number of hotel rooms globally.

Furthermore, the market is experiencing robust growth due to a consistent increase in the residential construction sector worldwide and rising individual spending on home improvements. Countertops are typically installed in new homes as well as during kitchen remodelling. Furthermore, there has been an increase in bank mortgage refinances and loans, resulting in more credit being accessible for the renovation of existing residences, which is driving up demand for countertop items.

Due to a growing preference for higher-priced materials over laminates, the market value of the countertop sector is expected to expand over the projected period. The demand for countertops is being fuelled by continued high growth in developing economies such as China, India, and Brazil. Throughout the world, the countertop market is on the rise. One positive aspect of this progression is that, as a result of the high level of quality and low cost, more people are opting for granite countertops. Granite is very popular with customers because of its great aesthetic appeal.

Impact of COVID-19 pandemic outbreak on the countertop industry outlook

In FY2022, the COVID-19 pandemic is predicted to have a significant influence on worldwide countertop demand, resulting in a reduced growth rate until 2024. The pandemic will have a substantial impact on the fast-growing engineered stone countertop business, notably in the United States, which will be exacerbated by the newly enforced tariffs on quartz slab imports from China, India, and Turkey.

Outlook for Granite and Quartz Surface

The global engineered quartz surface market is expected to reach USD 33.50 billion by 2027, growing at an annual rate of 8.9% over that time. Due to the rising consumer interest in the interior design of homes and buildings in the area, Asia Pacific is anticipated to hold the largest market share for engineered quartz surfaces throughout the projection period. The presence of China as one of the world's leading manufacturers and exporters of quartz is another major growth factor for this regional industry.⁹

Because of the continually growing standard of living of consumers in the United States and Canada, as well as the soaring demand for new structures in the United States, the North American market is positioned to gain importance. Rising housing demand and strong investments in new constructions will boost the market in Europe, particularly in Germany, the United Kingdom, and France for Granite and Quartz surfaces.

⁶<https://www.thedollarbusiness.com/magazine/granite---leaving-no-stone-unturned-really-/35234>

⁷<https://www.alliedmarketresearch.com/quartz-market>

⁸<https://www.fortunebusinessinsights.com/industry-reports/countertop-market-101539#:~:text=The%20global%20countertop%20market%20size,workrooms%20supported%20by%20the%20cabinets.>

⁹<https://www.globenewswire.com/news-release/2021/03/01/2183969/0/en/Engineered-Quartz-Surface-Market-to-Hit-USD-33-50-Billion-by-2027-Rising-Popularity-of-Aesthetic-Construction-Materials-to-Fuel-Market-Growth-Fortune-Business-Insights.html>

Indian Textile Industry

The textile industry in India is one of the country's oldest, having existed for several centuries. It is incredibly diverse, with the capital-intensive sophisticated mills sector at one end of the spectrum and the hand-spun and hand-woven textiles sector at the other. The major segment of the textiles industry is the decentralised power looms/hosiery and knitting sector. When compared to other industries in the nation, the textile industry is distinctive due to its tight ties to agriculture (for raw materials like cotton) and the ancient culture and traditions of the nation in terms of textiles. India's textile industry has the capacity to produce a wide range of products for various market segments, both domestically and internationally.

Between April and December 2021, textile exports (RMG of all textiles, cotton yarns/fabs/made-ups/handloom products, man-made yarns/fabs/made-ups, handicrafts excluding handmade carpets, carpets, and jute manufacturing including floor coverings) were US\$ 29.8 billion. By 2029, it is anticipated that the Indian textiles market will be valued more than US\$ 209 billion.

The largest cotton producer in the world is India. For the crop year October 2021-September 2022, production totalled 360.13 lakh bales. Domestic demand is expected to reach 335 lakh bales in the crop year 2021-22.

For the textile industry, the Indian government has developed a number of export promotion measures. Under the automatic approach, it has also approved 100 percent FDI in the sector. The Rs. 10,683 crore (\$1.44 billion) PLI scheme is anticipated to have a significant positive impact on the textile industry. The programme aims to promote MMF (man-made fibre) clothing, MMF fabrics, and ten categories of technological textiles goods.¹⁰

Impact of Covid 19 on Indian textile industry

Due to the COVID-19 problem, the Indian textiles sector has been one of the hardest hit sectors. Due to the residual effects of the Global Financial Crisis and growing competition from nations like Vietnam, Bangladesh, China, and Turkey in markets like apparel, cotton fabric, and carpets, the Indian textile industry is plagued by problems like a lack of technological advancement, inefficient infrastructure, fragmented industry structure, and sluggish demand in important export markets like the USA and the EU. All of these elements only served to weaken the industry's ability to weather the COVID-19 storm, which further exacerbated the overall impact on this already troubled sector.

The industry is experiencing one of its greatest crises in a century as a result of widespread government-mandated textile factory closures all around the world because these products are not considered essential goods and services. Due to cancelled orders

and difficulties obtaining raw materials from the source country, China, the industry risks experiencing substantial supply chain disruptions as well as a halt to production activities in any of India, China, Bangladesh, or Vietnam.

Outlook

To expand its technological textile industry, India is focusing on significant projects. The need for technical textiles in the form of PPE suits and equipment is increasing as a result of the epidemic. The sector is being supported by the government through financing and equipment sponsorship.

Leading industry players are achieving sustainability in their products by creating textiles using recyclable natural resources. Because of robust domestic demand as well as foreign demand, the Indian textile industry's future appears bright. Since various foreign companies, including Marks & Spencer, Guess, and Next, entered the Indian market, the retail sector has grown quickly due to rising consumerism and disposable income. Higher disposable income is the result of strong economic growth. As a result, product demand has increased, resulting in a massive domestic market.

Company overview and Business

Both raw and processed granite are supplied by Pokarna, with raw granite blocks travelling to China and most of their finished granite products going to the United States. The company runs two granite processing units in the Hyderabad region, as well as quarrying operations in Telangana, Andhra Pradesh, and Tamil Nadu. Their business also has a retail division for the STANZA brand and produces clothing under that name.

One of the largest producers of high-quality quartz surfaces worldwide, PESL competes in a fragmented market with a wide spectrum of companies, from modest privately held businesses to enormous multinational conglomerates. The main competitiveness tactics within the industry include product innovation, designs, quality, pricing, performance technology, and service.

By creating distinctive products with high-end features and a higher value proposition, PESL actively works to identify its quartz surface in the market. The company's ability to compete on performance, quality, style, and service rather than price is aided by Pokarna's investments in production technology as well as the Company's marketing strategy and resources.

As the year progresses, PESL will now continue to expand production at the new facility. As volumes and efficiency increase, PESL will make the most of this new unit's potential both now and in the future. This expansion should make the company stronger, more diverse, and more profitable in the long run.

¹⁰<https://www.ibef.org/industry/textiles>

Financial highlights

The information provided in this section relate to the consolidated financial results pertaining to the year ended 31st March 2022. The financial statements of the Company and its subsidiaries have been prepared in accordance with the Indian Accounting standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The table below provides an overview of key financial parameters.

INR in Crores

Particulars	2021-22	2020-21	YoY Change (in %)
Consolidated Revenue	650.19	295.04	120%
Consolidated EBITDA	176.52	87.83	101%
Consolidated PAT	78.30	28.29	177%
Net Worth	442.90	365.57	21%




Key Financial Ratios of Pokarna limited (standalone):







Particulars	2021-22	2020-21	YoY Change (in %)
Debtors Turnover (Days)	49.26	44.62	10%
Inventory Turnover (Days)	337.96	292.00	16%
Interest Coverage Ratio	1.10	1.20	-8%
Current Ratio	1.15	1.10	5%
Debt equity ratio	0.17	0.20	-15%
Operating profit Margin (%)	6%	7%	-14%
EBITDA margin (%)	19%	20%	-5%
Net Profit Margin (%)	0.12%	0.37%	-68%*
Return on Net Worth (%)	0.06%	0.22%	-73%*

*Due to focussing on improving product mix, efficiency and cost rationalization measures

Risk Management at Pokarna

The quarrying industry is exposed to numerous external and internal challenges. Pokarna's comprehensive risk management framework focuses on promptly identifying potential risks, assessing its material impact and aims to mitigate its effects to minimize losses.

Risks	Description	Mitigation
 Operational Risk	Quarrying activities of the Company are subject to the hazards and subsoil risk, i.e. the risk of known and unforeseeable effects and difficulties originating from the subsoil (all underground, geological risks).	We mitigate this risk through implementation of robust health and safety training practices. The Company has instilled a zero-tolerance attitude for safety incidents across all level of operations. All significant incidents on site are required to be reported to the Board of Directors. Other operational risks are mitigated using trained personnel.
 Quarry development Risk	Several of the Company's quarries and pits are at an early stage of development. As a result, there can be no assurance that the colour, texture, quality and other characteristics of the granite slabs processed and blocks mined from the quarries will be consistent with the material that has been quarried to date. If the granite block extracted is of a lower quality than expected, then demand for, and the realisable price may be lower than expected.	We mitigate these risks with the use of highly trained quarry personnel and geologists, and the detailed assessment of the resource including, where appropriate, drilling, technical surveys and third-party reviews.
 Production and sales risk	The Company may incur losses unless and until such time as some or all the quarries are at a level of development which allows the production of commercially significant volumes of material and generation of sufficient revenues to fund continuing operations.	We mitigate this risk by having an approved business plan and targets while working within strict working capital controls with robust budgeting and cost control processes.

Risks	Description	Mitigation
 <p>Environmental risks and hazards.</p>	<p>The Company's quarrying operations are subject to environmental regulation. Environmental legislation is evolving in a manner that may require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees.</p>	<p>We have developed policies and procedures to ensure that environmental standards are met in excess of current local legislation. We will continue to monitor evolving standards within each of its operating environment and take appropriate action.</p>
 <p>Breaches in information/ IT security</p>	<p>Like many other organisations, our reliance on computers and network technology is increasing.</p> <p>Any cyber security breach could have an impact on business operations.</p>	<p>We have standard operating procedure in place for information and IT security. IT security policies and procedures are defined. An IT system is in place to monitor logical access controls</p>
 <p>Community Relations</p>	<p>The continued success of our existing operations and future projects are in part dependent upon broad support and a healthy relationship with the respective local communities. Failure to identify and manage local concerns and expectations could affect the organization's reputation and social license to operate and grow.</p>	<p>We mitigate these risks by having periodic engagements with all local communities to establish relations based on trust and mutual benefit. Our focus is on local consent prior to accessing resources or starting work. We seek to identify and minimise potential negative operational impacts and risks through responsible behaviour – acting transparently and ethically, promoting dialogue and complying with commitments to stakeholders. The Board's Corporate Social Responsibility (CSR) Committee decides the focus areas of all CSR activities, budget and programmes to be undertaken.</p>
 <p>Currency exchange rate fluctuations</p>	<p>We derive substantial income from exports. We have foreign currency loans and we also import some portion of our raw materials and a significant part of our consumables and capital equipment. Any volatility in the Currency exchange rate would therefore impact the Company.</p>	<p>We mitigate these risks by not speculating in forex. The</p> <p>Audit Committee reviews our forex-related matters periodically and suggests necessary courses of action as may be needed by businesses from time to time, and within the overall framework of our forex policy.</p>
 <p>Operational turnaround of apparel business</p>	<p>Losses of the apparel division impacts overall profitability of the Company.</p>	<p>We are making efforts to improving performance of this business and become operationally positive.</p>
 <p>Financial risk</p>	<p>PESL's capex plans include, from time to time, expansion, productivity improvement, technology upgrades, operating efficiency optimization and repair or replacement of its existing facilities and equipment. The overweight of capital expenditures to revenues may result in stress in financial books.</p>	<p>We believe our capital resources will be adequate to meet our current projected operating needs, capital expenditures and other cash requirements. We have track record of good relations with banks, and of raising borrowings in last few years. We have taken necessary steps to ensure that construction and operation timelines for the capital expenditure projects are within the time limits set.</p>

Risks	Description	Mitigation
 Trade credit	Trade arrangements with certain customers include the provision of short-term trade. The Company is therefore exposed to the credit risk for a portion of its sales.	We mitigate this risk through assessment of individual customer credit limits and tight credit monitoring with ageing of balances outstanding.
 Trade Restrictions	Substantial portion of Company's products are exported to the US. Company's financial results are dependent on continued access to the US markets and tariffs and other trade barriers that restrict or prevent access represent a continuing risk to us.	We plan to mitigate this risk by diversifying into other markets and strengthening our position in non-US markets where we are already present.
 People	<p>The Company's efforts to continue its growth and efficient operations will place significant demand on its management resources. Our highly skilled workforce and experienced management team is critical to maintaining its current operations,</p> <p>implementing its development projects and achieving longer-term growth.</p>	We plan to invest in initiatives that widen our talent pool. Our performance management system is designed to provide reward and remuneration structures and personal development opportunities to attract and retain key employees.

Internal Control Systems and their adequacy

Every year, the Internal Audit function's scope is established. The Internal Audit function reports directly to the Audit Committee in order to preserve its independence and objectivity in its operations. Process owners take corrective action in their respective domains based on the internal audit function's reports. The Audit Committee of the Board is provided with significant audit findings and recommended corrective actions. In accordance with the definition provided in Section 134(5)(e) of the Act, the Company has created and implemented a process-driven framework for internal financial controls (hereinafter, "IFC"). There are no major flaws, and the Company has strong IFC in line with the size and scope of its business operations.

The Company has strong policies and procedures that, among other things, guarantee integrity in how it conducts business, asset protection, timely preparation of trustworthy financial information, accuracy and completeness in maintaining accounting records, and prevention and detection of frauds and mistakes.

Human Resource

The company views its valued employees as one of the most important elements of the business and as being critical to the accomplishment of the endeavours that have been undertaken. One of the most recognisable companies in the sector, Pokarna, places a great emphasis on building a team of competent personnel who can handle a wide variety of competences. In order to promote operational efficiency and uniformity across processes, the Company also embraced best practises and developed Standard Operating Procedures (SOP) for the majority of functions. Pokarna took aggressive steps to effectively communicate with its staff and stakeholders during the recent COVID-19 outbreak and

established the essential safeguards to ensure the utmost safety and security of its citizens.

All employees should be able to grow and realise their full potential by working in an environment that is both productive and empowering. It makes sure that workers receive equitable treatment and may maintain a healthy work-life balance, so they feel rejuvenated and able to give their all to the task at hand. Additionally, the Company supports employee skill-building events so that they can gain expertise in a variety of job-specific responsibilities. This fosters a learning environment and fosters both employee and corporate growth.

Cautionary Statement

Certain statements in this report concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Notice of the Thirty-first Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 31ST ANNUAL GENERAL MEETING OF THE MEMBERS OF POKARNA LIMITED (THE COMPANY) WILL BE HELD ON WEDNESDAY, 7TH SEPTEMBER, 2022 AT 11 A.M IST THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT 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, 2022, 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 an **Ordinary Resolutions**:

"RESOLVED THAT the audited Standalone financial statements of the Company consisting of the Balance Sheet as at 31st March, 2022, 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, 2022, 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 an Ordinary Resolutions:

"RESOLVED THAT the audited Consolidated financial statements of the Company consisting of the Balance Sheet as at 31st March, 2022, 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."

2. **To declare dividend on equity shares for the financial year 2021-22.**
3. **To appoint a director in place of Mrs. Apurva Jain, who retires by rotation and being eligible, offers herself for re-appointment.**
4. **To appoint statutory auditor of the Company:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 139 and 149 and other applicable provisions of the companies act 2013 and the rules made there under, as amended from time to time and pursuant to the recommendation of the audit committee and the board of directors of the company, M/s S. Daga & Co. (FRN: 000669S) registered with the Institute of Chartered Accountants of India) be and are hereby appointed as Statutory Auditors to hold office from the conclusion of 31st Annual General meeting till the conclusion of 36th Annual General Meeting to be held in year 2027 i.e for a period of 5 years commencing from the financial year 2022-23, at such remuneration as may be mutually agreed between the Board of directors and M/s. S. Daga & Co.,

Registered Office:

105, First Floor, Surya Towers,
S. P. Road, Secunderabad - 500 003.
CIN: L14102TG1991PLC013299
Date: 21st May, 2022.

By Order of the Board
For Pokarna Limited

Gautam Chand Jain
Chairman & Managing Director
(DIN: 00004775)

Notes and Shareholder Information:

1. In view of the continuing COVID-19 pandemic and pursuant to circulars bearing no. 20/2020 dated 5th May, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021 and 02/2022 dated 05th May, 2022 ("MCA Circular") ("MCA Circulars") and in compliance with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the 31st AGM of the Company is being conducted through VC/OAVM facility, which does not require physical presence of members at the venue of the Annual General Meeting (AGM). Registered Office of the Company shall be deemed to be the venue of this 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 below 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 and to the Company at 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
Website: www.kfintech.com
9. In compliance with above mentioned circulars of MCA the Notice calling this AGM along with the Annual Report for FY 22 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 22 will also be available on the Company's website viz. www.pokarna.com and website of the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited (www.bseindia.com and 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 by clicking at <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx> or by writing 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. Members are advised to receive the Notice convening the AGM and Annual Report for FY-22 via e-mail, by updating their email ID by accessing the link <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>. Alternatively, 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 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
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 Sunday, 4th September, 2022
End of remote e-voting	Up to 5.00 p.m. (IST) on Tuesday, 6th September, 2022

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 31st August, 2022 (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 InstaPoll. 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, Company Secretary-in-Practice (FCS No.- 9268) 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, along with the consolidated Scrutinizer's Report, will be placed on Company's website viz. 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 TO CAST VOTE THROUGH REMOTE E-VOTING

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Entities", e-Voting process has been enabled for all Individual members holding shares in demat mode, by way of single login credential, through their demat accounts/websites of Depositories/ Depository Participants (DPs), in order to increase the efficiency of the voting process. They can cast vote on the resolutions, without registering with e-Voting Service Provider (ESP) viz. KFin Technologies Limited ("KFin").

1. **Individual members holding shares in demat mode:** Access to Depositories e-Voting system and proceed to cast vote

2. **Members other than “Individuals holding shares of the Company in demat mode”:** Access to KFin e-Voting system and proceed to caste vote

1. **Individual members holding shares in demat mode :** Access to Depositories e-Voting system and process to caste vote:

National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
<p>1. User already registered for IDeAS facility:</p> <p>(i) URL: https://eservices.nsdl.com</p> <p>(ii) Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</p> <p>(iii) On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting”</p> <p>(iv) Click on company name: “Pokarna Limited” or e-Voting service provider “K-Fintech” and then you will be re-directed to K-Fintech’s e-Voting page to cast vote during the remote e-Voting period</p>	<p>1. User already registered for Easi / Easiest:</p> <p>(i) Visit URL: https://web.cdslindia.com/myeasi/home/login OR www.cdslindia.com and click on “Login” and select “New System Myeasi”</p> <p>(ii) Enter your user id and password.</p> <p>(iii) Post successful authentication, , please click on ‘E-voting’</p> <p>(iv) You will be requested to select the name of the Company: “Pokarna Limited” or KFin and then you will be re-directed to KFin’s e-Voting page to cast the vote during the remote e-Voting period.</p>
<p>2. User not registered for IDeAS facility:</p> <p>(i) To register click on link: https://eservices.nsdl.com and select “Register Online for IDeAS”</p> <p>OR</p> <p>https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>(ii) Proceed with completing the required fields.</p> <p>(iii) Follow steps given in point no. 1 above</p>	<p>2. User not registered for Easi/Easiest:</p> <p>(i) To register click on the link: https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>(ii) Proceed with completing the required fields.</p> <p>3. Alternatively, by directly accessing the e-Voting website of CDSL:</p> <p>(i) Open URL: www.cdslindia.com and select “E Voting”</p> <p>(ii) Provide BO ID/ demat account number and PAN</p> <p>(iii) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>(iv) You will be requested to select the name of the Company: “Pokarna Limited” or KFin and then you will be re-directed to KFin’s e-Voting page to cast the vote during the remote e-Voting period.</p>
<p>3. Alternatively, by directly accessing the e-Voting website of NSDL:</p> <p>(i) Open URL: https://www.evoting.nsdl.com/</p> <p>(ii) Click on the icon “Login” available under ‘Shareholder/Member’ section.</p> <p>(iii) On the Login page, enter your User ID (i.e. your 16 character demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</p> <p>(iv) Post successful authentication, click on company name: “Pokarna Limited” or e-Voting service provider “K-Fintech” and then you will be re-directed to K-Fintech’s e-Voting page to cast vote during the remote e-Voting period.</p>	
<p>Procedure to login through demat account/ website of Depository Participant (DP)</p>	<p>(i) You can also login using the credentials of your demat account through your DP registered with NSDL/CDSL for remote e-Voting facility.</p> <p>(ii) Once logged-in, you will be able to see “e-Voting” option. Once you click on “e-Voting” option and after successful authentication, you will be re-directed to e-voting module of NSDL/CDSL.</p> <p>(iii) Click on options available against company name: “Pokarna Limited” or e-Voting service provider: Kfin and you will be re-directed to e-Voting website of KFin for casting your vote during the remote e-Voting period.</p>

Note: After successful login, as explained above, the individual members holding shares in demat mode, are requested to follow steps (f) to (k) mentioned under point no. 2(I)(A) below, to cast their vote.

Members who are unable to retrieve User ID/ Password are advised to use "Forget User ID"/"Forget Password" option available the websites of Depositories/DP.

Members facing any technical issue on NSDL website	Members facing any technical issue on CDSL website
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800-1020-990/ 1800-224-430	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.

2. All Members other than 'Individuals holding shares of the Company in demat mode' Access to KFin e-Voting system and process to caste vote:

I. (A) Members whose e-mail addresses are registered with the Company/Depository Participant(s) and have received email from KFin with login credentials. Please follow the below process:

- (a) Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- (b) Enter the login credentials (User ID and password given in the e-mail). The E-Voting Event Number + Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use the existing password for logging in. If required, please visit <https://evoting.kfintech.com/> or contact at 040- 67162222/1800-309-4001 (from 9:00 a.m. to 6:00 p.m.) for your existing password.
- (c) After entering these details appropriately, click on "LOGIN".
- (d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging in for the first time. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Name of the Company viz. Pokarna Limited.
- (g) On the voting page, enter the number of shares held by you as on the Cut-off date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR"/"AGAINST", but the total number under "FOR"/"AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose to "ABSTAIN" and vote will not be counted under either head.
- (h) Members holding shares under multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".
- (j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".
- (k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
- (l) Once you confirm, you will not be allowed to modify your vote.
- (m) Corporate/Institutional Members (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution/Power of Attorney/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail id: kvcr133@gmail.com with a copy marked to evoting@Kfintech.com. It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVENT NO."

(B) Member whose e-mail address is not registered/updated with the Company/KFin/Depository Participant(s). Please follow the below process to generate your login credentials:

- (a) Members holding shares in physical mode, who have not registered/ updated their email addresses with the Company, are requested to register/ update the same by clicking on <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> or by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at igrc@pokarna.com or to KFin at ris@Kfintech.com.

(b) Members holding shares in dematerialized mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register/update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts. For the limited purpose of receiving the login credentials for this AGM you can also use the link <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> to register their e-mail address.

(c) After due verification, the Company/KFin will forward your login credentials to your registered email address.

(d) Follow the instructions at I (A) (a) to (m) to cast your vote.

II. You can also update your mobile number and e-mail id in the "user profile details" in your e-voting login on <https://e-voting.kfintech.com> which may be used for sending further communication.

III. Once the vote on a resolution has been cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.

IV. Any person who becomes a member of the Company after dispatch of the Notice of the AGM and holding shares as on the Cut-off Date may obtain the User ID and password from KFin in the manner as mentioned below:

(a) If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to +91-9212993399

Example for NSDL: MYEPWD <SPACE> IN12345612345678

Example for CDSL: MYEPWD <SPACE> 1402345612345678

Example for Physical: MYEPWD <SPACE> XXXX1234567890

(b) If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

(c) Member may send an e-mail request to <https://evoting.kfintech.com> requesting User ID and Password. After due verification of the request, user id and password will be sent to the members.

V. In case of any query/grievance, in respect of e-voting - Members may refer to the Help & FAQs section/E-voting user manual available at the "Downloads" section of KFin's website: <https://evoting.kfintech.com> or contact Mr. Rajkumar Kale, AGM, KFin Technologies Limited, Unit: Pokarna Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032 | Phone No.: +91-040-67162222 | Toll- free No.: 040-67162222/ 1800-309-4001 | E-mail: evoting@Kfintech.com.

PROCEDURE FOR JOINING THE AGM THROUGH VC/OAVM AND VOTING AT AGM:

The Company is providing VC/OAVM facility to its Members for participating at the AGM.

a) Members will be able to attend the AGM through VC at <https://emeetings.KFintech.com> by using their e-voting login credentials provided in the email received from the Company/KFin.

Members are requested to follow the procedure given below:

- i. Launch internet browser (chrome/firefox/safari) by typing the URL: <https://emeetings.KFintech.com>
- ii. Enter the login credentials
- iii. After logging in, click on "Video Conference" option
- iv. Then click on camera icon appearing against AGM event of Pokarna Limited, to attend the AGM.

b) Members will be allowed to attend the AGM through VC/OAVM on first come, first served basis.

c) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.Kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open from Friday, 2nd September, 2022 (9:00 a.m. IST) till Monday, 5th September, 2022 (5:00 p.m. IST). Only those members who have registered themselves as speaker will be allowed to express their views or ask questions at the AGM. The Company reserves the right to restrict the number of questions and speakers, depending upon availability of time as appropriate for smooth conduct of the AGM. Members are requested to wait for their turn to be called by the Chairperson of the Meeting during the Question and Answer Session. Due to inherent limitation of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Question and Answer Session. Hence, Members are encouraged to get themselves registered in advance to ask questions/queries etc. at the AGM.

d) Facility to join the meeting shall be opened 30 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.

e) Voting at AGM ("InstaPoll"):

- Facility to cast vote through InstaPoll will be made available on Video Conferencing screen and will be activated once the InstaPoll is announced at the AGM.
- Member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the AGM (InstaPoll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".

- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
- f) Members who need assistance before or during the AGM can contact KFin at evoting@KFintech.com or call at 1800-309-4001. Kindly quote your name, DP ID-Client ID/Folio no. and E-voting Event Number in all your communications.

E-VOTING RESULT:

The Scrutiniser 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 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., Wednesday, 7th September, 2022.

IEPF RELATED INFORMATION:

In terms of section 124(5) of the Act, dividend amount for the year ended 31st March 2015 remaining unclaimed for a period of seven years shall become due for transfer in October 2022 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 2014-15 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 Wednesday, 31st August, 2022 as the 'Record Date' for the purpose of AGM and for determining entitlement of Members to dividend for the financial year ended March 31, 2022.

The dividend for the year ended 31 March 2022 as recommended by the Board, i.e. 30% @ Rs. 0.60 (Sixty paise 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 / despatched 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 notifications 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; 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 –

- Total dividend to be received by them during Financial Year 2022-23 does not exceed INR 5,000/-, or
- The shareholder provides Form 15G duly signed (applicable to individual) / Form 15H duly signed (applicable to an Individual above the age of 60 years), as per the attached formats, 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
- The shareholder provides certificate issued by the Income-tax Department u/s. 197 of the Act for lower rate / nil rate, or
- 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 –

- 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
- 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
- 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
- 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 August 31, 2022, 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 a applicable rate as per the relevant provisions of the Incometax Act, 1961.

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 2022-23.

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/form15> or e-mailed to einward.ris@kfintech.com.

No communication on the tax determination/ deduction shall be entertained after 31st August, 2022.

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 soft copy 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:

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.

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 or to KFinTech at 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.

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.

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.

Additional information with respect to Item Nos. 3 and 4:

Disclosure pursuant to Regulation 36(3) and 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are provided below:

ITEM NO. 3:

To appoint a director in place of Mrs. Apurva Jain, who retires by rotation and being eligible, offers herself for re-appointment:

Sr. No.	Particulars	Details
1	Name of the Director	Mrs. Apurva Jain
2	DIN	00576447
3	Designation	Executive Director
4	Date of Birth	07.11.1984
5	Date of First Appointment on the Board	09.08.2014
6	Qualification	Bachelor of Science (Home Science).
7	Expertise in specific functional areas	Mrs. Apurva Jain has over 10 years of experience in operations, marketing, strategy and other commercial functions. She inter alia leads the apparel business of the Company.
8	Shareholding of as on 31st March, 2022.	NIL

9	Number of Meetings of the Board attended during the year	4
10	Names of listed entities in which the person also holds the directorship and the membership of the committees of Board.	Nil
11	Disclosure of relationships between directors inter-se	Spouse of Mr. Rahul Jain, Managing Director and Daughter in law of Mr. Gautam Chand Jain, Chairman & Managing Director.
12	Recommendation	Save and except, Mrs. Apurva Jain, Mr. Gautam Chand Jain, Mr. Rahul Jain and Mr. Prakash Chand Jain and their relatives to the extent of their shareholding interest, if any, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Members.

ITEM NO. 4:**To appoint statutory auditor of the Company**

Sr. No.	Particulars	Details
1	Name of the Statutory Auditor	M/s. S. Daga & Co.
2	Name of the outgoing Auditor	M/s. K.C. Bhattacharjee & Paul
3	Proposed fees payable	Rs. 8,75,000 plus reimbursement of GST, travelling and out of pocket expenses. The remuneration proposed to be paid to the Statutory Auditors for the subsequent years will be determined judiciously by the Board of Directors from time to time based on the recommendations of the Audit Committee and in consultation with the Statutory Auditors, which will be commensurate with the services rendered by them during the said tenure.
4	Fees paid to outgoing auditor	Rs. 8,75,000 plus reimbursement of GST, travelling and out of pocket expenses.
5	Terms of appointment	M/s. S. Daga & Co. are proposed to be appointed for 1st term of 5 Consecutive years from the conclusion of this Annual General Meeting until the 36th Annual General Meeting for the financial year 2027-28 on such remuneration as detailed in point 3 above. The terms and conditions of the appointment of the Statutory Auditors of the Company will inter-alia also include the conditions mentioned in Clauses 6A & 6B of the SEBI Circular No. CIR/CFD/CMD1/114/2019 dated 18th October, 2019.
6	Basis for recommendation of appointment	Considering their performance of the firm across the industry, the Audit Committee has recommended the appointment of M/s. S. Daga & Co. to the Board of Directors of the Company, which the Board has accepted and approved, subject to the approval of the Members. The recommendation is based on various factors like Audit Methodology, Controls, Knowledge and Reputation of the Firm.

<p>7 Brief profile of firm</p>	<p>S Daga and Co, Chartered Accountants, founded in the year 1970 at Hyderabad. Mr. Shantilal Daga is the Founder of the firm incorporated as proprietary concern in 1970 and converted into Partnership Firm in the year 1977 and continues to be Senior Partner of the firm. The Firm is registered with the Comptroller and Auditor General of India and Reserve Bank of India for conducting audits of large Public Sector Undertaking & Public Sector Bank.</p> <p>The firm has comprehensive professional services having experience of more than 50 years which include Audit, Tax Advisory, Management Consultancy, Financial Management, Accounting Services, Corporate Advisory etc., to a large and wide variety of clients. The clients include listed and non-listed public sector and private corporate & others and cover a broad spectrum of industries ranging from manufacturing, construction, banking, power, retail, hospitality, and information technology etc.</p> <p>Currently the firm has Six FCA Partners, a Qualified Chartered Accountant and 30 other professional including articles and support staff. It is a professionally managed, service oriented and knowledge-based CA Firm. The firm has excellent infrastructure to cater to the clients' various requirements. The firm is a technology oriented one and strives to improve itself with the dynamic external and internal environment. The firm has Quality control certificate for Audit & Assurance services issued by Peer Review Board, Institute of Chartered Accountants of India, New Delhi.</p>
<p>8 Recommendation</p>	<p>None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.</p> <p>The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.</p>

Registered Office:

105, First Floor, Surya Towers,
S. P. Road, Secunderabad - 500 003.
CIN: L14102TG1991PLC013299
Date: 21st May, 2022.

By Order of the Board
For Pokarna Limited

Gautam Chand Jain
Chairman & Managing Director
(DIN: 00004775)

Board's Report to Shareholder

Dear Members,

Your Directors take pleasure in presenting their 31st Annual Report together with the annual audited consolidated and standalone financial statements for the financial year ended 31st March, 2022.

Financial Highlights

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2022	2021	2022	2021
Revenue from Operations	6970.29	7693.41	65019.08	29503.59
Other Income	60.11	224.06	253.07	606.23
Profit before Depreciation, Finance Costs, Exceptional items and Taxation	1314.64	1569.04	17652.44	8783.13
Less: Depreciation, Amortization and Impairment Expenses	895.80	1013.65	3857.33	2138.44
Profit before Finance Costs, Exceptional items and Taxation	418.84	555.39	13795.11	6644.69
Less: Finance Costs	381.87	462.27	3605.87	2123.88
Profit before Exceptional items and Taxation	36.97	93.12	10189.24	4520.81
Add: Exceptional items	0	0	0	0
Profit before Taxation	36.97	93.12	10189.24	4520.81
Less: Tax Expense	28.58	64.62	2359.24	1691.91
Profit for the year	8.39	28.50	7830.00	2828.90

Overview and The State of the Company Affairs

The unprecedented Covid-19 global pandemic has had impact on our results for FY 2022 as the second wave of the pandemic hit lives hard and was way more vicious than the first one. Yet, it was not about Covid in spite of the second wave, it was more about hope and recovery as India successfully navigated its course through turbulent waters.

As the restrictions were removed, there was a dramatic surge in the pace of vaccination and India was able to vaccinate most of its eligible population rapidly which was evident through fast paced recovery and growth in the later part of the year. However, the enthusiasm was disrupted by the third wave of the pandemic which fortunately proved to be less vicious and short lived.

Port congestion, container shortages, vessel delays and soaring shipping costs have also impacted the sales of our products. Our stated desire to move our apparel business to breakeven has been delayed due to the Covid-19 disruption.

Prudently prepared for these unprecedented times, your Company remained committed to delivering value to its customers and creating wealth for its shareholders. We are optimistic that the Company is in a strong position to emerge from the current situation and remains well positioned to deliver reasonable growth.

Pokarna Engineered Stone Limited ("PESL") commercialized operations during March '22 at its new unit which we believe is the world's most technologically advanced quartz facility. Through state-of-the-art automation at this new unit, PESL would be able to

develop more sophisticated visuals such as luxury marble looks to distinguish our products and improve our margins. PESL started commercial production at the new unit with basic to mid-range products as it ramps up production and optimize processes and formulations.

During FY 22, PESL will continue to ramp up production at new unit as it progresses through the year. As volumes and efficiencies increase, PESL will more fully realize the potential of this new unit in the next couple of years. From a long-term perspective, this expansion should make the Company stronger, more diversified and more profitable.

Long term strategy at PESL is to broaden customer base and geographies while retaining reputation for high-quality and innovative products. This year PESL conducted appraisal of a number of aspects of 360-degree business model (measurement to quartz countertop installation) and identified exciting opportunities for future growth in India. Just as it delivers product innovation in existing categories, PESL is supporting long-term growth by selectively exploring and entering new categories of products using quartz.

Covid-19 and its impact

The Board has been periodically reviewing with the Management, the impact of COVID-19 on the Company. During the 1st quarter of the year, your Company had to temporarily suspend operations at its quarries, plants, and other locations as per the directives of the Government, keeping in mind the paramount need of safety of the employees. The Board is also keeping a close watch on any other possible impacts of any further impacts wave of the pandemic.

The Board and the Management will continue to closely monitor the situation as it evolves and do its best to take all necessary measures, in the interests of all stakeholders of the Company.

Dividend

The Directors are pleased to recommend the dividend of Rs. 0.60/- per equity share for the financial year ended 31st March, 2022. The dividend is subject to the approval of the Members at the Annual General Meeting ("AGM") scheduled on 7th September, 2022.

The Register of Members and Share Transfer Books will remain closed from Thursday, 1st September, 2022 to Wednesday, 7th September, 2022 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31st March, 2022 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 dividend to shareholders and/or retaining profits earned by the Company. The policy aims to protect the interest 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 on <https://www.pokarna.com/wp-content/uploads/2021/12/DividendDistributionPolicy.pdf>

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 2021-22. 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- 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;

- 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;
- they have prepared the annual accounts on a going concern basis;
- 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
- 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

Consolidated Financial Statements presented by the Company include the financial information of Pokarna Engineered Stone Limited ("PESL"), the wholly owned subsidiary company and Pokarna Foundation ("PF"), Subsidiary. There has been no material change in the nature of the business of PESL. As per the requirement of 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 financial statements of the Company. The Audited Accounts of PES and PF will be available on the website of the Company - <https://www.pokarna.com/aggm/>.

Reflecting the impact of Covid-19, during the financial year under review, PESL registered revenue of Rs. 58299.86 lakhs as against Rs. 22252.97 Lakhs in the previous year, thereby registering an increase of 162%. EBITDA for the year under review was Rs. 16373.92 Lakhs as against Rs. 7257.54 Lakhs in the previous year, representing an increase of 126%. The Comprehensive Income for the year under review was Rs. 7866.96 Lakhs as against Rs. 2867.73 Lakhs in the previous year, representing an increase of 174%.

PESL was selected by the U.S. Department of Commerce ("USDOC") as a "mandatory respondent" to first annual review of Antidumping duty ("ADD") on the imports of quartz surface products from India and as a result, PESL has received unique company specific rates. Current cash deposit rates are as follows:

Subsidy Rate	Dumping Rate
CVD	ADD
2.34%	0.33%

During the year under review, the Company has incorporated Pokarna Foundation as subsidiary on 22nd September, 2021 under the provisions of Section 8 of the Companies Act, 2013. The Company does not have Joint Venture Companies. Further,

the Company's policy on determining the material subsidiaries, as approved by the Board is uploaded on the website of the Company - <https://www.pokarna.com/wp-content/uploads/2014/07/Material-Subsidiary-Policy.pdf>

Corporate Governance

The Directors reaffirm their commitment to good corporate governance practices. During the year under review, the Company was in compliance with the provisions relating to corporate governance as provided 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 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 2021-22 with regard to the financial statements and other matters. The said certificate forms part of the report on Corporate Governance.

Management Discussion & Analysis Report

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

Business Responsibility Report

The Business Responsibility Report (BRR) of your Company for the financial year 2021-2022 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 and the same has been posted on the website of the Company - https://www.pokarna.com/wp-content/uploads/2021/07/CSR_Policy.pdf. The Annual Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure-I, which forms part of this Report. However, during the year under review, the provisions of Corporate Social Responsibility were not applicable to the Company in pursuance to Section 135(1) of the Companies Act, 2013.

The Company believes in taking large projects and not spending small sums on various projects. Also, spending in one year without considering financial and operational challenges will not lead to desirable outcome and therefore, Company has reserved part of the amount required to be spent for ongoing projects under CSR obligation.

Board of 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 on 31st March, 2022, 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.

Retirement by rotation and subsequent re-appointment.

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mrs. Apurva Jain (DIN: 06933924), Whole-time Director designated as Executive Director of the Company, retires by rotation at this Annual General Meeting of the Company and being eligible, has offered herself for re-appointment. Brief details of Mrs. Apurva Jain are given in the notice of this annual general meeting.

Resignation of Independent Director.

During the year under review Mr. Thati Venkataswamy Chowdary (DIN: 00010435) has resigned from the office of Independent Director of the Company also Chairman/Members of respective committees of the Company with effect from 28th January, 2022, due to declining health on the account of old age and was unable to discharge his Duties as Independent Director of the Company.

There was no other change in the Directors and Key Managerial Personnel during the year under review since the last report.

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act read with Regulation 16(1)(b) 'the Listing Regulations'. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

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 Mrs. Babita Chandrakar 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 performance and role of the Board / Committees were also discussed at the Board Meeting.

Committees of The Board

Audit Committee

The Audit Committee comprises of Mr. Meka Yugandhar, Mr. Vinayak Rao Juvvadi and Mr. Mahender Chand, all Independent Directors. Further, details relating to the Audit Committee are provided in the Corporate Governance Report forming part of this Annual Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee("NRC") comprises of Mr. Meka Yugandhar, Mr. Vinayak Rao Juvvadi, Mr. Mahender Chand (appointed as Chairperson on 21.05.2022) and Mr. Prakash Chand Jain Further, details relating to the NRC are provided in the Corporate Governance Report forming part of this Annual Report.

Stakeholder Relationship Committee

The Stakeholder Relationship Committee ("SRC") comprises of Mr. Meka Yugandhar, Mr. Mahender Chand (appointed as Chairperson on 28.01.2022), Independent Directors and Mr. Rahul Jain, Managing Director. Further, details relating to the SRC are provided in the Corporate Governance Report forming part of this Annual Report.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee ("CSRC") comprises of Mr. Meka Yugandhar, Mr. Vinayak Rao Juvvadi, Dr. Jayshree Rajesh Sanghani, Independent Directors, Mr. Gautam Chand Jain, Chairman and Managing Director and Mrs. Apurva Jain, Executive Director. Further, details relating to the CSRC are provided in the Corporate Governance Report forming part of this Annual Report.

Risk Management Committee

Pursuant to Regulation 21 of SEBI (Listing Obligation and Disclosure Requirement) (Second Amendment) Regulation, 2021, the Company constituted Risk Management Committee comprising of Mr. Mahender Chand, Mr. Vinayak Rao Juvvadi, Independent Directors and Mr. Rahul Jain, Managing Director of the Company.

Risk Management Policy

Risk management is integral to your Company's strategy and for the achievement of our long-term goals. The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits. The Company has framed and put in place a Risk Management policy to mitigate the risks, both internal and external, which the Company is exposed to.

Our success as an organization depends on our ability to identify and leverage the opportunities while managing the risks. The COVID-19 pandemic this year has posed several unprecedented challenges in the form of uncertain lockdowns, unlock phases, health hazards and supply chain disruptions across the globe. The Company endeavors to continually sharpen its Risk Management systems and processes in line with a rapidly changing business environment.

Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with the Corporate Policies. The Company manages, monitors and reports on the principal risks and uncertainties that can impact the ability to achieve the objectives. This is an ongoing process to track the evaluation of risks and delivery of mitigating action plans.

There are no risks which in the opinion of the Board threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report.

Related Party Transactions

All related party transactions (RPTs) which were entered into by the Company during the year under review, were on arms' length basis and in the ordinary course of business, did not attract provisions of section 188 of the Act and were also not material RPTs as per regulation 23 of the SEBI Listing Regulations.

All RPTs during FY2022 were entered into with the approval of the audit committee. On a quarterly basis, details of such transactions were placed before the audit committee for noting/review. Disclosures relating to related party transactions on a half-yearly basis are filed with the stock exchanges. There were no material transactions entered into with related parties, during the period under review, which may have had any potential conflict with the interests of the Company.

The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company – www.pokarna.com

Your attention is drawn to the Related Party disclosures set out in Note no. 33, of the Standalone Financial Statements.

Internal Financial Controls

The Company has set up a proper and adequate system of internal control to ensure protection of assets against disposition or loss on account of unauthorized use and that all transactions are approved, recorded and rightly reported. Also, the system has been designed to ensure that financial and other records are accurate for preparing financial information and other data, and for maintaining accountability for assets and liabilities. The control system is also equally aided by rigorous internal audit, guidelines and procedures.

The Company's internal financial control system comprises in-house Internal Audit Division, supplemented by internal audit

checks from M. Murali Jaganmohan, Chartered Accountant, the Internal Auditor. The Company's system of internal audit includes: covering quarterly verification of inventory, a monthly review of accounts and a quarterly review of critical business processes. The Internal Auditors also concurrently audit the majority of the transactions in value term.

Based on the information provided, nothing has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred 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 its internal financial controls.

There are inherent limitations to the effectiveness of any system of disclosure, controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their objectives. Moreover, in the design and evaluation of the Company's disclosure controls and procedures, the management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Statutory Auditors

The Members at the 27th Annual General Meeting of the Company held on 14th September, 2018 had appointed M/s. K.C. Bhattacharjee & Paul, Chartered Accountants (Firm Registration No. 303026E) as the Statutory Auditor of the Company to hold office for a term of four years i.e., from the conclusion of the 27th Annual General Meeting until the conclusion of 31st Annual General Meeting of the Company. The Board has recommended the Appointment of M/s. S. Daga & Co, Chartered Accountant as the Statutory Auditor of the Company in their place, for term of five (5) consecutive years, from the Conclusion of 31st Annual General Meeting till the Conclusion of 36th Annual General Meeting, for approval of the shareholders based on the recommendation of Audit Committee.

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 is maintaining the cost records as per the provisions of the Companies Act, 2013.

Secretarial Auditors

During the year, Secretarial Audit was carried out by Mr. K.V. Chalama Reddy Practicing Company Secretary, the Secretarial Auditor of the Company for the financial year 2021-22. The detailed report on the Secretarial Audit is appended as an Annexure II to this Report. The Secretarial Audit Report does not contains any qualifications, reservations, observation or adverse remark.

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

Auditor's Report does not contain any qualification, reservation or adverse remark. With regard to observation on non-payment of advance tax for the financial year 2021-22, Company shall pay the same on or before the due date of filing of return of income, pursuant to section 139 of Income Tax Act, 1961.

Disclosures

Vigil Mechanism / Whistleblower Policy

Your Company has established a robust Vigil Mechanism for reporting of 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. The details of the Vigil Mechanism is also provided in the Corporate Governance Report and the Whistleblower Policy has been uploaded on the website of the Company <https://www.pokarna.com/wp-content/uploads/2021/05/Whistle-Blower-Policy.pdf>.

Meetings of the Board

The Board of Directors of your Company met Five (5) times during the year to deliberate on various matters. The meetings were held on 26th April, 2021, 21st June, 2021, 09th August, 2021, 01st November, 2021 and 28th January, 2022. 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 provisions of the Section 186 of the Companies Act, 2013. For details of corporate guarantee provided by the Company, to the lenders of Pokarna Engineered Stone Limited (wholly owned subsidiary), please refer to Note No. 40 to the Financial Statements.

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, 2022 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 website of the Company at <https://www.pokarna.com/agm/>.

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 2021-22, 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 future.

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this Report.

Particulars of Employees

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

Prevention of Sexual Harassment at Workplace

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

Compliance of Secretarial Standards

During the financial year 2021-22, your Company has complied with the relevant provisions of Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

Reporting of Frauds

There was no instance of fraud during the year under review, which 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 continues to stand at Rs. 620.08 Lakhs as on 31st March, 2022. During the year, the Company has not issued any shares or shares with differential voting rights or convertible securities. Also, the Company does not have any Scheme for issue of shares including sweat equity to the employees or Directors of the Company.

Revision in Financial Statements

There has been no revision in the financial statements.

Nature of Business

There has been no change in the nature of business of the Company.

Deposits

During the year under review, the Company has not accepted or renewed any amount falling within the purview of 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 which 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; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

Human Resources

The company considers its human resources as the key to achieve its objectives. Keeping in view, your company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels

them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the company's vision. The company appreciates the spirit of its dedicated employees.

Green initiative in corporate governance

The Ministry of Corporate Affairs (MCA) has taken a green initiative in corporate governance by allowing paperless compliance by the companies and permitted the service of annual reports and documents to the shareholders through electronic mode subject to certain conditions and the company continues to send annual report and other communications in electronic mode to the members having email addresses and for the members who have not registered their email addresses, physical copies are sent through the permitted mode.

We encourage shareholders to receive their copy of the annual report through electronic mode. This will also contribute to saving costs and reduce our use of natural resources.

Appreciation

Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment – our people have been key to our successful navigation of the challenges we have faced this year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

By the order of the board
For Pokarna Limited

Date: 21.05.2022
Place: Secunderabad

Gautam Chand Jain
Chairman & Managing Director
DIN: 00004475

Annexure - I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22

1. Brief outline on CSR Policy of the Company:

We focus on our social and environmental responsibilities to fulfill the needs and expectations of the communities around us. Our Corporate Social Responsibility ("CSR") is not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability-related initiatives. Our CSR Policy aims to provide a dedicated approach to community development in the areas of improving healthcare and sanitation, supporting education and skill and knowledge enhancement, rural development, and contribute to the sustainable development of society and environment, and to make our planet a better place for future generations.

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 Three independent directors, the Managing Director and the Executive Director as at the end of Financial Year 2022.

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	3	3
2	Gautam Chand Jain	Managing Director, Member of the CSR Committee	3	3
3	Vinayak Rao Juvvadi	Independent Director, Member of CSR Committee	3	3
4	Dr. Jayshree Rajesh Sanghani	Independent Director, Member of CSR Committee	3	2
5	Apurva Jain	Whole Time Director, Member of the CSR Committee	3	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/2021/04/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/2016/04/CSR-Policy.pdf>
- The Board, based on the recommendation of the CSR committee, at its meeting held on May 21, 2022, has approved the annual action plan / projects for fiscal 2023, the details of which are available on our website, at

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 -

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

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

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

(b) Details of CSR amount spent against ongoing projects for the financial year:

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

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount Spent for the Project (in Rs.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation Through Implementing Agency	
				State.	District.			Name	CSR Registration number.
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 Rs.)
(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 Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
Nil							

(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.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project – Completed / Ongoing.
					NIL			
TOTAL								

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). --- NIL ----

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Not Applicable

For Pokarna LimitedDate: 21st May, 2022
Place: SecunderabadSd/-
Meka Yugandhar
Chairman of CSR Committee
DIN: 00012265Sd/-
Gautam Chand Jain
Chairman & Managing Director
DIN: 00004775

Annexure - II

FORM NO. MR -3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(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 (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.
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, 2022 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, 2022 ("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 and ; 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.,

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 atleast 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.

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

K. V. Chalama Reddy

Practising Company Secretary

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

UDIN: F009268D000359013

PR No.: 543/2017

Date: 21.05.2022

Place: Hyderabad

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 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.

Date: 21.05.2022
Place: Hyderabad

K. V. Chalama Reddy
Practising Company Secretary
F C S: 9268, C.P No: 5451
UDIN: F009268D000359013
PR No.: 543/2017

Secretarial Audit report of Material Subsidiary

FORM NO. MR-3

(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 (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, 2022 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, 2022 ("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.

K. V. Chalama Reddy
Practising Company Secretary

Date: 21.05.2022
Place: Hyderabad

F C S: 9268, C.P No: 5451
UDIN: F009268D000359090

PR No.: 543/2017

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.

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.

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.

I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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.

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.

Date: 21.05.2022
Place: Hyderabad

K. V. Chalama Reddy
Practising Company Secretary
F C S: 9268, C.P No: 5451
UDIN: F009268D000359090
PR No.: 543/2017

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 Rs.3705.61 Lakhs and expenditure was Rs.118.82Lakhs.

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 2021-22, are as under:

Sl no.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2021-22 (Rs. in Lakhs)	% Increase in Remuneration in the Financial Year 2021-22	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	Nil	78.95
c)	Apurva Jain, Executive Director	24	Nil	15.79
d)	Prakash Chand Jain, Director	--	Nil	--
e)	Meka Yugandhar, Director	--	Nil	--
f)	Vinayak Rao Juvvadi, Director	--	Nil	--
g)	Thati Venkataswamy Chowdary, Director *	--	Nil	--
h)	Mahender Chand, Director	--	Nil	--
i)	Viswantha Reddy, Chief Financial Officer	69.15	Nil	45.49
j)	Babita Chandrakar, Company Secretary	8.34	Nil	5.49

*Resigned from the office of Independent Director with effect from 28th January, 2022

Note: Independent Directors were paid sitting fees for attending the Meetings of Board and Committees.

- (ii) The median remuneration of employees of the Company during the financial year was Rs. 1.52 Lakhs.
- (iii) In the financial year, there was a decrease of 32 % in the median remuneration of employees.
- (iv) There were 364 permanent employees on the rolls of Company as on 31st March, 2022.
- (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.

Business Responsibility Report

This section is as per Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L14102TG1991PLC013299
2.	Name of the Company	Pokarna Limited
3.	Registered address	105, Surya Towers, S.P Road, Secunderabad-500003
4.	Website	www.pokarna.limited
5.	E-mail ID	companysecretary@pokarna.com
6.	Financial Year reported	April 2021 to March 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<ol style="list-style-type: none"> 1. Processing and sale of granite slabs: NIC digit code 23960 2. Mining and sale of granite blocks: NIC digit code 08102 3. Manufacturing and retail of apparels : NIC digit code 1410
8.	List three key products/services that the Company manufactures/provides	The Company is in to Processing and sale of granite slabs
9.	Total number of locations where business activity is undertaken by the Company	National:
	(a) Number of International Locations (Provide details of major 5)	1. Corporate & Head Office : Pokarna Limited 105,Surya Towers,S.P Road, Secunderabad-500003, Telangana, India
	(b) Number of National Locations	2. Manufacturing & Production Facility: 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. Apparel Manufacturing Facility: SurveyNo:33,39,50,51,55,68 & 69, Apparels Export Park, Gundla, Pochampally Village, Medchal Mandal, R.R. District, Telangana State.
10.	Markets served by the Company – Local/State/ National/International	All over India & International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	Rs. 620.08/- Lakhs
2.	Total Turnover	Rs. 6970.29/- Lakhs
3.	Total profit after taxes	Rs. 8.39/- Lakhs
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0%
5.	List of activities in which expenditure in 4 above has been incurred:-	NA

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR****(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:**

1. DIN : 00004775
2. Name : Mr. Gautam Chand Jain
3. Designation : Chairman and Managing Director

(b) Details of the BR head:

No.	Particulars	Details
1.	DIN Number (if applicable)	00004775
2.	Name	Mr. Gautam Chand Jain
3.	Designation	Chairman and Managing Director
4.	Telephone number	+91 40 27897722
5.	e-mail id	companysecretary@pokarna.com

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as follows:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (P1).

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (P2).

Principle 3: Businesses should promote the wellbeing of all employees (P3).

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (P4).

Principle 5: Businesses should respect and promote human rights (P5).

Principle 6: Businesses should respect, protect and make efforts to restore the environment (P6).

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (P7).

Principle 8: Businesses should support inclusive growth and equitable development (P8).

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner (P9).

(a) Details of compliance (Reply in Y/N)

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for principles stated above	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
6.	Indicate the link for the policy to be viewed online?	www.pokarna.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a Grievance Redressal Mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

*Policies conform to applicable laws and the national standards. Implementation of the Policies lies with the respective functional Heads and reviewed by the Management.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: Not Applicable

S. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the Policies on specified principles.	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year: Annually

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company published its BR report for the first time for the financial year ended on March 31, 2021 and which is part of the Annual Report of the Company. The report is published on annual basis and can be viewed on the website of the Company i.e. www.pokarna.com.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1. Does the policy relating to ethics, bribery and corruption cover only the company? No

Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others? Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

We have not received any significant complaints from stakeholders in the last financial year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities: Not Applicable
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

The Company monitors consumption of resources such as Energy, Water, Raw materials, etc. with reasonable targets to reduce their consumption.

- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has always believed in localized procurements and development of immediate vicinity. All resources which can be locally procured are given priority so that an equitable opportunity for sustainable development is given to the local community.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- a) If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Yes, the Company has a continued focus on buying from local suppliers, geographically nearest to the Company's manufacturing facility and do take steps in improving their capacity and capability as per the business requirement.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so. No. The Company does not have any mechanism to recycle the products and waste. All the wastes are being sold as scrap.

Principle 3: Businesses should promote the wellbeing of all employees:

1. Please indicate the total number of employees: 466 as on March 31, 2022.
2. Please indicate the total number of employees hired on temporary/contractual/casual basis: 102 as on March 31, 2022.
3. Please indicate the number of permanent women employees: 66 as on March 31, 2022
4. Please indicate the number of permanent employees with disabilities: 0 as on March 31, 2022
5. Do you have an employee association that is recognized by management? Pokarna does not have any employee association or a trade union of workers.
6. What percentages of your permanent employees are members of this recognized employee association? Not Applicable.
7. Please indicate the number of complaints relating to Child Labour, Forced Labour, Involuntary Labour and Sexual Harassment in the last financial year and pending, as on the end of the financial year. NIL The company has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (India) and the Rules thereunder.

During the financial year ended 31st March 2022, the Company has not received any complaints pertaining to Sexual Harassment. The Company has also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

There have been no complaints in other areas.
8. What percentages of your under-mentioned employees were given safety & skill up-gradation training in the last year?

All permanent employees and contract labor of manpower contractor undergo safety training. Development opportunities for our employees are customized as per their functional needs. We have in-house skill enhancement programs and externally supported skill up-gradation programs for employees. All employees attend our Health & Safety training programmes.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1. Has the Company mapped its internal and external stakeholders? Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so

Yes, as a part of the CSR activities, the Company is engaged in diverse CSR activities to create a positive social impact by helping the disadvantaged, vulnerable and marginalized stakeholders. The activities are primarily focused on education, health, community development & environment.

Principle 5: Businesses should respect and promote human rights:

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The principles stated in our code and policies which include respect for human rights and dignity of all stakeholders, extend to the group, joint venture, suppliers and all those who work with us.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

We have not received any stakeholder complaints pertaining to this principle, during the financial year.

Principle 6: Businesses should respect, protect and make efforts to restore the environment:

1. Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others: Applicable only to the Company.
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc. No
3. Does the Company identify and assess potential environmental risks? Y/N. Yes.
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed? Not Applicable.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes. Please refer Annexure III - Statement of particulars of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, forming part of the Directors Report in this Annual Report.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? Yes.
7. Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year. There were no show cause/ legal notices received from CPCB/SPCB in the reporting year.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner:

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Export Promotion Council for EOUs and SEZs (EPCES)
- (b) Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI)
- (c) Indo American Chamber of Commerce (IACC)
- (d) Confederation of Indian Industry (CII)

2. Have you advocated/lobbied through the above associations for the advancement or improvement of public good? Yes/ No: No

Principle 8: Businesses should support inclusive growth and equitable development:

1. Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company as part of its corporate social responsibility involved in several programmes and projects that creates a better country for the future generations. The details of several programmes undertaken by the Company are given in 'Annexure I' of the Directors Report, which forms part of the Annual Report.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

The aforesaid projects have been carried out by the Company directly and in consultation with other organizations.

3. Have you done any impact assessment of your initiative? Yes.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken? During the year company has not spend any amount under CSR activity.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes the company's CSR initiatives are rolled out directly or in partnership with nonprofit organisations. This helps in increasing reach as well as ensuring the adoption of initiative by communities. Project teams track the reach and take necessary steps to make it successful.

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

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year? NIL.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information): N.A.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. No.

4. Did your Company carry out any consumer survey/consumer satisfaction trends? Yes, customer feedback is taken and evaluated periodically.

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, 2022, 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:** Five (5) 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	26th April, 2021	9	9
2	21st June, 2021	9	9
3	09th August, 2021	9	7
4	01st November, 2021	9	8
5.	28th January, 2022	9	9

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:

Name of Director and Designation	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, 2022*	Committee**	
					Member	Chairman
Gautam Chand Jain Chairman & Managing Director	Executive & Promoter	5	Yes	1	-	-
Rahul Jain Managing Director	Executive & Promoter	3	No	1	1	-
Apurva Jain Executive Director	Executive & Promoter	4	Yes	1	-	-

Name of Director and Designation	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, 2022*	Committee**	
					Member	Chairman
Prakash Chand Jain Director	Non-Executive & Promoter	5	Yes	1	-	-
Meka Yugandhar Director	Non-Executive & Independent	5	Yes	3	4	2
Thati Venkataswamy Chowdary Director#	Non-Executive & Independent	5	Yes	Not applicable	Not applicable	Not applicable
Vinayak Rao Juvvadi Director	Non-Executive & Independent	5	Yes	1	2	-
Mahender Chand Director	Non-Executive & Independent	4	Yes	1	2	-
Jayshree Rajesh Sanghani Director	Non-Executive & Independent	5	-	1	-	-

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

** Committees considered are Audit Committee and Stakeholders' Relationship Committee, including that of your Company. Committee Membership(s) includes Chairmanship(s).

#Resigned with effect from 28th January, 2022

- (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, 2022:**

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 and Committee Meetings.

- (g) **Independent Directors Meeting**

Meeting of the Independent Directors, chaired by Mr. Meka Yugandhar, was held on 24th March, 2022 which was attended by all the Independent Directors. 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/>

- (h) **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.

(i) 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 Chand Jain	Rahul Jain	Apurva Jain	Prakash Chand Jain	Meka Yugandhar	Vinayak Rao Juvvadi	Mahender Chand	Jayshree Rajesh Sanghani
Understanding about the Business	Understanding about the dynamics of the Stone and Apparel Industries	✓	✓	✓	✓	✓	✓	✓	✓
Research and Development	Understanding about the technology in the industry and focusing on nextgen technologies in relevant industries	✓							
Marketing and Strategy	Understanding about the marketing model and strategy planning for tapping untapped markets and exploring further opportunities in the existing markets.	✓	✓						
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.	✓	✓	✓	✓	✓	✓	✓	✓
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.	✓	✓	✓	✓	✓	✓	✓	✓
Corporate Governance	Experience in implementation of the statutory laws, rules, regulations etc., effective implementation and ensuring proper corporate governance.	✓	✓	✓	✓	✓	✓	✓	✓

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.

B. Audit Committee

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

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- reviewing and examining with management the quarterly and annual financial results before submission to the Board;

- recommending the appointment, remuneration and terms of appointment of Statutory Auditors / Internal Auditor of the Company;
- 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;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- scrutiny of inter-corporate loans and investments made by the Company;
- evaluating internal financial controls and risk management systems;
- review the functioning of the Whistle-blower Mechanism; and
- reviewing the information required as per SEBI Listing Regulation

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, 2022 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	5
Thati Venkataswamy Chowdary*	Member	Non-Executive Independent	5
Vinayak Rao Juvvadi	Member	Non-Executive Independent	5
Mahender Chand	Member	Non-Executive Independent	4

*Resigned with effect from 28th January, 2022

Five (5) Audit Committee Meetings were held during the year. The dates on which the meetings were held are 26th April, 2021, 21st June, 2021, 9th August, 2021, 1st November, 2021 and 28th January, 2022. 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. Cost Auditors are invited to the meeting as and when required. The Chairman of the Audit Committee, Meka Yugandhar, was present at the Annual General Meeting of the Company held on 6th August, 2021.

C. Nomination and Remuneration Committee

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

- Devise a policy on the diversity of Board of Directors;
- recommend to the Board the appointment or reappointment of directors;

Name	Designation	Category of Directorship	Attendance
Meka Yugandhar	Member	Non-Executive Independent	2
Thati Venkataswamy Chowdary*	Chairman	Non-Executive Independent	2
Mahender Chand**	Chairman	Non-Executive Independent	0
Prakash Chand Jain	Member	Non-Executive Director	2
Vinayak Rao Juvvadi	Member	Non-Executive Independent	2

*Resigned with effect from 28th January, 2022

**Appointed as Chairman of the Committee with effect from 21st May, 2022

Two (2) Nomination and Remuneration Committee were held during the year. The dates on which the meeting was held is 26th April, 2021 and 21st June, 2021. 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 2021-2022. No sitting fees were paid to Mr. Gautam Chand Jain for attending meetings of the Board during the financial year 2021-22. 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 Committee, Mr. Gautam Chand Jain was re-appointed as the Managing Director of PESL for a period of 5 years effective from 7th November, 2021 subject to shareholders approval in the ensuing general meeting of PESL. Mr. Gautam Chand Jain draws remuneration from PESL. The details of remuneration drawn by Mr. Gautam Chand Jain from PESL during FY 2021-2022 is as below:

	Amount
Salary	1,44,00,000
Perquisite	15,75,958
Commission	3,93,79,100
Total	5,53,55,058

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 2021-2022 is as below:

	Amount (in lakhs)	
Particulars	Rahul Jain	Apurva Jain
Salary	120	24
Perquisite	-	-
Commission	-	-
Total	120	24

No sitting fees were paid to Mr. Rahul Jain and Mrs. Apurva Jain for attending meetings of the Board during the financial year 2021-22. 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	Commission
		Paid for FY 2021-2022 (Rs. in Lakhs)
Meka Yugandhar	5	7.11
Thati Venkataswamy Chowdary*	5	7.11
Vinayak Rao Juvvadi	5	7.11
Mahender Chand	4	6.61
Prakash Chand Jain	5	7.11
Jayshree Rajesh Sanghani	5	7.11

*Resigned with effect from 28th January, 2022

E. Stakeholders' Relationship Committee

- (a) **Terms of Reference:** The terms of reference of the Stakeholders' Relationship Committee inter alia, includes:
- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters;
 - consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc; and
 - 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, 2022 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
Thati Venkataswamy Chowdary*	Chairman	Non-Executive Independent	2
Meka Yugandhar	Member	Non-Executive Independent	2
Rahul Jain	Member	Managing Director	1
Mahender Chand**	Chairman	Non-Executive Independent	-

*Resigned with effect from 28th January, 2022

**Appointed as Chairman of the Committee with effect from 28th January, 2022

Two (2) Stake Holders Relationship Committee were held during the year. The dates on which the meetings were held are 26th April, 2021 and 09th August, 2021. The Company Secretary is the Secretary of the Committee.

- (c) Name, designation and address of the Compliance Officer: Ms. Babita Chandrakar, Company Secretary, 105, 1st Floor, Surya Tower, Sardar Patel Road, Hyderabad - 500003. Phone: 040-27842121. Email ID: companysecretary@pokarna.com. 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. 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, 2022 consisted of Five (5) Directors of which Four (4) 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	3
Gautam Chand Jain	Member	Chairman & Managing Director	3
Vinayak Rao Juvvadi	Member	Non-Executive Independent	3
Dr. Jayshree Rajesh Sanghani	Member	Non-Executive Independent	2
Mrs. Apurva Jain	Member	Executive Director	1

Three (3) Corporate Social Responsibility Committee were held during the year. The date on which the meetings was held is 26th April, 2021, 21st June, 2021 and 28th January, 2022. The details of the Corporate Social Responsibility activities of the Company as per the Corporate Social Responsibility Policy are provided as Annexure -I to the Directors Report.

G. Loan Committee

- (a) Terms of Reference: The terms of reference of the Loan Committee inter alia, includes:
- approving borrowings by the Company within the limit specified.

Composition: The Loan Committee as at the end of the year 31st March, 2021 consisted of Three (3) Directors of which One (1) were Independent Directors. Details of the Members are as follows:

Name	Designation	Category of Directorship
Meka Yugandhar	Chairman	Non-Executive Independent
Gautam Chand Jain	Member	Executive-Promoter
Prakash Chand Jain	Member	Non-Executive Promoter Director

H. Risk Management Committee: Risk Management Committee as required under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was constituted on June 21, 2021 with following members:

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

I. Subsidiary Company

In terms of Regulation 16(1)(c) of the Listing Regulations, PESL is material subsidiary of the Company as on 31st March, 2022. During the year under review, the Company has incorporated Pokarna Foundation ("PF") as subsidiary on 22nd September, 2021 under the provisions of Section 8 of the Companies Act, 2013. The Company doesn't have any other associate. The Policy on Material Subsidiary is available on the website of the Company at <https://www.pokarna.com/wp-content/uploads/2014/07/Material-Subsidiary-Policy.pdf>. All the Independent Directors of the Company are also Independent Directors on the Board of PESL as on 31st March, 2022.

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 them. The Minutes of the Board Meetings, along with a report of the significant transactions and arrangements of subsidiaries 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
14th September, 2019	Hotel Vivanta by Taj, 1-10-147 & 148, Opp: Hyderabad Public School, Begumpet, Hyderabad, Telangana, India – 500016	10.30 a.m.	No	Nil
29th September, 2020	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)	11:00 AM	Yes	Remuneration to Promoter Group as Per Reg. 17(6)(e) of Listing Regulation
06th August, 2021	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM)	11:00 AM	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

(b) Postal Ballot: During the year, the Company did not pass any special resolution through postal ballot. The details of the previous postal ballots are available on the website, at <https://www.pokarna.com/postal-ballot/>

are also published in Business Standard and Nava Telangana newspapers and posted on the Company's website at www.pokarna.com. The official media releases and presentations made to Institutional Investors/Analysts are submitted to the BSE and NSE.

K. Means of Communication:

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

Details of Corporate Policies:

Particulars	Website Links
Composition of the Board of Directors	https://www.pokarna.com/wp-content/uploads/2022/07/Composition_of_Board_committees.pdf

Particulars	Website Links
Terms and conditions of appointment of Independent Directors	https://www.pokarna.com/wp-content/uploads/2022/07/Composition_of_Board_committees.pdf
Familiarisation programme for Independent Directors	https://www.pokarna.com/familiarization-programme-of-independent-directors/
Nomination and Remuneration Policy	https://www.pokarna.com/wp-content/uploads/2016/04/NRC-Policy.pdf
Code of conduct for Directors and Senior Management	https://www.pokarna.com/wp-content/uploads/2021/05/CodeofConduct.pdf
Criteria for making payments to Non-Executive Directors	https://www.pokarna.com/criteria-for-making-payments-to-non-executive-directors/
Corporate Social Responsibility Policy	https://www.pokarna.com/wp-content/uploads/2021/07/CSR-Policy.pdf
Policy on Related Party Transactions	https://www.pokarna.com/wp-content/uploads/2016/04/RPT-policy.pdf
Policy for determining material subsidiaries	https://www.pokarna.com/wp-content/uploads/2014/07/Material-Subsidiary-Policy.pdf
Policy on determining materiality for disclosure	https://www.pokarna.com/wp-content/uploads/2021/05/Whistle-Blower-Policy.pdf
Whistle Blower Policy	https://www.pokarna.com/wp-content/uploads/2021/05/Whistle-Blower-Policy.pdf
Archival Policy	https://www.pokarna.com/wp-content/uploads/2016/04/Archival-Policy.pdf
Policy on preservation of documents	https://www.pokarna.com/wp-content/uploads/2016/04/Policy-on-Preservation-of-Documents-Version-1.pdf
Quarterly Shareholding Pattern	https://www.pokarna.com/shareholding-pattern/
Quarterly Corporate Governance Report	https://www.pokarna.com/corporate-governance/

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 First (31st) Annual General Meeting (AGM):

Date: Wednesday, 7th September, 2022.

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: April to March

(iii) **Dividend Payment Date:** The final dividend, if declared by the shareholders at the Thirty First (31st) AGM scheduled on 7th September, 2022 will be paid within 30 days on and from 7th September, 2022.

(iv) **Closure of Register of Members:** The Register of Members of the Company shall remain closed from Thursday, 1st September, 2022 to Wednesday, 7th September, 2022 (both the days inclusive) for the purpose of dividend and AGM.

(v) Listing on Stock Exchanges and Stock Code:

BSE Ltd.	National Stock Exchange of India Ltd., Exchange
Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001	Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051
Phones: (022) 22721233/4, 91-22-66545695	Tel No: (022) 26598100 - 8114
Fax: (022) 22721919	Fax No: (022) 26598120
Scrip Code: 532486	Symbol "POKARNA"

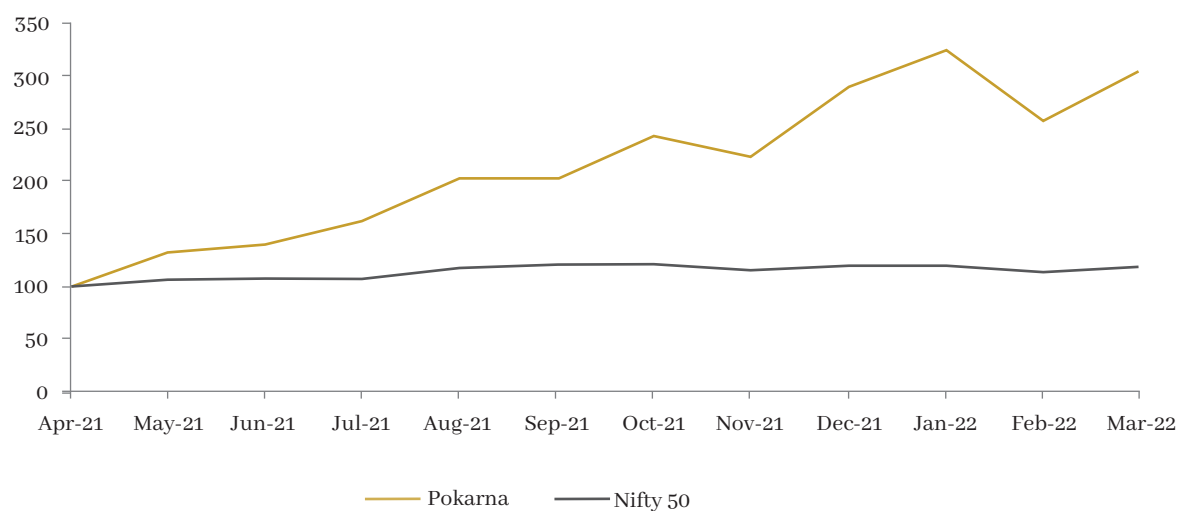
Listing fees for the year have been paid to both the above Stock Exchanges.

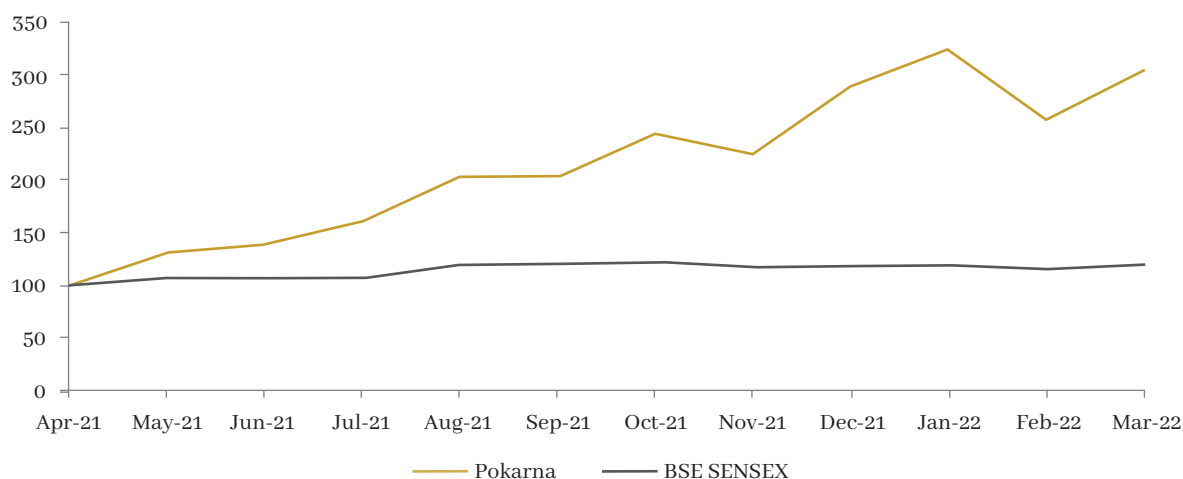
(vi) Market Price Data: High and Low during each month in the financial year 2021-22:

Month	BSE		NSE	
	High	Low	High	Low
Apr-21	272	217	273	215
May-21	364	231	364	241
Jun-21	414	315	417	316
Jul-21	411	332	413	333
Aug-21	518	380	519	380
Sep-21	565	457	532	456
Oct-21	607	471	608	483
Nov-21	680	506	680	504
Dec-21	749	534	747	536
Jan-22	832	659	841	658
Feb-22	815	586	816	585
Mar-22	788	594	788	594

(vii) Performance of the Company's equity shares (closing share price) in comparison to BSE Sensex and NSE Nifty during the financial year 2021-22:

Pokarna Limited's Share Price at the NSE versus the Sensex for the year 2021-22 is as follows:





(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 Limited (formerly known as Kfin Technologies 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

- (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 thereof 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, 2022:

Distribution Schedule As On 31/03/2022 (Total)					
Sno	Category	No. of Cases	% of Cases	Amount	% of Amount
1	1-5000	18380	96.70	5783558.00	9.33
2	5001- 10000	320	1.68	2313640.00	3.73
3	10001- 20000	144	0.76	2071042.00	3.34
4	20001- 30000	42	0.22	1043936.00	1.68
5	30001- 40000	33	0.17	1208122.00	1.95
6	40001- 50000	15	0.08	657596.00	1.06
7	50001- 100000	35	0.18	2420282.00	3.90
8	100001& Above	39	0.21	46509824.00	75.01
Total:		19008	100.00	62008000.00	100.00

Details of Shareholding Pattern as on 31st March, 2022:

Shareholding Pattern As On 31/03/2022 (Total)				
Sno	Category	No. of Cases	% of Cases	% of Amount
1	ALTERNATIVE INVESTMENT FUND	3	186406	0.60
2	CLEARING MEMBERS	52	38284	0.12
3	FOREIGN PORTFOLIO - CORP	12	742005	2.39
4	H U F	343	331324	1.07
5	I E P F	1	86565	0.28
6	BODIES CORPORATES	202	1384676	4.47
7	MUTUAL FUNDS	5	3166573	10.21
8	NON RESIDENT INDIANS	261	171773	0.55
9	NON RESIDENT INDIAN NON REPATRIABLE	153	93598	0.30
10	PROMOTERS	9	17567385	56.66
11	RESIDENT INDIVIDUALS	17950	7153861	23.07
12	TRANSIT	10	9545	0.03
13	TRUSTS	7	72005	0.23
Total		19008	31004000	100.00

(xiv) Dematerialisation of shares and Liquidity: 99.72 % of the shareholding has been dematerialized as on 31st March, 2022.

(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
 Website: www.pokarna.com
 CIN: L14102TG1991PLC013299

(xviii) Credit Rating: The Company's long-term credit rating by 'CRISIL' continued to be BBB+/Stable and short-term debt rating at A3. 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.

(b) Disclosure on Material Related Party Transactions: There were no materially significant related party transactions entered by the Company during financial year 2021-22. 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 No. 33 of the financial statements forming part of this Annual Report.

(c) Penalty or Strictures: The Company has Paid penalty of Rs.15,75,300 to the NSE on 17th January, 2022 for Delay/Non-Compliance in appointment of independent woman director as per Regulation 17(1) of SEBI (LODR) Regulations, 2015.

(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, 2022, the Company has foreign exchange receivable of Rs. 226.19 Lakhs and the foreign exchange payable as on 31st March, 2022 is Rs. 2110.45 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 practising company secretary confirming that as on 31st March, 2022, 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 Rs. 24.01 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 2021-22. 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, 2022. 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 2022. 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 Practising Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations forms part of this Annual Report.

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.

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.

Declaration:

I confirm that the Company has obtained the confirmation from all its Directors and Senior Management Personnel that they have complied with the provisions of the Code of Conduct for the financial year 2021-22.

Date: 21st May, 2022.

Place: Secunderabad

Gautam Chand Jain

Chairman & Managing Director

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. 2021-2022 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

Date: 21st May, 2022
Place: Secunderabad

Gautam Chand Jain
Chairman & Managing Director
DIN: 00004775

M. Viswanatha Reddy
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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, 2022.

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, 2022:

List of Directors of the Company as on 31st March, 2022:

S. No	DIN	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

*Mr. Thati Venkataswamy Chowdary has resigned from the office of Independent Director wef 28th January, 2022

K. V. Chalama Reddy

Practising Company Secretary

M.NO:F9268

CP.NO:5451

UDIN number: F009268D000358925

PR No.: 543/2017

Date: 21st May, 2022.

Place: Hyderabad

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of **Pokarna Limited.**

I 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, 2022. I 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, 2022.

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.

K. V. Chalama Reddy

Practising Company Secretary

M.NO:F9268

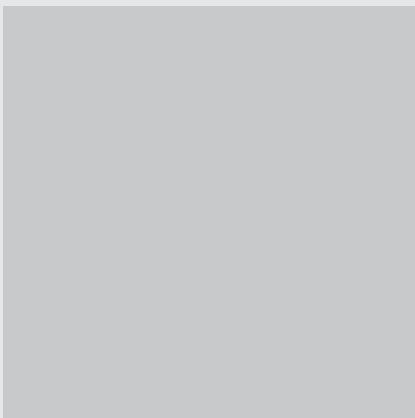
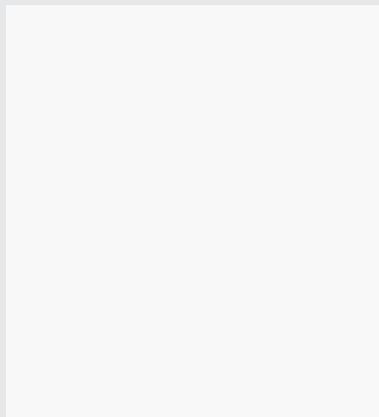
CP.NO:5451

UDIN number: F009268D000358947

PR No.:543/2017

Date: 21st May, 2022.

Place: Hyderabad



Financial
Statements

Independent Auditor's Report

To
The Members of
Pokarna Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited accompanying financial statements of Pokarna Limited ('the Company'), which comprise of the balance sheet as at March 31, 2022, the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereafter referred to as "the audited 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, 2022, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under

section 143(10) of the Companies Act, 2013. 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 together with the independent 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: <p>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.</p>	Principal Audit Procedures : <p>Our audit procedures included the following:</p> <p>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;</p> <p>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';</p> <p>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.</p> <p>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.</p>

S No.	Key Audit Matter	Auditors Response
2	<p>Inventory of raw material, Work in Progress and Finished Goods (Valuation) –</p> <p>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, 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.</p>	<p>With respect to the net realisable value :</p> <ul style="list-style-type: none"> obtained an understanding of the determination of the net realizable values of raw blocks, granites, cut slabs and assessed and tested the reasonableness of the significant judgements applied by the management; 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; 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; 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; 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; tested the appropriateness of the disclosure in the standalone financial statements in accordance with the applicable financial reporting framework.
3	<p>IT systems and controls over financial reporting</p> <p>We identified IT systems and controls over financial reporting as a key audit matter for the Company 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 Company's systems and data, cyber security has become more significant.</p> <p>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>

Information Other than the standalone financial statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the 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 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 Companies Act, 2013 ("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, total 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The 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 Companies Act, 2013, 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- 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 Ind AS Standalone financial statements – Refer Note.34;
 - 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, 2022.
 - 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 Companies Act 2013 to the extent it applies to payment of dividend. As stated in note.46 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. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For K.C. Bhattacharjee & Paul.,
Chartered Accountants
(ICAI FRN: 303026E)

(Manoj Kumar Bihani)
Partner

Place: Hyderabad
Date: 21.05.2022

Membership No. 234629
UDIN No. 22234629AKKSFT4921

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 and Intangible Assets –
 - (ai) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.
 - (aaii) 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 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 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
Total	28.44				

- (c) ii) In respect of immovable properties of Land and Building that have been taken on Lease and disclosed as Property, Plant and Equipment 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 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 made investments in, companies, firms, Limited Liability Partnerships, and has not granted unsecured loans to other parties, during the year, in respect of which:
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (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 overdues 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.

The Company has provided corporate guarantee to lenders for loan availed by wholly owned subsidiary, since released by the lenders during the current financial year. The Corporate Guarantee outstanding at the end of the year Rs. NIL (Prev. Year 250 crores). The Company has not granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

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 of Good and Service tax, provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess, professional tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable except advance income tax of Rs.28.68 lakhs (Prev. Year 26.07 lakhs).

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 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	Remarks if any Paid under dispute Rs.in lakhs
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 (148.89)	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	149.27 (151.12)	2000-01 to 2002-03 & 2005-06, 2017-18, 2018-19	High Court of Andhra Pradesh & Commissioner of Income Tax	Nil (1.85)
5	AP Vat Act, 2005 & Central Sales Tax Act, 1956	VAT & CST	266.05 (266.05)	2011-12, 2013-14, 2014-15 & 2017-18	Deputy Commissioner of Commercial Taxes	34.97 (34.97)
6	Goods & Service Tax	GST	37.74 (Nil)	2017	Dy Commissioner of GST	Nil
Total			925.31 (889.47)			58.03 (59.88)

(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.
- (c) We have taken in to 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 Act, 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.

For K.C. Bhattacharjee & Paul.,
Chartered Accountants
(ICAI FRN: 303026E)

(Manoj Kumar Bihani)
Partner
Membership No. 234629
UDIN No. 22234629AKKSFT4921

Place: Hyderabad
Date: 21.05.2022

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 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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.

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 over financial reporting.

Meaning of Internal Financial Controls over Standalone financial reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 over Standalone financial reporting

Because of the inherent limitations of internal financial controls over standalone financial reporting, including the possibility of collusion or improper management override of controls, material

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

Opinion

In our opinion, to best of our information and according to explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by

the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.C. Bhattacharjee & Paul,
Chartered Accountants
(ICAI FRN: 303026E)

(Manoj Kumar Bihani)

Partner

Place: Hyderabad

Date: 21.05.2022

Membership No. 234629

UDIN No. 22234629AKKSFT4921

Standalone Balance Sheet

as at March 31, 2022

		₹ In lakhs	
Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	7984.43	8668.21
(b) Capital work-in-progress		79.37	128.32
(c) Intangible assets	3	44.39	48.70
(d) Financial assets			
(i) Investments	4	6116.38	6115.88
(ii) Loans	5(A)	159.55	128.35
(iii) Other financial assets	6(A)	329.86	291.93
(e) Other non-current assets	7(A)	10.01	13.82
Total non-current assets		14723.99	15395.21
II Current assets			
(a) Inventories	8	3739.39	3403.23
(b) Financial assets			
(i) Trade receivables	9	770.92	1109.45
(ii) Cash and cash equivalents	10	319.77	285.98
(iii) Bank balances other than (ii) above	11	84.52	84.70
(iv) Loans	5(B)	304.53	372.95
(v) Other financial assets	6(B)	2.73	2.82
(c) Current tax assets	12	5.30	7.15
(d) Other current assets	7(B)	489.56	680.58
Total current assets		5716.72	5946.86
TOTAL ASSETS		20440.71	21342.07
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	13	620.08	620.08
(b) Other equity	14	12299.35	12397.20
Total equity		12919.43	13017.28
Liabilities			
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15(A)	1762.54	2012.21
(ii) Lease liabilities	16(A)	208.60	255.72
(b) Provisions	18(A)	335.85	375.70
(c) Deferred tax liabilities (net)	19	205.18	253.10
Total non-current liabilities		2512.17	2896.73
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15(B)	2723.78	2920.57
(ii) Lease liabilities	16(B)	92.71	96.65
(iii) Trade payables	20		
a) total outstanding dues of micro enterprises and small enterprises		0.91	20.40
b) total outstanding dues of creditors other than micro enterprises and small enterprises		580.91	628.91
IV Other financial liabilities	17	11.02	12.75
(b) Other current liabilities	21	1506.16	1675.98
(c) Provisions	18(B)	26.48	24.78
(d) Current tax liabilities (net)	22	67.14	48.02
Total current liabilities		5009.11	5428.06
TOTAL EQUITY AND LIABILITIES		20440.71	21342.07
Notes forming part of the financial statements	1 - 48		

In terms of our report attached

For and on behalf of Board of Directors

For **K.C.Bhattacharjee & Paul**
Chartered Accountants
(F.No.303026E)

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Meka Yugandhar
Director
(D.No: 00012265)

Manoj Kumar Bihani
Partner
Membership No. 234629

Rahul Jain
Managing Director
(D.No: 00576447)

Apurva Jain
Executive Director
(D.No: 06933924)

Place : Hyderabad
Date : 21st May, 2022

M Viswanatha Reddy
Chief Financial Officer

Babita Chandrakar
Company Secretary

Standalone Statement of Profit and Loss

for the Year ended March 31, 2022

₹ In lakhs

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
I Revenue from operations	23	6970.29	7693.41
II Other income	24	60.11	224.06
III Total income		7030.40	7917.47
IV Expenses:			
a) Cost of raw material consumed	25	648.89	568.96
b) Purchase of stock-in-trade		102.37	58.40
c) Changes in stock of finished goods, work-in-progress and stock-in-trade	26	(576.82)	54.14
d) Employee benefits expense	27	1683.68	1783.89
e) Depreciation and amortization expense	28	895.80	1013.65
f) Finance costs	29	381.87	462.27
g) Other expenses	30	3857.64	3883.04
Total expenses		6993.43	7824.35
V Profit before tax (III-IV)		36.97	93.12
VI Tax expense:	31		
a) Current tax		103.33	73.69
b) Deferred tax		(74.75)	(9.07)
Total tax expense		28.58	64.62
VII Profit after tax (V-VI)		8.39	28.50
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss		106.62	27.15
(ii) Income tax relating to items that will not be reclassified to profit or loss		(26.83)	(6.83)
Total other comprehensive income		79.79	20.32
IX Total comprehensive income for the year (VII+VIII)		88.18	48.82
X Earnings per share - Basic and Diluted (in ₹)	32	0.03	0.09
XI Nominal Value of share (in ₹)		2.00	2.00
Notes forming part of the financial statements	1 - 48		

In terms of our report attached

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(D.No: 06933924)

Place : Hyderabad
Date : 21st May, 2022

M Viswanatha Reddy
Chief Financial Officer

Babita Chandrakar
Company Secretary

Standalone Statement of Changes in Equity

for the Year ended 31st March, 2022

A) Equity Share Capital

					₹ In lakhs
Particulars	Balance as at 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April 2021	Changes in equity share capital during the year	Balance as at 31st March 2022
Equity shares of ₹ 2/- each issued,Subscribed and fully paidup	620.08	-	620.08	-	620.08

					₹ In lakhs
Particulars	Balance as at 1st April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at 1st April 2020	Changes in equity share capital during the year	Balance as at 31st March 2021
Equity shares of ₹ 2/- each issued,Subscribed and fully paidup	620.08	-	620.08	-	620.08

B) Other Equity

					₹ In lakhs
Particulars	General Reserve	Retained earnings	Securities Premium	Other Comprehensive Income	Total Equity
Balance as at 01.04.2021	980.36	11171.94	73.96	170.94	12397.20
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	980.36	11171.94	73.96	170.94	12397.20
Total Comprehensive Income for the year	-	-	-	79.79	79.79
Dividends	-	(186.03)	-	-	(186.03)
Transfer to Retained earnings	-	8.39	-	-	8.39
Balance as at 31.03.2022	980.36	10994.30	73.96	250.73	12299.35

					₹ In lakhs
Particulars	General Reserve	Retained earnings	Securities Premium	Other Comprehensive Income	Total Equity
Balance as at 01.04.2020	980.36	11329.46	73.96	150.62	12534.40
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	980.36	11329.46	73.96	150.62	12534.40
Total Comprehensive Income for the year	-	-	-	20.32	20.32
Dividends	-	(186.02)	-	-	(186.02)
Transfer to Retained earnings	-	28.50	-	-	28.50
Balance as at 31.03.2021	980.36	11171.94	73.96	170.94	12397.20

In terms of our report attached

For **K.C.Bhattacharjee & Paul**
Chartered Accountants
(F.No.303026E)

Manoj Kumar Bihani
Partner
Membership No. 234629
Place : Hyderabad
Date : 21st May, 2022

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

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Babita Chandrakar
Company Secretary

Standalone Statement of Cash Flow

for the year ended March 31, 2022

₹ In lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) Cash flows from operating activities		
Profit before taxes	36.97	93.12
Adjustments:		
Depreciation and amortization expense	895.80	1013.65
Loss/ (Profit) on Sale of property, plant and equipment (Net)	29.25	39.25
Gain on modification of lease	(8.56)	(24.48)
Unrealized foreign exchange (gain) / loss (Net)	16.91	(117.85)
Sundry Credit Balances written back	(17.82)	(13.60)
Allowances for Credit losses	(6.24)	-
Bad Debts written off	16.98	-
Sundry debit balance written off	16.79	0.13
Finance costs	381.87	462.27
Interest income	(10.95)	(14.45)
Operating profit before working capital changes	1351.00	1438.04
Changes in working capital and other provisions:		
(Increase)\Decrease in Trade Receivables	311.39	(345.71)
(Increase)\Decrease in Inventories	(336.17)	(218.27)
(Increase)\Decrease in Financial Assets	(0.95)	(136.85)
(Increase)\Decrease in Non - Financial Assets	194.83	(160.71)
Increase\Decrease in Provisions	(20.33)	65.37
Increase\Decrease in Non - Financial Liabilities	-	1.34
Increase\Decrease in Trade and Other Payables	(30.37)	552.65
Cash generated from operations	1469.40	1195.86
Income taxes paid, net	(82.37)	(17.62)
Net cash from/(used in) operating activities	1387.03	1178.24
(B) Cash flows from investing activities		
Purchase of property, plant and equipment and changes in CWIP	(227.30)	(380.44)
Proceeds from sale of property, plant and equipment	81.05	191.45
Interest income	10.95	14.45
Net cash from/(used in) investing activities	(135.30)	(174.54)
(C) Cash flows from financing activities		
Proceeds from Non-current borrowings	59.62	895.83
Repayment of Non-current borrowings	(468.28)	(1172.76)
(Repayment) / Proceeds from Current borrowings (Net)	(240.55)	219.27
Principal payments of Lease Liabilities	(84.24)	(71.59)
Interest expense (including lease liabilities)	(381.87)	(462.27)
Dividend paid	(186.03)	(186.02)
Net cash generated in financing activities	(1301.35)	(777.54)
Net increase/ (decrease) in cash and cash equivalents	(49.62)	226.16
Add: cash and cash equivalents at the beginning of the year	(863.26)	(1109.78)
Effect of exchange gain on cash and cash equivalents	39.65	20.36
Cash and cash equivalents at the end of the year (refer note. 10.1)	(873.23)	(863.26)

In terms of our report attached

For and on behalf of Board of Directors

For **K.C.Bhattacharjee & Paul**
Chartered Accountants
(F.No.303026E)

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Meka Yugandhar
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Manoj Kumar Bihani
Partner
Membership No. 234629

Rahul Jain
Managing Director
(D.No: 00576447)

Apurva Jain
Executive Director
(D.No: 06933924)

Place : Hyderabad
Date : 21st May, 2022

M Viswanatha Reddy
Chief Financial Officer

Babita Chandrakar
Company Secretary

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

1 Corporate information

The standalone financial statements comprise financial statements of Pokarna Limited (the "Company") for the year ended 31st March, 2022. 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 significant accounting policies

The significant 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 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.

2.3 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

2.4 Significant 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.

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 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:

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

- (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 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.

E 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.

(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

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

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.

F Leases

(i) As a Lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2020, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2020). Accordingly, previous period information has not been restated. 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 substantially all of the economic benefits from use of the asset through the period of the lease and

- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("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 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

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

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.

G Financial instruments

(i) Financial assets

All financial assets are initially recognized at fair value. 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.

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

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

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 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

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

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.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognized and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company 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 Company will pay normal income tax during the specified period.

Company determines the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or

plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

O Revenue

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized 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.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

Expenditure

Expenditure is accounted on accrual basis.

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, 2022

3. Property, plant and equipment & Intangible assets

Particulars	₹ In lakhs	
	As at 31st March 2022	As at 31st March 2021
Property, plant and equipment		
A. Owned Assets	7739.86	8372.88
B. ROU Leased Assets	244.57	295.33
Total	7984.43	8668.21
Owned - Intangible assets	44.39	48.70

A. Owned Assets

Particulars	Property, plant and equipment							Intangible assets			₹ In lakhs	
	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
1. Deemed cost (Gross carrying amount)												
Balance as at 1st April 2020	676.77	58.07	3476.16	15715.78	864.42	663.52	435.83	21890.55	382.80	65.95	448.75	
Additions	-	-	289.24	171.20	18.96	-	6.44	485.84	-	-	-	
Disposals/ transfer	(0.60)	-	-	(470.32)	(51.55)	(55.45)	-	(377.92)	-	-	-	
Balance as at 31st March 2021	676.17	58.07	3765.40	15416.66	831.83	608.07	442.27	21798.47	382.80	65.95	448.75	
Balance as at 1st April 2021	676.17	58.07	3765.40	15416.66	831.83	608.07	442.27	21798.47	382.80	65.95	448.75	
Additions	-	-	35.59	184.06	51.65	-	4.9	276.26	-	-	-	
Disposals/ transfer	(15.78)	-	-	(379.41)	(26.62)	(91.38)	-	(313.19)	-	-	-	
Balance as at 31st March 2022	660.39	58.07	3800.99	15221.31	856.86	516.69	447.23	21561.54	382.80	65.95	448.75	
2. Accumulated Depreciation												
Balance as at 1st April 2020	-	40.25	1445.98	9951.21	551.82	502.32	388.36	12879.94	382.80	12.94	395.74	
Depreciation/ amortisation for the year	-	1.01	104.84	672.42	74.90	23.68	16.01	892.86	-	4.31	4.31	
Disposals/ transfers	-	-	-	(276.76)	(48.63)	(21.82)	-	(347.21)	-	-	-	
Balance as at 31st March 2021	-	41.26	1550.82	10346.87	578.09	504.18	404.37	13425.59	382.80	17.25	400.05	
Balance as at 1st April 2021	-	41.26	1550.82	10346.87	578.09	504.18	404.37	13425.59	382.80	17.25	400.05	
Depreciation/ amortisation for the year	-	1.02	112.09	587.39	72.63	17.39	8.46	798.98	-	4.31	4.31	
Disposals/ transfers	-	-	-	(318.13)	(25.74)	(59.02)	-	(402.89)	-	-	-	
Balance as at 31st March 2022	-	42.28	1662.91	10616.13	624.98	462.55	412.83	13821.68	382.80	21.56	404.36	
3. Carrying amount (net)												
At 31st March 2021	676.17	16.81	2214.58	5069.79	253.74	103.89	37.90	8372.88	-	48.70	48.70	
At 31st March 2022	660.39	15.79	2138.08	4605.18	231.88	54.14	34.40	7739.86	-	44.39	44.39	

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

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
Total		28.44				

3.5) Capital work-in-progress ₹79.37lakhs (previous year ₹128.32 lakhs)

Capital work-in-progress ageing schedule as at 31st March 2022

₹ 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	77.97	1.40	-	-	79.37
Projects temporarily suspended	-	-	-	-	-

Capital work-in-progress ageing schedule as at 31st March 2021

₹ 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	128.32	-	-	-	128.32
Projects temporarily suspended	-	-	-	-	-

B. ROU Leased Assets *

₹ In lakhs

Particulars	Buildings
1. Deemed cost (Gross carrying amount)	
Balance as at 1st April 2020	662.14
Additions	36.12
Disposals/ transfer	(214.23)
Balance as at 31st March 2021	484.03
Balance as at 1st April 2021	484.03
Additions	67.30
Disposals/ transfer	(70.43)
Balance as at 31st March 2022	480.90

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

3. Property, plant and equipment & Intangible assets (Contd..)

Particulars	₹ In lakhs	
	Buildings	
2. Accumulated Depreciation		
Balance as at 1st April 2020		135.85
Depreciation/ amortisation for the year		116.48
Disposals/ transfers		(63.63)
Balance as at 31st March 2021		188.70
Balance as at 1st April 2021		188.70
Depreciation/ amortisation for the year		92.51
Disposals/ transfers		(44.88)
Balance as at 31st March 2022		236.33
3. Carrying amount (net)		
At 31st March 2021		295.33
At 31st March 2022		244.57

* refer Note 41

4 Investments

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Trade - unquoted		
Non-current - at cost		
In subsidiary companies -		
Equity shares of Pokarna Engineered Stone Limited		
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
Equity shares of Pokarna Foundation		
5000 (previous year NIL) Equity Shares of Rs.10/- each	0.50	-
Total	6116.38	6115.88

5 Loans

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
A. Non-current loans		
Loan receivables considered good -unsecured		
Other loans	159.55	128.35
Total	159.55	128.35
B. Current loans		
Loan receivables considered good -unsecured		
Other loans	304.53	372.44
Loans to employees	-	0.51
Total	304.53	372.95

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

6 Other financial assets

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
A. Non-current financial assets		
Unsecured, considered good		
Deposits with maturity for more than 12 months		
Margin money given against a bank guarantee/letter of credit	5.08	1.72
Interest accrued on fixed deposits	0.30	0.13
Security deposit	324.48	290.08
Total	329.86	291.93
B. Current financial assets		
Unsecured, considered good		
Interest accrued on fixed deposits	2.73	2.82
Total	2.73	2.82

6.1 Security deposit includes ₹128.28 lakhs (previous year ₹84.40 lakhs) pledged to mines & geology and other departments.

7 Other assets

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
A. Non-current assets		
Unsecured, considered good		
Capital advances	2.79	2.19
Defer lease rentals	7.22	11.63
Total	10.01	13.82
B. Current assets		
Unsecured, considered good		
Indirect taxes receivable	124.32	246.49
Advance to suppliers	230.04	328.32
Prepaid expenses	135.20	105.77
Total	489.56	680.58

8 Inventories

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Raw materials	641.71	867.57
Work-in-progress	69.78	67.82
Finished goods	2567.07	2016.54
Traded goods	47.36	23.03
Consumables, stores & spares	349.50	395.93
Packing material	63.97	32.34
Total	3739.39	3403.23
Details of materials in transit included in inventories above		
Raw materials	3.79	10.12
Consumables, stores & spares	-	0.53

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

9 Trade receivables

₹ In lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Considered good -secured	-	-
Considered good -unsecured	770.92	1109.45
Which have significant increase in credit risk	147.61	153.85
Credit impaired	-	-
Allowance for credit losses	(147.61)	(153.85)
Total	770.92	1109.45

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, 2022

₹ In lakhs

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	573.53	84.69	85.58	27.12	-	770.92
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	147.61	147.61
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
	573.53	84.69	85.58	27.12	147.61	918.53
Less: Allowance for Credit losses						(147.61)
Total Trade receivable						770.92

Trade receivables ageing schedule as at March 31, 2021

₹ In lakhs

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	926.77	65.38	66.81	30.03	20.46	1109.45
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	153.85	153.85
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
	926.77	65.38	66.81	30.03	174.31	1263.30
Less: Allowance for Credit losses						(153.85)
Total Trade receivable						1109.45

10 Cash and cash equivalents

₹ In lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash in hand	7.43	5.15
Balances with banks:		
On current accounts	312.64	280.83
Total	319.77	285.98

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

10 Cash and cash equivalents (Contd..)

10.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents	319.77	285.98
Less: Cash credit [refer note. 15(B)]	(1193.00)	(1149.24)
Total	(873.23)	(863.26)

11 Other bank balances

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Margin money given against a bank guarantee/letter of credit with maturity for more than 3 months but less than 12 months	73.50	71.95
In unpaid dividend account	11.02	12.75
Total	84.52	84.70

12 Current tax assets

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Tax refundable	5.30	7.15
Total	5.30	7.15

13 Share capital

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Authorized:		
10,00,00,000 (previous year 10,00,00,000)		
Equity Shares of ₹2/- each (₹2/-) par value	2000.00	2000.00
Issued, Subscribed and fully paid-up:		
3,10,04,000 (previous year 3,10,04,000)		
Equity Shares of ₹2/- each (₹2/-) fully paid-up	620.08	620.08
Total	620.08	620.08

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

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

13 Share capital (Contd..)

13.3 Details of shareholders holding more than 5% shares in the company

₹ In lakhs

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹2 /- each fully paid				
Gautam Chand Jain	15703885	50.65	14187045	45.76
Nippon Life India Trustee Ltd.,A/c -Nippon India Small Cap Fund	-	-	2088525	6.74

13.4 Details of shareholders holding of Promoters in the company

Equity shares

₹ In lakhs

S.No.	Promoter Name	No. of shares as at March 31, 2022	% of total shares	% of change during the year
1	Gautam Chand Jain	15703885	50.65%	11%
2	Vidya Jain	500000	1.61%	0%
3	Rahul Jain	498500	1.61%	0%
4	Neha Jain	500000	1.61%	0%
5	Megha Jain	125000	0.40%	0%
6	Prakash Chand Jain	60000	0.19%	-87%
7	Ashok Chand Jain Kantilal	60000	0.19%	-87%
8	Raaj Kumar Jain Kantilal	60000	0.19%	-87%
9	Anju Jain	60000	0.19%	-87%

14 Other equity

₹ In lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Securities Premium	73.96	73.96
General reserve	980.36	980.36
Net surplus in the statement of Profit and Loss		
Opening balance	11171.94	11329.46
Add: Profit for the year	8.39	28.50
	11180.33	11357.96
Less: Dividend paid	186.03	186.02
	10994.30	11171.94
Other comprehensive income		
Opening balance	170.94	150.62
Movement in OCI (net) during the year	79.79	20.32
	250.73	170.94
Total	12299.35	12397.20

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

15 Borrowings

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
A. Non-current		
Secured loans - From banks (refer note. 15.1)		
Term loans in Indian rupees	38.65	51.66
Term loans in Foreign currency	552.79	888.70
Unsecured loans		
Loans & advances from related parties		
Loans from directors	1171.10	1071.85
Total	1762.54	2012.21
B. Current		
Secured loans - From banks		
Current maturities of long term borrowings:		
Secured - From banks (refer note.15.1)	427.95	602.89
Secured - From others (refer note.15.1)	-	8.87
Working capital Loans - repayable on demand (refer note. 15.1)		
Cash Credit Facilities in Indian rupees	1193.00	1149.24
Packing Credit Loans in Foreign currency	950.52	865.46
Bill Discounting facilities in Foreign currency	152.31	294.11
Total	2723.78	2920.57

15.1 Term loans in Foreign currency of ₹921.31 lakhs, Term loan in Indian rupees of ₹18.89 lakhs & working capital facilities of ₹2295.83 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 @ 10.20%, Packing credit loans in foreign currency carries interest @ 2.41% and Bill discounting facilities in Foreign currency carries interest @ 2.91%.

Term loans in Indian rupees of ₹79.19 lakhs are for purchase of assets, secured by hypothecation of respective assets and personal guarantee of the Directors (other than Independent directors).

15.2 Maturity profile of term loans from banks are as set out below:

	₹ In lakhs		
	2022-23	2023-24	2024-25
Term loans in Foreign currency			
Rate of interest -SOFR plus 350 bps- 3.69%	368.53	368.52	184.26
Term loans in Indian rupees			
Rate of interest - 6% to 10.20%	59.43	33.12	5.53

16 Lease liabilities

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
A. Non-current		
Lease liability (refer note. 41)	208.60	255.72
Total	208.60	255.72
B. Current		
Lease liability (refer note. 41)	92.71	96.65
Total	92.71	96.65

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

17 Other financial liabilities

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Current		
Unpaid dividend	11.02	12.75
Total	11.02	12.75

18 Provisions

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
A. Non-current		
For employee benefits		
Gratuity (refer note. 27(1a))	264.76	298.27
Compensated absence (refer note. 27(1b))	37.81	47.12
Others		
Restoration liability	33.28	30.31
Total	335.85	375.70
B. Current		
For employee benefits		
Gratuity (refer note. 27(1a))	24.72	23.02
Compensated absence (refer note. 27(1b))	1.76	1.76
Total	26.48	24.78

19 Deferred tax liabilities (net)

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Deferred Tax Liabilities		
Property, plant & equipment	413.13	475.01
	413.13	475.01
Deferred Tax Asset		
Receivables	37.15	38.72
Provisions	170.80	183.19
	207.95	221.91
Total	205.18	253.10

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
At the start of the year	253.10	255.34
Charge/ (Credit) to statement of P&L	(47.92)	(2.24)
At the end of the year	205.18	253.10

Component of Deferred tax liabilities/(asset)

Deferred tax liabilities/(asset) in relation to:	₹ In lakhs		
	As at March 31, 2021	Charge/(credit) to profit or loss	As at March 31, 2022
Property, plant and equipment	475.01	(61.88)	413.13
Provisions	(183.19)	12.39	(170.80)
Receivables	(38.72)	1.57	(37.15)
Total	253.10	(47.92)	205.18

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

20 Trade payables

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
a) total outstanding dues of micro enterprises and small enterprises	0.91	20.40
b) total outstanding dues of creditors other than micro enterprises and small enterprises	580.91	628.91
Total	581.82	649.31

20.1 Trade payables ageing schedule as at March 31, 2022

Particulars	₹ In lakhs				
	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	0.91	-	-	-	0.91
(ii) Others	541.48	-	0.45	38.98	580.91
Total	542.39	0.00	0.45	38.98	581.82

Trade payables ageing schedule as at March 31, 2021

Particulars	₹ In lakhs				
	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	20.40	-	-	-	20.40
(ii) Others	563.31	15.94	30.15	19.51	628.91
Total	583.71	15.94	30.15	19.51	649.31

20.2 Disclosure in accordance with Section 22 of micro, small and medium enterprises development Act, 2006

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
a) Principal amount 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	-	1.80
c) Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	43.69
d) Interest paid, under section 16 of MSMED Act, to suppliers registered under the Act, beyond the appointed day during the year	-	2.90
e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	1.80
f) Interest accrued and remaining unpaid at the end of accounting year	-	1.80
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.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

21 Other liabilities

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Current		
Advance received from customers	866.89	911.62
Creditors for capital expenditure	50.93	3.24
Statutory liabilities	49.82	46.11
Other liabilities	538.52	715.01
Total	1506.16	1675.98

22 Current tax liabilities (net)

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Provision for income tax	82.81	73.69
Less: Advance tax	15.67	25.67
Total	67.14	48.02

23 Revenue from operations

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products	6862.58	7652.25
Sale of services	107.71	41.16
Total	6970.29	7693.41

24 Other income

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on		
Bank deposits	4.20	4.37
Others	6.75	10.08
Commission income	-	0.26
Scrap sales	0.41	21.76
Insurance claim	10.13	0.68
Gain on modification of lease	8.56	24.48
Sundry credit balances written back	17.82	13.60
Provision for doubtful debts written back	6.24	-
Profit on sale of property, plant & equipment	-	5.40
Rent	6.00	6.00
Exchange Gain (net)	-	137.00
Miscellaneous income	-	0.43
Total	60.11	224.06

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

25 Cost of raw material consumed

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock	867.57	691.49
Add: Purchases	423.03	745.04
	1290.60	1436.53
Less: Closing stock	641.71	867.57
Total	648.89	568.96

26 Changes in stock of finished goods, work-in-progress and stock-in-trade

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year		
Finished goods	2016.54	2054.65
Work-in-progress	67.82	75.21
Stock-in-trade	23.03	31.67
	2107.39	2161.53
Inventories at the end of the year		
Finished goods	2567.07	2016.54
Work-in-progress	69.78	67.82
Stock-in-trade	47.36	23.03
	2684.21	2107.39
Total	(576.82)	54.14

27 Employee benefits expense

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages, bonus & allowances	1384.79	1497.36
Contribution to provident fund and other funds	108.02	121.97
Retirement benefits	80.51	85.97
Staff welfare expense	110.36	78.59
Total	1683.68	1783.89

27.1 - Employee benefits:

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Defined contribution plan		
Employer's contribution to provident fund	98.21	117.53

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.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

27 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, 2022	Year ended March 31, 2021
Change in defined benefit obligations:		
Obligation at the beginning of the year	459.57	431.65
Current service costs	41.84	42.16
Interest costs	27.94	28.57
Remeasurement (gain)/losses	(68.98)	(5.78)
Benefit paid	(32.15)	(37.03)
Obligation at the end of the year	428.22	459.57

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Change in plan assets:		
Fair value of plan assets at the beginning of the year	138.28	155.36
Interest income	8.96	11.08
Return on Plan assets excluding net interest	11.40	0.74
Employers' contributions	12.25	8.12
Benefits paid	(32.15)	(37.02)
Fair value of plan assets at the end of the year	138.74	138.28

Amounts recognised in the balance sheet consists of:

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets	(138.74)	(138.28)
Present value of obligation	428.22	459.57
	289.48	321.29
Recognised as:		
Retirement benefit liability - Current	24.72	23.02
Retirement benefit liability - Non-current	264.76	298.27

Expenses recognised in the statement of profit and loss consists of:

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Employee benefits expenses:		
Current service costs	41.84	42.16
Interest costs	18.98	17.49
Past service cost	-	-
	60.82	59.65
Other comprehensive income:		
(Gain)/loss on plan assets	(11.40)	(0.75)
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	(36.88)	22.03
Actuarial (gain)/loss arising from changes in experience adjustments	(32.09)	(27.80)
	(80.37)	(6.52)
Expenses recognised in the statement of profit and loss	(19.55)	53.13

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

27 Employee benefits expense (Contd..)

(ii) key assumptions used in accounting for retiring gratuity is as below:

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	7.21%	6.42%
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, 2022

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹469.14 lakhs, increase by ₹392.66lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹467.61 lakhs, decrease by ₹393.04 lakhs

As at March 31, 2021

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹507.36 lakhs, increase by ₹418.39 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹505.00 lakhs, decrease by ₹419.55 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, 2022	Year ended March 31, 2021
Change in defined benefit obligations:		
Obligation at the beginning of the year	48.88	44.67
Current service costs	16.68	23.35
Interest costs	3.01	2.97
Remeasurement (gain)/losses	(26.25)	(20.63)
Benefit paid	(2.75)	(1.48)
Obligation at the end of the year	39.57	48.88

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Change in plan assets:		
Fair value of plan assets at the beginning of the year		
Interest income		
Remeasurement gain/(losses)		
Employers' contributions	2.75	1.49
Benefits paid	(2.75)	(1.49)
Fair value of plan assets at the end of the year	-	-

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

27 Employee benefits expense (Contd.)

Amounts recognised in the balance sheet consists of:

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets	-	-
Short term compensated absence liability	-	-
Present value of obligation	39.57	48.88
	39.57	48.88
Recognised as:		
Retirement benefit liability - Current	1.76	1.76
Retirement benefit liability - Non-current	37.81	47.12

Expenses recognised in the statement of profit and loss consists of:

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Employee benefits expenses:		
Current service costs	16.68	23.35
Interest costs	3.01	2.97
Past Service cost	-	-
	19.69	26.32
Other comprehensive income:		
(Gain)/loss on plan assets	-	-
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	(6.58)	2.10
Actuarial (gain)/loss arising from changes in experience adjustments	(19.67)	(22.73)
	(26.25)	(20.63)
Expenses recognised in the statement of profit and loss	(6.56)	5.69

(ii) The key assumptions used in accounting for compensated absence is as below:

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	7.73%	6.42%
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, 2022

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹43.23 lakhs, increase by ₹36.37 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹43.15 lakhs, decrease by ₹36.39 lakhs

As at March 31, 2021

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹53.84 lakhs, increase by ₹44.60 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹53.65 lakhs, decrease by ₹44.69 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 Standalone Financial Statements

for the Year ended 31 March, 2022

28 Depreciation & amortization expense

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, plant & equipment (owned assets)	798.98	892.86
Depreciation on Property, plant & equipment (leased assets) (refer note. 41)	92.51	116.48
Amortization on intangible assets	4.31	4.31
Total	895.80	1013.65

29 Finance costs

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest on borrowings:		
- Banks	209.47	275.50
- Others	114.02	118.16
Interest expense on lease liability (refer note. 41)	41.56	55.03
Interest on taxes / duties	16.82	13.58
Total	381.87	462.27

30 Other expenses

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores & spares	912.80	711.30
Packing material	100.64	88.66
Processing & job work exp.	132.94	134.01
Power and fuel	963.94	862.25
Repairs and maintenance:		
- Plant and machinery	68.62	62.61
- Building	5.72	2.23
- Others	14.22	19.69
Cutter and driller charges	193.86	239.63
Rent (refer note. 41)	20.94	25.66
Deferred lease expense written off	3.38	4.30
Rates and taxes	30.72	32.95
Insurance	47.14	51.67
Communication charges	29.06	27.10
Printing & stationery	9.60	10.95
Travelling & conveyance expenses	20.70	6.96
Electricity charges	14.94	17.94
Vehicle maintenance	63.85	60.57
Auditors remuneration	8.89	9.03
Advertisement	5.07	5.92
Professional & consultancy	82.89	70.76
Directors sitting fees	14.50	10.00
Donations	2.57	18.44
CSR activity expenses	-	193.29
Fees & subscriptions	23.21	17.36
Government royalty and dead rent	553.60	687.33
Sundry debit balances written off	16.79	0.13
Carriage outwards	303.29	342.31

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

30 Other expenses (Contd..)

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Sales commission	23.28	12.22
Discounts and claims	34.80	23.52
Business promotion expenses	6.84	8.68
Provision for doubtful debts	-	-
Bad debts	16.98	-
Impairment / loss on sale of PPE	29.25	44.65
Bank charges	10.86	10.11
Exchange Loss (Net)	44.40	-
Miscellaneous expenses	47.35	70.81
Total	3857.64	3883.04

30.1 - Auditors remuneration

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Statutory audit	7.50	7.50
Certification	1.25	1.41
Out of pocket expenses	0.14	0.12

30.2 - Corporate social responsibility (CSR)

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
(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 2020-21 & 21-22 as the company is not satisfying the criteria specified under Section 135(1) of Companies Act

31 Income taxes

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
A) Income tax expense/(benefit) recognised in the statement of profit and loss		
Current tax	82.81	73.69
Deferred tax	(74.75)	(9.07)
Deferred tax on comprehensive income	26.83	6.83
Tax in respect of earlier years	20.52	-
Total	55.41	71.45

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

31 Income taxes (Contd.)

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
B) Reconciliation of income tax expense		
Profit / (loss) before tax	36.97	93.12
Other comprehensive Income	106.62	27.15
Effective tax rate	25.168%	25.168%
Computed effective tax expense	36.14	30.27
Tax effect of:		
Expenses disallowed	273.75	355.58
Allowable items from IT act	(227.08)	(243.67)
Setoff against carryover losses	-	(68.80)
Long term capital gain	-	0.31
Current tax provision (A)	82.81	73.69
Incremental deferred tax liability on account of PPE and intangible assets	(61.88)	(64.82)
Incremental deferred tax asset on account of financial assets and other items	13.96	62.58
Deferred tax provision (B)	(47.92)	(2.24)
Tax expense recognised in the statement of profit and loss (A+B)	34.89	71.45
Effective tax rate	24.30%	59.41%

32 Earnings per share (EPS)

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
(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	8.39	28.50
(iv) Weighted average earnings per share (basic and diluted) (in ₹)	0.03	0.09

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, Vishwanath Reddy, Babita chandrakar

d) Names of relatives

Raaj Kumar Jain, Ashok Chand Jain, Vidya Jain, Rekha Jain, Anju Jain, Ritu Jain, Pratik Jain, Neha Jain, Megha Jain, Nidhi Jain, Gautam Chand Jain (HUF), Prakash Chand Jain (HUF)

e) Name of executive & non-executive director

Apurva Jain, Prakash Chand Jain, Mahender Chand Chordia, Meka Yugandhar, Vinayak Rao Juvvadi, Jayshree Rajesh Sanghani, T.V.Chowdary*.

* resigned as non executive director w.e.f 28.01.2022

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

33 Related party disclosures : (Contd)

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. All amounts mentioned below are inclusive of GST. The CMD, MD, CFO and Company Secretary are regarded as Key management personnel in terms of Companies act, 2013.

₹ In lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	197.49	177.43
Post-employment pension, provident fund and medical benefits	0.68	0.65
Termination benefits*	-	-
Total compensation paid to key management personnel	198.17	178.08

* 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 2021-22 (2020-21)

₹ In lakhs

Nature of the transaction	Subsidiary	Key management personnel	Executive/ Non-executive directors	Associates/ other related parties	Relatives	Total
Purchases						
Goods and services, net	-	-	-	2.22	-	2.22
	-	-	-	(7.00)	-	(7.00)
Sales						
Goods and services, net	97.73	-	-	0.13	0.08	97.94
	(261.04)	-	-	(0.53)	(1.21)	(262.78)
Job work	1.92	-	-	0.04	-	1.96
	-	-	-	(0.24)	-	(0.24)
Expenses						
Remuneration	-	197.49	24.00	-	-	221.49
	-	(178.08)	(22.23)	-	-	(200.31)
Sitting fee & commission	-	-	14.50	-	-	14.50
	-	-	(10.00)	-	-	(10.00)
Rent & taxes	-	5.88	8.75	34.33	31.77	80.73
	-	(5.92)	(8.74)	(34.33)	(30.78)	(79.77)
Interest	-	110.28	-	-	-	110.28
	-	(88.62)	(24.78)	-	-	(113.40)
Income						
Rent / Hire Charges	7.08	-	-	-	-	7.08
	(7.08)	-	-	-	-	(7.08)
Dividend						
Dividend	-	88.11	2.64	-	14.67	105.42
	-	(88.11)	(2.64)	-	(14.67)	(105.42)
Loans & advances						
Loans received	-	-	-	-	-	-
	-	(522.10)	-	-	-	(522.10)
Carrying amount						
Payables	-	1183.04	1.56	-	-	1184.60
	-	(1135.18)	(6.68)	-	-	(1141.86)
Receivables	-	-	-	-	-	-
	(213.26)	-	-	-	-	(213.26)
Rent deposit - receivable	-	-	8.33	23.20	16.66	48.19
	-	-	(8.33)	(23.20)	(16.66)	(48.19)
Investments	6116.38	-	-	-	-	6116.38
	(6115.88)	-	-	-	-	(6115.88)

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

33 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, 2022	Year ended March 31, 2021
1	Purchases			
	Goods and services, net			
	Pokarna Fabrics Pvt Limited	Associate	2.22	6.82
	Pokarna Textiles	Associate	-	0.18
2	Sales			
	Goods and services, net			
	Pokarna Engineered Stone Limited	Subsidiary	97.73	261.04
	Pokarna Fashions Pvt Limited	Associate	-	0.27
	Southend Extension	Associate	0.13	0.26
	Anju Jain	Relative	-	0.01
	Chaya Jain	Relative	-	0.14
	Pratik Jain	Relative	0.08	1.06
	Job work			
	Pokarna Engineered Stone Limited	Subsidiary	1.92	-
	Southend Extension	Associate	0.04	0.03
	Pokarna Marketing Pvt Ltd	Associate	-	0.21
3	Expenses			
	Remuneration			
	Rahul Jain	Key management personnel	120.00	110.23
	Apurva Jain	Executive Director	24.00	22.23
	Viswanatha Reddy	Key management personnel	69.15	63.64
	Mahesh Inani	Key management personnel	-	4.21
	Babita Chandrakar	Key management personnel	8.34	-
	Sitting fee & commission			
	Prakash Chand Jain	Non-Executive Director	2.50	2.00
	Mahender Chand Chordia	Non-Executive Director	2.00	2.00
	Meka Yugandhar	Non-Executive Director	2.50	2.00
	T.V.Chowdary	Non-Executive Director	2.50	2.00
	Vinayak Rao Juvvadi	Non-Executive Director	2.50	1.50
	Jayshree Rajesh Sanghani	Non-Executive Director	2.50	0.50
	Rent & taxes			
	Pokarna Fabrics Pvt Limited	Associate	34.33	34.33
	Gautam Chand Jain	Key management personnel	5.88	5.92
	Prakash Chand Jain	Non-Executive Director	8.75	8.74
	Vidya Jain	Relative	8.75	8.74
	Ritu Jain	Relative	14.27	14.27
	Pratik Jain	Relative	8.75	7.77
	Interest			
	Gautam Chand Jain	Key management personnel	110.28	88.62
	Prakash Chand Jain	Non-Executive Director	-	24.78
	Dividend			
	Gautam Chand Jain	Key management personnel	85.12	85.12
	Vidya Jain	Relative	3.00	3.00
	Neha Jain	Relative	3.00	3.00
	Rahul Jain	Key management personnel	2.99	2.99

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

33 Related party disclosures : (Contd)

			₹ In lakhs	
S.No	Particulars	Relationship	Year ended March 31, 2022	Year ended March 31, 2021
	Prakash Chand Jain	Non-Executive Director	2.64	2.64
	Anju Jain	Relative	2.64	2.64
	Raaj Kumar Jain	Relative	2.64	2.64
	Ashok Chand Jain	Relative	2.64	2.64
	Megha Jain	Relative	0.75	0.75
4	Income			
	Rent Received			
	Pokarna Engineered Stone Limited	Subsidiary	7.08	7.08
5	Loans & advances			
	Loans received			
	Gautam Chand Jain	Key management personnel	-	522.10
6	Carrying amount			
	Payables			
	Gautam Chand Jain	Key management personnel	1171.10	1071.84
	Rahul Jain	Key management personnel	6.53	36.11
	Apurva Jain	Executive director	1.56	6.68
	Viswanatha Reddy	Key management personnel	4.25	27.23
	Babita Chandrakar	Key management personnel	1.16	-
	Receivables			
	Pokarna Engineered Stone Ltd	Subsidiary	-	213.26
	Rent deposit receivable			
	Pokarna Fabrics Pvt Limited	Associate	23.20	23.20
	Prakash Chand Jain	Non-executive director	8.33	8.33
	Vidya Jain	Relative	8.33	8.33
	Pratik Jain	Relative	8.33	8.33
7	Investments			
	Pokarna Engineered Stone Limited	Subsidiary	6115.88	6115.88
	Pokarna Foundation	Subsidiary	0.50	-

34 Contingent liabilities and commitments

34.1 Contingent liabilities:

		₹ In lakhs
Particulars	As at March 31, 2022	As at March 31, 2021
a) Letter of credits outstanding	48.53	40.17
b) Guarantees		
i) Corporate guarantees for loans taken by wholly owned subsidiary: On account of corporate guarantee to the bankers on behalf of subsidiary for the facilities availed by them.	-	10907.08
ii) Other bank guarantees	0.60	0.60

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

34 Contingent liabilities and commitments (Contd..)

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
c) 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 ₹ 1.85 lakhs)	149.27	151.12
ii) Excise matters (including service tax), amount deposited ₹23.06 lakhs (previous year ₹23.06 lakhs)	396.34	396.39
iii) Customs matters, amount deposited ₹ Nil (previous year ₹ Nil)	75.91	75.91
iv) Sales tax matters, amount deposited ₹ 34.97 lakhs (previous year ₹ 34.97 lakhs)	266.05	266.05
v) Goods and Service Tax (GST) matters, amount deposited ₹ Nil.	37.74	-
vi) Mines & geology matters, amount deposited ₹ Nil (previous year ₹ Nil)	1141.74	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	306.13	-
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	136.82	177.28

34.2 Capital commitments

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	-	8.60

34.3 Other commitments:

- 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, 2022, the company has a positive net foreign exchange earning, as defined in the foreign trade policy 2009-2014 and 2015-2021 wherever applicable.
- Obligations towards environmental protection measures in respect of quarry leases ₹212.63 lakhs (previous year ₹212.63 lakhs)
- 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.
- 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.

35 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.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

36 Capital management

- 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.
- 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.
- The company's adjusted net debt to equity ratio is as follows:

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Gross debt	4486.32	4932.78
Less: Cash and bank balances	409.37	372.40
Adjusted net debt	4076.95	4560.38
Total equity	12919.43	13017.28
Adjusted net debt to equity ratio	0.32	0.35

37 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 2022

Particulars	Carrying Amount			Fair Value		
	Other financial assets -amortised cost	Other financial liabilities - amortised cost	Total carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Security deposit	324.48	-	324.48	-	324.48	-
Financial assets not measured at fair value						
Investments	6116.38	-	6116.38			
Other loans	464.08	-	464.08	-	-	-
Accrued interest	3.03	-	3.03	-	-	-
Trade receivables	770.92	-	770.92	-	-	-
Cash and bank balances	409.37	-	409.37	-	-	-
Total	8088.26	-	8088.26	-	324.48	-
Financial liabilities measured at fair value						
Lease liability	301.31	-	301.31	-	301.31	-
Financial liabilities not measured at fair value						
Secured bank loans	3315.22	-	3315.22	-	-	-
Loans from related parties	1171.10	-	1171.10	-	-	-
Trade payables	581.82	-	581.82	-	-	-
Unpaid dividend	11.02	-	11.02	-	-	-
Total	5380.47	-	5380.47	-	301.31	-

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

37 Financial instruments (Contd.)

31st March 2021

₹ 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
Financial assets measured at fair value						
Security deposit	290.08	-	290.08	-	290.08	-
Financial assets not measured at fair value						
Investments	6115.88	-	6115.88	-	-	-
Other loans	501.30	-	501.30	-	-	-
Accrued interest	2.95	-	2.95	-	-	-
Trade receivables	1109.45	-	1109.45	-	-	-
Cash and bank balances	372.40	-	372.40	-	-	-
Total	8392.06	-	8392.06	-	290.08	-
Financial liabilities measured at fair value						
Lease liability	352.37	-	352.37	-	352.37	-
Financial liabilities not measured at fair value						
Secured bank loans	3852.06	-	3852.06	-	-	-
Secured other loans	8.87	-	8.87	-	-	-
Loans from related parties	1071.85	-	1071.85	-	-	-
Trade payables	649.31	-	649.31	-	-	-
Unpaid dividend	12.75	-	12.75	-	-	-
Total	5947.21	-	5947.21	-	352.37	-

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.

38 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.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

38 Financial risk management objectives and policies (Contd.)

• 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.
- 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, 2022	As at March 31, 2021
Not due	74.30	95.28
Upto 1 year	583.92	896.87
1 to 2 years	85.58	66.81
2 to 3 years	26.52	219.70
More than 3 years	339.02	175.45
Total	1109.34	1454.11

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, 2022	As at March 31, 2021
Balance at the beginning of the year	153.85	153.85
Charge in statement of profit and loss	-	-
Release to statement of profit and loss	(6.24)	-
Utilised during the year	-	-
Balance at the end of the year	147.61	153.85

- iii) Cash and cash equivalents: The company held cash and cash equivalents of ₹319.77 lakhs (previous year ₹285.98 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, 2022

38 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 2022

Particulars	₹ In lakhs			
	Carrying amount	1 year or less	1-3 years	More than 3 years
Borrowings- secured	3315.22	2723.78	591.44	-
Borrowings- un-secured	1171.10	-	-	1171.10
Trade payables	581.82	581.82	-	-
Lease liabilities	301.31	93.65	132.61	75.05
Other financial liabilities	11.02	11.02	-	-

31st March 2021

Particulars	₹ In lakhs			
	Carrying amount	1 year or less	1-3 years	More than 3 years
Borrowings- secured	3860.93	2950.18	770.13	140.62
Borrowings- un-secured	1071.85	-	-	1071.85
Trade payables	649.31	649.31	-	-
Lease liabilities	352.37	98.93	170.45	82.99
Other financial liabilities	12.75	12.75	-	-

• 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, 2022		As at March 31, 2021	
	₹ In lakhs		₹ In lakhs	
	USD	EURO	USD	EURO
Borrowings	1883.04	-	2128.29	-
Trade receivables	225.41	0.78	433.37	0.03
Trade and other payables (including payable for capital goods)	102.71	124.70	39.16	129.82
Bank balances (Including deposits)	227.17	17.21	136.24	84.27
Total	2438.33	142.69	2737.06	214.12

- 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 ₹163.99 lakhs (previous year ₹164.33 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 ₹35.60 lakhs (previous year ₹40.75 lakhs). This analysis assumes that all other variables remain constant.

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

38 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.

39 Estimation of uncertainties relating to the global health pandemic from COVID-19 :

The continuance of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. However, it has no further significant impact with respect to COVID 19 pandemic during the year ended March 31, 2022.

40 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	As at 31st March 2022	As at 31st March 2021
Pledge of equity shares	Pokarna Engineered Stone Limited (wholly owned subsidiary)	Security by way of pledge of 51% investment in equity shares of subsidiary lenders for credit facilities availed by them. (Fund based ₹8477 lakhs and non-fund based ₹1650 lakhs.)	Relieved by lenders during the year	Under Pledge with Bankers
Corporate Guarantee	Pokarna Engineered Stone Limited (wholly owned subsidiary)	Corporate Guarantee to the bankers on behalf of subsidiary for the facilities availed by them to the extent of ₹25000 lakhs.	Relieved by lenders during the year	Under guarantee with Bankers

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

41 Leases disclosures :

As a Lessee

Movement in lease liability during the year:

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Opening balance as on 01.04.2021	352.37	562.93
Additions on account of adoption of Ind As 116	-	-
Adjustments on modification of leases	33.18	(130.08)
Interest expenses on lease liability	41.56	55.03
Principal payments of lease liability	(125.80)	(135.51)
As at 31st March 2022	301.31	352.37
Current	92.71	96.65
Non Current	208.60	255.72
Amounts recognised in the statement of cash flows		
Payments for leases In financing activity	125.80	135.51

Amounts recognised in statement of profit or loss	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense on leased assets	92.51	116.48
Interest expense on lease liability	41.56	55.03
Rent expense (Short term leases and leases of low value assets)	20.94	25.66
Total amount recognised in Profit or loss	155.01	197.17

42 Ratios

Following are analytical ratios for the year ended

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance
Current Ratio (in times)	Current assets	Current liabilities	1.15	1.10	5%
Debt - Equity Ratio (in times)	Total Debts	Shareholder's Equity	0.17	0.20	-15%
Debt - Service coverage Ratio (in times)	Earnings available for debt service	Debt service	1.67	1.32	27%*
Return on Equity(ROE) (in %)	Net profits after taxes	Average Shareholder's Equity	0.00	0.00	
Inventory turnover ratio	Cost of goods sold or sales	Average Inventory	1.08	1.25	-14%
Trade receivables turnover ratio	Net credit sales	Average Trade Receivables	7.41	8.18	-9%
Trade payables turnover ratio	Net credit purchases	Average Trade Payables	2.26	2.06	10%
Net capital turnover ratio	Revenue	Working capital	9.19	14.74	-38%**
Net profit ratio (in %)	Net Profit	Revenue	0.12%	0.37%	-68%***
Return on capital employed (ROCE) (in %)	Earnings before interest and taxes	Capital Employed	8.90%	9.20%	-3%
Return on Investment (ROI) (in %)	Income generated from Investments	Time weighted average investments	-	-	

* Due to reduction in debt, ** Due to increase in working capital and decline in revenue, *** Due to decline in revenue

Notes to Standalone Financial Statements

for the Year ended 31 March, 2022

43 Additional Regulatory Information

- a) 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.
- b) The Company has not revalued its Property, Plant and Equipment and its intangible assets.
- c) The Company is not holding any Benami Property and there are no proceedings initiated or pending against the Company.
- d) The Company has not been declared wilful defaulter by any bank or financial institutions.
- e) The Company does not have any relationship with Struck off Companies.
- f) 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.
- g) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- h) 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. 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 Consequent to Schedule III amendments being made effective 1 April 2021, previous year numbers pertaining to security deposits of Rs.290.08 lakhs have been reclassified from non-current loans to non-current financial assets respectively

45 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 21st May 2022, there are no subsequent events to be recognised or reported that are not already disclosed.

46 Dividend:

The dividend declared by the company are based on the accumulated profits available for distribution as reported in the financial statements of the company. On May 21, 2022, the Board of Directors of the company have proposed a dividend of ₹0.60 per share in respect of the year ended 31st March, 2022 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹186.02 lakhs.

47 Previous year figures are regrouped, rearranged and reclassified wherever considered necessary in order to conform to the current year's presentation.

48 The financial statements for the year ended 31st March 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 21st May 2022.

In terms of our report attached

For **K.C.Bhattacharjee & Paul**
Chartered Accountants
(F.No.303026E)

Manoj Kumar Bihani
Partner
Membership No. 234629

Place : Hyderabad
Date : 21st May, 2022

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

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Babita Chandrakar
Company Secretary

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	

	March 31, 2022	March 31, 2021
5	Share capital	417.06
6	Other Equities	37164.20
7	Total Assets	102928.26
8	Total Liabilities	102928.26
9	Investments	Nil
10	Revenue from Operations	58100.90
11	Profit Before Taxation	10188.39
12	Provision for Taxation	2330.66
13	Profit after Taxation	7857.73
14	Other Comprehensive Income	9.23
15	Total Comprehensive Income	7866.96
16	Dividend	Nil
17	% of Share holding	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	

	March 31, 2022	March 31, 2021
5	Share capital	1.00
6	Other Equities	(0.35)
7	Total Assets	0.65
8	Total Liabilities	0.65
9	Investments	Nil
10	Revenue from Operations	-
11	Profit Before Taxation	(0.35)
12	Provision for Taxation	-
13	Profit after Taxation	(0.35)
14	Other Comprehensive Income	-
15	Total Comprehensive Income	(0.35)
16	Dividend	Nil
17	% of Share holding	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, 2022, 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 significant 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, 2022, 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 independence 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	<p>IT systems and controls over financial reporting</p> <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.</p> <p>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	<p>Contingent Liabilities and Commitments:</p> <p>The Group is exposed to a variety of different laws, regulations and interpretations there of 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.</p>	<p>Our audit procedures included the following:</p> <p>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;</p> <p>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'</p> <p>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;</p> <p>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.</p>
3	<p>Inventory of raw material, Work in Progress and Finished Goods (Valuation) –</p> <p>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, 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.</p>	<p>With respect to the net realisable value:</p> <ul style="list-style-type: none"> • Obtained an understanding of the determination of the net realizable values of raw blocks, granites, cut slabs, Quartz surfaces and assessed and tested the reasonableness of the significant judgements applied by the management. • 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. • 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. • 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. • 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. • Tested the appropriateness of the disclosure in the financial statements in accordance with the applicable financial reporting framework.
4	<p>Evaluation of Provision for Warranties</p> <p>The subsidiary (PESL) of the Group gives warranties on products and services, undertaking to repair / replace during the warranty period. Provision made represents the amount of the expected cost of meeting such obligation on account of repair / replacement.</p>	<p>Our audit approach was a combination of test of internal controls and substantive procedures. We have further reviewed the management's assumptions with respect to estimating the provision for warranties and noted based on the past experience of the levels of repairs and returns of certain products and services.</p>

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 there on

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's 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, 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 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 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 for the financial year ended March 31, 2022 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, 2022 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, 2022 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 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 Ind AS 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, 2022.
 - (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 Companies Act 2013 to the extent it applies to payment of dividend. As stated in note 47 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. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For K.C. Bhattacharjee & Paul.,
Chartered Accountants
(ICAI FRN: 303026E)

(Manoj Kumar Bihani)
Partner

Place: Hyderabad
Date: 21.05.2022

Membership No. 234629
UDIN NO. 22234629AKKUGI6407

Annexure - A to the Independent Auditors' Report

Referred to in paragraph 9 (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, 2022.

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, 2022, 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. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting 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 over financial reporting. 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 financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting 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 over financial reporting.

Meaning of Internal Financial Controls over financial reporting:

A Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the 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 over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections

of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Group and its subsidiary have in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial control with reference to financial statement criteria established by the respective companies considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.C. Bhattacharjee & Paul,
Chartered Accountants
(ICAI FRN: 303026E)

(Manoj Kumar Bihani)

Partner

Place: Hyderabad

Date: 21.05.2022

Membership No. 234629
UDIN No. 22234629AKKUGI6407

Consolidated Balance Sheet

as at March 31, 2022

		₹ In lakhs	
Particulars	Note	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	75772.74	69870.72
(b) Capital work-in-progress		100.74	6480.81
(c) Intangible assets	3	44.39	48.70
(d) Financial assets			
(i) Loans	4(A)	179.21	148.01
(ii) Other financial assets	5(A)	654.44	2046.01
(e) Other non-current assets	6(A)	618.64	866.02
Total non-current assets		77370.16	79460.27
II Current assets			
(a) Inventories	7	18340.57	11092.94
(b) Financial assets			
(i) Trade receivables	8	14315.19	4341.21
(ii) Cash and cash equivalents	9	2316.47	1210.52
(iii) Bank balances other than (ii) above	10	824.99	1437.62
(iv) Loans	4(B)	352.24	196.97
(v) Other financial assets	5(B)	77.30	132.56
(c) Current tax assets	11	5.30	7.15
(d) Other current assets	6(B)	3555.90	2424.94
Total current assets		39787.96	20843.91
TOTAL ASSETS		117158.12	100304.18
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	12	620.08	620.08
(b) Other equity	13	43669.76	35936.77
Total equity		44289.84	36556.85
Liabilities			
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14(A)	38445.32	22624.22
(ia) Lease liabilities	15(A)	326.89	399.07
(b) Provisions	18(A)	685.67	666.43
(c) Deferred tax liabilities (net)	16	1237.64	768.74
(d) Other non-current liabilities	20(A)	860.41	18567.17
Total non-current liabilities		41555.93	43025.63
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14(B)	12572.69	8029.02
(ia) Lease liabilities	15(B)	117.77	145.89
(ii) Trade payables	21		
a) total outstanding dues of micro enterprises and small enterprises		333.30	46.30
b) total outstanding dues of creditors other than micro enterprises and small enterprises		10446.02	4554.65
(iii) Other financial liabilities	17	12.95	14.12
(b) Other current liabilities	20(B)	5414.70	5966.20
(c) Provisions	18(B)	1172.14	1097.68
(d) Current tax liabilities (net)	19	1242.78	867.84
Total current liabilities		31312.35	20721.70
TOTAL EQUITY AND LIABILITIES		117158.12	100304.18
Notes forming part of the financial statements	1 - 49		

In terms of our report attached

For and on behalf of Board of Directors

For **K.C.Bhattacharjee & Paul**
Chartered Accountants
(F.No.303026E)

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Meka Yugandhar
Director
(D.No: 00012265)

Manoj Kumar Bihani
Partner
Membership No. 234629

Rahul Jain
Managing Director
(D.No: 00576447)

Apurva Jain
Executive Director
(D.No: 06933924)

Place : Hyderabad
Date : 21st May, 2022

M Viswanatha Reddy
Chief Financial Officer

Babita Chandrakar
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

₹ In lakhs

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Income			
I Revenue from operations	22	65019.08	29503.59
II Other income	23	253.07	606.23
III Total income		65272.15	30109.82
IV Expenses			
a) Cost of raw material consumed	24	27865.36	8556.03
b) Purchase of stock-in-trade		102.37	58.40
c) Changes in stock of finished goods, work-in-progress and stock-in-trade	25	(4461.05)	136.66
d) Employee benefits expense	26	5286.40	3589.77
e) Depreciation and amortization expense	27	3857.33	2138.44
f) Finance costs	28	3605.87	2123.88
g) Other expenses	29	18826.63	8985.83
Total expenses		55082.91	25589.01
V Profit before tax (III-IV)		10189.24	4520.81
VI Tax expense:			
a) Current tax	30	1920.29	987.57
Less: MAT credit entitlement		(802.03)	(834.78)
b) Deferred tax		1240.98	1539.12
Total tax expense		2359.24	1691.91
VII Profit after tax (V-VI)		7830.00	2828.90
VIII Other comprehensive income/(loss)			
(i) Items that will not be reclassified to profit or loss		118.96	59.07
(ii) Income tax relating to items that will not be reclassified to profit or loss		(29.94)	(14.87)
Total other comprehensive income/(loss)		89.02	44.20
IX Total comprehensive income for the year: (VII + VIII)		7919.02	2873.10
Profit for the year attributable to:			
(i) Equity owners of the Company		7830.00	2828.90
(ii) Non-controlling interests		-	-
		7830.00	2828.90
OCI for the year attributable to:			
(i) Equity owners of the Company		89.02	44.20
(ii) Non-controlling interests		-	-
		89.02	44.20
Total comprehensive income for the year attributable to:			
(i) Equity owners of the Company		7919.02	2873.10
(ii) Non-controlling interests		-	-
		7919.02	2873.10
X Earnings per share - Basic and Diluted (in ₹)	31	25.25	9.12
XI Nominal Value of share (in ₹)		2.00	2.00
Notes forming part of the financial statements	1 - 49		

In terms of our report attached

For **K.C.Bhattacharjee & Paul**
Chartered Accountants
(F.No.303026E)

Manoj Kumar Bihani
Partner
Membership No. 234629

Place : Hyderabad
Date : 21st May, 2022

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

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Babita Chandrakar
Company Secretary

Statement of Changes in Equity

for the year ended 31st March, 2022

A) EQUITY SHARES

₹ In lakhs

Particulars	Balance as at 1st April 2021	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2021	Balance as at 31st March 2022
Equity shares of ₹ 2/- each issued, Subscribed and fully paidup	620.08	-	620.08	620.08

₹ In lakhs

Particulars	Balance as at 1st April 2020	Changes in Equity Share Capital due to prior period errors	Restated balance as at 1st April 2021	Balance as at 31st March 2021
Equity shares of ₹ 2/- each issued, Subscribed and fully paidup	620.08	-	620.08	620.08

B) OTHER EQUITY

₹ In lakhs

Particulars	Attributable to the equity owners of the Company				
	Other Comprehensive Income	General Reserve	Retained earnings	Securities Premium	Total Other Equity
Balance as at 01.04.2021	163.79	980.36	34718.66	73.96	35936.77
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	163.79	980.36	34718.66	73.96	35936.77
Total Comprehensive Income for the year	89.02	-	-	-	89.02
Dividends	-	-	(186.03)	-	(186.03)
Transfer to Retained earnings	-	-	7830.00	-	7830.00
Balance as at 31.03.2022	252.81	980.36	42362.63	73.96	43669.76

₹ In lakhs

Particulars	Attributable to the equity owners of the Company				
	Other Comprehensive Income	General Reserve	Retained earnings	Securities Premium	Total Other Equity
Balance as at 01.04.2020	119.59	980.36	32075.78	73.96	33249.69
Changes in Accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the current reporting period	119.59	980.36	32075.78	73.96	33249.69
Total Comprehensive Income for the year	44.20	-	-	-	44.20
Dividends	-	-	(186.02)	-	(186.02)
Transfer to Retained earnings	-	-	2828.90	-	2828.90
Balance as at 31.03.2021	163.79	980.36	34718.66	73.96	35936.77

In terms of our report attached

For **K.C.Bhattacharjee & Paul**
Chartered Accountants
(F.No.303026E)

Manoj Kumar Bihani

Partner
Membership No. 234629

Place : Hyderabad

Date : 21st May, 2022

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

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain

Executive Director
(D.No: 06933924)

Babita Chandrakar
Company Secretary

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

₹ In lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) Cash flows from operating activities		
Profit before taxes	10189.24	4520.81
Adjustments:		
Depreciation and amortization expense	3857.33	2138.44
Loss/ (Profit) on Sale of property, plant and equipment (Net)	28.44	38.53
Gain on modification of lease	(8.47)	(24.48)
Unrealized foreign exchange (gain) / loss (Net)	(337.03)	(310.41)
Sundry Credit Balances written back	(19.85)	(13.60)
Allowance for credit losses	(9.38)	19.83
Bad debts written off	16.98	-
Sundry Debit Balances written off	16.79	0.13
Provision for warranties	69.78	196.39
Finance costs	3605.87	2123.88
Interest income	(164.45)	(134.22)
Operating profit before working capital changes	17245.25	8555.30
Changes in working capital and other provisions:		
(Increase)\Decrease in Trade Receivables	(9804.18)	(1088.05)
(Increase)\Decrease in Inventories	(7247.64)	(2134.26)
(Increase)\Decrease in Financial Assets	1873.00	1474.70
(Increase)\Decrease in Non - Financial Assets	(1112.60)	(342.98)
Increase\ (Decrease) in Provisions	23.91	104.84
Increase\ (Decrease) in Non - Financial Liabilities	-	1.34
Increase\ (Decrease) in Trade and Other Payables	7427.03	4243.17
Cash generated from operations	8404.77	10814.06
Income taxes paid, net	(1543.50)	(983.32)
Net cash from/(used in) operating activities	6861.27	9830.74
(B) Cash flows from investing activities		
Purchase of property, plant and equipment, Intangible assets and changes in CWIP	(21742.46)	(8760.46)
Proceeds from sale of property, plant and equipment	197.12	26.20
Interest income	164.45	134.22
Net cash from /(used in) investing activities	(21380.89)	(8600.04)
(C) Cash flows from financing activities		
Proceeds from Non-current borrowings	17058.99	8055.76
Repayment of Non-current borrowings	(2467.43)	(8564.17)
(Repayment) / Proceeds from Current borrowings (Net)	4406.94	1683.45
Principal payments of Lease Liabilities	(133.57)	(115.56)
Interest expense (including lease liabilities)	(3605.87)	(2123.88)
Dividend paid	(186.03)	(186.02)
Net cash generated in financing activities	15073.03	(1250.42)
Net increase/ (decrease) in cash and cash equivalents	553.41	(19.72)
Add: cash and cash equivalents at the beginning of the year	(327.77)	(468.47)
Effect of exchange gain on cash and cash equivalents	415.25	160.42
Cash and cash equivalents at the end of the year (refer note. 9.1)	640.89	(327.77)

In terms of our report attached

For and on behalf of Board of Directors

For **K.C.Bhattacharjee & Paul**
Chartered Accountants
(F.No.303026E)

Gautam Chand Jain
Chairman & Managing Director
(D.No: 00004775)

Meka Yugandhar
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Partner
Membership No. 234629

Rahul Jain
Managing Director
(D.No: 00576447)

Apurva Jain
Executive Director
(D.No: 06933924)

Place : Hyderabad
Date : 21st May, 2022

M Viswanatha Reddy
Chief Financial Officer

Babita Chandrakar
Company Secretary

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

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 31.03.2022.

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 significant accounting policies

The significant 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 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.

2.3 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

2.4 Significant 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 subsidiary.

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.

The financial statements of the Parent Company and its subsidiary have been consolidated using uniform accounting policies.

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 not depreciated.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

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 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 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.

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 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.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

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.

G Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease. Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(i) As a Lessee

The Group has adopted Ind AS 116-Leases effective 1st April, 2020, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2020). Accordingly, previous period information has not been restated. 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 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.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

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.

H Financial instruments

Financial assets

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, 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 recognized 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.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

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.

(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

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

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.

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

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognized and carried forward only if it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the enacted (or substantively enacted) tax rates expected to apply to taxable income in the years in which the temporary differences are expected to reverse. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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.

Group determines the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

P Revenue

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized 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 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.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

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 Standalone Financial Statements

for the Year ended 31 March, 2022

3. Property, plant and equipment & Intangible assets

Particulars	As at 31st March 2022	As at 31st March 2021
₹ In lakhs		
Property, plant and equipment		
A. Owned Assets	74743.15	68704.55
B. ROU Leased Assets	1029.59	1166.17
Total	75772.74	69870.72
Owned - Intangible assets	44.39	48.70

A. Owned Assets

Particulars	Property, plant and equipment							Intangible assets			₹ In lakhs	
	Land	Buildings	Factory & quarry buildings	Plant and equipment	Furniture & fixtures	Office equipment	Vehicles	Total of property, plant and equipment	Trade marks & brand name	Stripping cost activity asset		Total of intangible assets
1. Deemed Cost (Gross Carrying Amount)												
Balance as at 1st April 2020	2947.50	716.57	8267.36	34211.30	833.13	704.15	1154.26	48834.27	382.80	65.95	448.75	
Additions	0.73	232.00	16201.56	28466.19	28.95	355.61	59.30	45344.34	-	-	-	
Disposals/ transfer	(0.60)	-	-	(304.27)	(55.45)	-	(83.42)	(443.74)	-	-	-	
Balance as at 31st March 2021	2947.63	948.57	24468.92	62373.22	806.63	1059.76	1130.14	93734.87	382.80	65.95	448.75	
Balance as at 1st April 2021	2947.63	948.57	24468.92	62373.22	806.63	1059.76	1130.14	93734.87	382.80	65.95	448.75	
Additions	-	405.49	1101.28	7950.69	73.56	223.39	184.44	9938.85	-	-	-	
Disposals/ transfer	(15.78)	-	(96.97)	(430.62)	(58.17)	-	(32.34)	(633.88)	-	-	-	
Balance as at 31st March 2022	2931.85	1354.06	25473.23	69893.29	822.02	1283.15	1282.24	103039.84	382.80	65.95	448.75	
2. Accumulated Depreciation												
Balance as at 1st April 2020	-	413.04	2702.32	18484.24	614.44	575.13	674.15	23463.32	382.80	12.94	395.74	
Depreciation/Amortisation for the year	-	13.33	265.03	1481.09	37.00	48.22	101.34	1946.01	-	4.31	4.31	
Disposals/ transfer	-	-	-	(276.76)	(21.82)	-	(80.43)	(379.01)	-	-	-	
Balance as at 31st March 2021	-	426.37	2967.35	19688.57	629.62	623.35	695.06	25030.32	382.80	17.25	400.05	
Balance as at 1st April 2021	-	426.37	2967.35	19688.57	629.62	623.35	695.06	25030.32	382.80	17.25	400.05	
Depreciation/Amortisation for the year	-	24.42	780.71	2608.89	32.32	118.26	110.08	3674.68	-	4.31	4.31	
Disposals/ transfer	-	-	-	(318.13)	(59.02)	-	(31.16)	(408.31)	-	-	-	
Balance as at 31st March 2022	-	450.79	5748.06	21979.33	602.92	741.61	773.98	28296.69	382.80	21.56	404.36	
3. Carrying Amount (Net)												
At 31st March 2021	2947.63	522.20	21501.57	42684.65	177.01	436.41	435.08	68704.55	-	48.70	48.70	
At 31st March 2022	2931.85	903.27	21725.17	47913.96	219.10	541.54	508.26	74743.15	-	44.39	44.39	

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

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
Total		28.44				

3.5) Capital work-in-progress ₹100.74 lakhs (previous year ₹6480.81 lakhs).

Capital work-in-progress ageing schedule as at 31st March 2022

₹ 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	99.34	1.40	-	-	100.74
Projects temporarily suspended	-	-	-	-	-

Capital work-in-progress ageing schedule as at 31st March 2021

₹ 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	1460.55	4928.09	92.17	-	6480.81
Projects temporarily suspended	-	-	-	-	-

B. ROU Leased Assets *

₹ In lakhs

Particulars	Leasehold Land	Building	Total
1. Deemed cost (Gross carrying amount)			
Balance as at 1st April 2020	766.59	937.93	1704.52
Additions	-	36.12	36.12
Disposals/ transfer	-	(214.23)	(214.23)
Balance as at 31st March 2021	766.59	759.82	1526.41
Balance as at 1st April 2021	766.59	759.82	1526.41
Additions	-	67.30	67.30
Disposals/ transfer	-	(70.43)	(70.43)
Balance as at 31st March 2022	766.59	756.69	1523.28

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

3. Property, plant and equipment & Intangible assets (Contd..)

		₹ In lakhs	
Particulars	Leasehold Land	Building	Total
2. Accumulated Depreciation			
Balance as at 1st April 2020	35.86	185.76	221.62
Depreciation/ amortisation for the year	35.85	166.40	202.25
Disposals/ transfers	-	(63.63)	(63.63)
Balance as at 31st March 2021	71.71	288.53	360.24
Balance as at 1st April 2021	71.71	288.53	360.24
Depreciation/ amortisation for the year	35.96	142.38	178.34
Disposals/ transfers	-	(44.89)	(44.89)
Balance as at 31st March 2022	107.67	386.02	493.69
3. Carrying amount (net)			
At 31st March 2021	694.88	471.29	1166.17
At 31st March 2022	658.92	370.67	1029.59

*refer Note 42

4 Loans

		₹ In lakhs	
Particulars	As at 31st March, 2022	As at 31st March, 2021	
A. Non-current loans			
Loan receivables considered good -unsecured			
Other loans	179.21	148.01	
Total	179.21	148.01	
B. Current loans			
Loan receivables considered good -unsecured			
Other loans	352.24	196.46	
Loans to employees	-	0.51	
Total	352.24	196.97	

5 Other financial assets

		₹ In lakhs	
Particulars	As at 31st March, 2022	As at 31st March, 2021	
A. Non-current financial assets			
Unsecured, considered good			
Deposits with maturity for more than 12 months			
Margin money given against a bank guarantee/letter of credit	14.58	1085.96	
Interest accrued on fixed deposits	0.56	29.94	
Deferred payment charges	61.23	383.21	
Security deposit	578.07	546.90	
Total	654.44	2046.01	
B. Current financial assets			
Unsecured, considered good			
Interest accrued on fixed deposits	18.17	69.50	
Deferred payment charges due within one year	59.13	63.06	
Total	77.30	132.56	

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

6 Other assets

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
A. Non-current assets		
Unsecured, considered good		
Capital advances	95.92	324.94
Advance to Suppliers	409.96	427.20
Defer lease rentals	12.76	13.88
Other Non-Current Assets	100.00	100.00
Total	618.64	866.02
B. Current assets		
Unsecured, considered good		
Indirect taxes receivable	2479.20	1319.84
Advance to suppliers	300.15	640.70
Other current assets	169.28	164.25
Prepaid expenses	607.27	300.15
Total	3555.90	2424.94

7 Inventories

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Raw materials	3839.33	2777.34
Work-in-progress	1308.90	317.67
Finished goods	8542.37	5096.88
Traded goods	47.36	23.03
Consumables, stores & spares	3941.82	2646.68
Packing material	660.79	231.34
Total	18340.57	11092.94
Details of materials in transit included in inventories above		
Raw materials	757.72	291.44
Consumables, stores & spares	482.11	2.39
Packing material	66.02	0.38

8 Trade receivables

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Considered good -secured	-	-
Considered good -unsecured	14315.19	4341.21
Which have significant increase in credit risk	216.77	226.15
Credit impaired	-	-
Allowance for credit losses	(216.77)	(226.15)
Total	14315.19	4341.21

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

8 Trade receivables (Contd..)

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 2022

₹ In lakhs

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	13981.71	183.33	104.08	45.90	0.17	14315.19
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	216.77	216.77
(iii) Undisputed Trade receivables - Credit impaired						
	13981.71	183.33	104.08	45.90	216.94	14531.96
Less: Allowance for Credit losses						(216.77)
Total Trade receivable						14315.19

Trade receivables ageing schedule as at 31st March 2021

₹ In lakhs

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	3999.91	204.65	85.94	30.25	20.46	4341.21
(ii) Undisputed Trade receivables - Which have significant increase in credit risk	-	-	-	-	226.15	226.15
(iii) Undisputed Trade receivables - Credit impaired						
	3999.91	204.65	85.94	30.25	246.61	4567.36
Less: Allowance for Credit losses						(226.15)
Total Trade receivable						4341.21

9 Cash and cash equivalents

₹ In lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash in hand	13.31	13.35
Balances with banks:		
On current accounts	1417.16	772.96
On cash credit accounts	886.00	424.21
Total	2316.47	1210.52

9.1 For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

₹ In lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Cash and cash equivalents	2316.47	1210.52
Less: Cash credit [refer note. 14(B)]	(1675.58)	(1538.29)
Total	640.89	(327.77)

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

10 Other bank balances

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Margin money given against a bank guarantee/letter of credit with maturity for more than 3 months but less than 12 months	813.97	1424.87
In unpaid dividend account	11.02	12.75
Total	824.99	1437.62

11 Current tax assets

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Tax refundable	5.30	7.15
Total	5.30	7.15

12 Share capital

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Authorized:		
10,00,00,000 (previous year 10,00,00,000)		
equity shares of ₹2/- each (₹2/-) par value	2000.00	2000.00
Issued, subscribed and fully paid-up:		
3,10,04,000 (previous year 3,10,04,000)		
equity shares of ₹2/- each (₹2/-) fully paid-up	620.08	620.08
Total	620.08	620.08

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 in the company

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹2 /- each fully paid				
Gautam Chand Jain	15703885	50.65	14187045	45.76
Nippon Life India Trustee Ltd.,A/c -Nippon India Small Cap Fund	-	-	2088525	6.74

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

12 Share capital (Contd.)

12.4 Details of shareholders holding of Promoters in the company

Equity shares

				₹ In lakhs
S.No.	Promoter Name	No. of shares as at March 31, 2022	% of total shares	% of change during the year
1	Gautam Chand Jain	15703885	50.65%	11%
2	Vidya Jain	500000	1.61%	0%
3	Rahul Jain	498500	1.61%	0%
4	Neha Jain	500000	1.61%	0%
5	Megha Jain	125000	0.40%	0%
6	Prakash Chand Jain	60000	0.19%	-87%
7	Ashok Chand Jain Kantilal	60000	0.19%	-87%
8	Raaj Kumar Jain Kantilal	60000	0.19%	-87%
9	Anju Jain	60000	0.19%	-87%

13 Other equity

			₹ In lakhs
Particulars	As at 31st March, 2022	As at 31st March, 2021	
Securities Premium	73.96	73.96	
General reserve	980.36	980.36	
Net surplus in the statement of Profit and Loss			
Opening balance	34718.66	32075.78	
Add: Profit for the year	7830.00	2828.90	
	42548.66	34904.68	
Less: Dividend paid	186.03	186.02	
	42362.63	34718.66	
Other comprehensive income			
Opening balance	163.79	119.59	
Movement in OCI (net) during the year	89.02	44.20	
	252.81	163.79	
Total	43669.76	35936.77	

14 Borrowings

			₹ In lakhs
Particulars	As at 31st March, 2022	As at 31st March, 2021	
A. Non-current			
Secured loans - From banks (refer note. 14.1 & 14.3)			
Term loans in Indian rupees	6907.28	4540.30	
Term loans in Foreign currency	19885.15	6881.33	
Unsecured loans			
Loans & advances from related parties			
Loans from directors	3978.93	4094.18	
Inter Corporate Deposits	7673.96	7108.41	
Total	38445.32	22624.22	

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

14 Borrowings (Contd..)

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
B. Current		
Secured loans - From banks		
Current maturities of long term borrowings:		
From banks -secured (refer note. 14.1 & 14.3)		
Term loans in Indian rupees	573.21	1104.80
Term loans in Foreign currency	1570.28	669.17
From others -secured (refer note. 14.1)		
Term loans in Indian rupees	-	8.87
Working capital loans - repayable on demand (refer note. 14.1 & 14.3)		
Cash Credit Facilities in Indian rupees	1675.58	1538.29
Packing credit loans in Indian rupees	-	1358.74
Packing credit loans in Foreign currency	7144.53	3055.04
Bill discounting facilities in Foreign currency	1609.09	294.11
Total	12572.69	8029.02

Nature of security and terms of repayment for secured borrowings:

14.1 Term loans in Foreign currency of ₹921.31 lakhs, Term loan in Indian rupees of ₹18.89 lakhs & working capital facilities of ₹2295.83 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 @ 10.20%, Packing credit loans in foreign currency carries interest @ 2.41% and Bill discounting facilities in Foreign currency carries interest @ 2.91%.

Term loans in Indian rupees of ₹79.19 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:

	₹ In lakhs		
	2022-23	2023-24	2024-25
Term loans in Foreign currency			
Rate of interest -SOFR plus 350 bps- 3.69%	368.53	368.52	184.26
Term loans in Indian rupees			
Rate of interest - 6% to 10.20%	59.43	33.12	5.53

14.3 Term loans in Indian rupees of ₹1003.33 lakhs & working capital facilities of ₹4172.51 lakhs from Union Bank of India, Bank of India & Indian Overseas Bank of under consortium are secured by a first charge ranking pari-passu mortgage over leasehold interests under the land lease agreement and equitable mortgage of buildings along with the plant & machinery including current assets such as inventories, book debts and other receivables both present and future of the unit situated at Visakhapatnam and personal guarantees of the Directors (other than independent directors).

Further 51% of the shares held by Pokarna Limited in the company are also pledged against the borrowing from the banks. Pledge was relieved by bankers during the current financial year.

Term loans in Indian rupees of ₹6365.01 lakhs, Term loans in foreign currency of ₹20349.86 lakhs & working capital facilities of ₹3960.87 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 entire assets and also 2nd pari passu charge on the entire assets (both movable and immovable) of existing unit at Visakhapatnam as a additional collateral security and personal guarantees of the Directors (other than independent directors) and corporate guarantee by parent company Pokarna Limited. Corporate guarantee was relieved by bankers during the current financial year.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

14 Borrowings (Contd..)

Cash credit facilities in Indian rupees carries interest @ 11.55% to 12.75%, Packing credit loans in Indian rupees carries interest @ 7.85%, Packing credit loans in foreign currency carries interest @ 1.93% to 2.75%.

Term loans in Indian rupees of ₹198.32 lakhs are for purchase of assets, secured by hypothecation of respective assets and personal guarantee of the Directors (other than Independent directors).

14.4 Maturity profile of term loans from banks are as set out below:

	₹ In lakhs			
Rate of interest	2021-22	2022-23	2023-24	2024-25 & Beyond
Term loans in Foreign currency				
Six months libor plus 425 bps -4.52 % to 4.96%	1017.49	2034.99	2034.99	15262.38
Term loans in Indian rupees				
1 yr. MCLR plus 2.25% to 3.5% -9.20% to 12.75%	619.42	1073.55	1079.32	4596.06
6% to 9.02%	78.62	71.87	40.77	7.06

15 Lease Liabilities

	₹ In lakhs	
Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Non-Current		
Lease liability (refer note. 42)	326.89	399.07
Total	326.89	399.07
B. Current		
Lease liability (refer note. 42)	117.77	145.89
Total	117.77	145.89

16 Deferred tax

Deferred tax liabilities (net)

	₹ In lakhs	
Particulars	As at 31st March, 2022	As at 31st March, 2021
Deferred tax liabilities		
Property, plant & equipment	5096.34	3824.17
	5096.34	3824.17
Deferred tax asset		
Receivables	54.56	56.92
Provisions	588.52	581.54
MAT credit entitlement	3215.62	2413.60
Carryover loss	-	3.37
	3858.70	3055.43
Total	1237.64	768.74

Deferred tax liabilities (net)

	₹ In lakhs	
Particulars	As at 31st March, 2022	As at 31st March, 2021
At the start of the year	768.74	49.54
Unused tax credit	(802.02)	(834.79)
Charge/ (Credit) to statement of P&L	1270.92	1553.99
At the end of the year	1237.64	768.74

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

Component of deferred tax liabilities/(asset)

₹ In lakhs

Deferred tax liabilities/(asset) in relation to:	As at March 31, 2021	Charge/ (credit) to profit or loss	As at March 31, 2022
Property, plant and equipment	3824.17	1272.17	5096.34
Provisions	(581.54)	(6.97)	(588.51)
Receivables	(56.92)	2.36	(54.56)
Unused tax credit	(2413.60)	(802.03)	(3215.63)
Carryover loss	(3.37)	3.37	-
Total	768.74	468.90	1237.64

17 Other financial liabilities

₹ In lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Interest accrued but not due on borrowings	1.93	1.37
Unpaid dividend	11.02	12.75
	12.95	14.12

18 Provisions

₹ In lakhs

Particulars	As at 31st March, 2022	As at 31st March, 2021
A. Non-current		
For employee benefits		
Gratuity (refer note. 26(1a))	523.93	509.68
Compensated absence (refer note. 26(1b))	128.46	126.43
Others		
Restoration liability	33.28	30.32
Total	685.67	666.43
B. Current		
For employee benefits		
Gratuity (refer note. 26(1a))	36.44	32.89
Compensated absence (refer note. 26(1b))	8.03	6.91
Others		
Warranties	1127.67	1057.88
Total	1172.14	1097.68

₹ In lakhs

18.1 Particulars	Opening balance	Provision recognized	Provision utilized	Closing balance
Provision for warranty	1057.88	75.13	5.34	1127.67

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, 2022

19 Current tax liabilities (net)

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
Provision for income tax	1899.76	908.47
Less: Advance tax	656.98	40.63
Total	1242.78	867.84

20 Other liabilities

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
A. Non-Current		
Creditors for capital expenditure	860.41	18567.17
Total	860.41	18567.17
B. Current		
Advance received from customers	951.71	965.46
Creditors for capital expenditure	2091.75	2852.62
Statutory liabilities	125.74	129.93
Other liabilities	2245.50	2018.19
Total	5414.70	5966.20

21 Trade payables

Particulars	₹ In lakhs	
	As at 31st March, 2022	As at 31st March, 2021
a) total outstanding dues of micro enterprises and small enterprises	333.30	46.30
b) total outstanding dues of creditors other than micro enterprises and small enterprises	10446.02	4554.65
Total	10779.32	4600.95

21.1 Trade payables ageing schedule as at 31st March 2022

Particulars	₹ In lakhs				
	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	333.30	-	-	-	333.30
(ii) Others	10393.67	5.33	8.04	38.98	10446.02
Total	10726.97	5.33	8.04	38.98	10779.32

Trade payables ageing schedule as at 31st March 2021

Particulars	₹ In lakhs				
	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	46.30	-	-	-	46.30
(ii) Others	4476.18	20.90	31.93	25.64	4554.65
Total	4522.48	20.90	31.93	25.64	4600.95

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

21 Trade payables (Contd.)

21.2 Disclosure in accordance with Section 22 of micro, small and medium enterprises development Act, 2006

₹ In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
a) Principal amount 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	-	1.80
c) Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	800.05	93.90
d) Interest paid, under section 16 of MSMED Act, to suppliers registered under the Act, beyond the appointed day during the year	16.27	3.18
e) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.41	1.80
f) Interest accrued and remaining unpaid at the end of accounting year	0.41	1.80
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

₹ In lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products	64624.03	29413.19
Sale of services	395.05	90.40
Total	65019.08	29503.59

23 Other income

₹ In lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on		
Bank deposits	52.02	29.09
Others	112.43	104.49
Income tax refund	-	0.64
Scrap sales	39.88	38.99
Insurance claim	10.13	0.68
Commission Income	-	0.26
Sundry credit balances written back	19.85	13.60
Profit on sale of property, plant & equipment	0.81	6.13
Exchange gain	-	387.44
Gain on modification of lease	8.57	24.48
Allowance for credit losses written back	6.24	-
Miscellaneous Income	-	0.43
Provision no longer required written back	3.14	-
Total	253.07	606.23

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

24 Cost of raw material consumed

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock	2777.34	1612.27
Add: Purchases	28927.35	9721.10
	31704.69	11333.37
Less: Closing stock	3839.33	2777.34
Total	27865.36	8556.03

25 Changes in stock of finished goods, work-in-progress and stock-in-trade

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year		
Finished goods	5096.88	5293.00
Work-in-progress	317.67	249.57
Stock-in-trade	23.03	31.67
	5437.58	5574.24
Inventories at the end of the year		
Finished goods	8542.37	5096.88
Work-in-progress	1308.90	317.67
Stock-in-trade	47.36	23.03
	9898.63	5437.58
Total	(4461.05)	136.66

26 Employee benefits expense

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages, bonus & allowances	4484.14	3078.76
Contribution to provident fund and other funds	220.35	198.22
Retirement benefits	162.22	162.12
Staff welfare expense	419.69	150.67
Total	5286.40	3589.77

26.1 Employee benefits:

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Defined contribution plan		
Employer's contribution to provident fund	197.98	181.97

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, 2022

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:

₹ In lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Change in defined benefit obligations:		
Obligation at the beginning of the year	680.85	624.11
Current service costs	83.60	83.86
Interest costs	42.45	41.15
Remeasurement (gain)/losses	(71.27)	(24.26)
Benefit paid	(36.51)	(44.01)
Obligation at the end of the year	699.12	680.85

₹ In lakhs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Change in plan assets:		
Fair value of plan assets at the beginning of the year	138.28	155.36
Interest income	8.96	11.08
Remeasurement gain/(losses)	11.40	0.74
Employers' contributions	16.61	15.10
Benefits paid	(36.51)	(44.00)
Fair value of plan assets at the end of the year	138.74	138.28

Amounts recognised in the balance sheet consists of:

₹ In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets:	(138.74)	(138.28)
Present value of obligation	699.12	680.85
	560.38	542.57
Recognised as:		
Retirement benefit liability - Current	36.44	32.88
Retirement benefit liability - Non-current	523.94	509.68

Expenses recognised in the statement of profit and loss consists of:

₹ In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits expenses:		
Current service costs	83.60	83.86
Interest costs	33.49	30.07
Past service cost -(vested benefits)	-	-
	117.09	113.93
Other comprehensive income:		
(Gain)/loss on plan assets	(11.40)	(0.75)
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	(57.18)	20.50
Actuarial (gain)/loss arising from changes in experience adjustments	(14.08)	(44.74)
	(82.66)	(24.99)
Expenses recognised in the statement of profit and loss	34.43	88.94

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

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, 2022	As at March 31, 2021
Discount rate (per annum)	7.24%	6.56%
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, 2022

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹777.29 lakhs, increase by ₹632.65 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹772.73 lakhs, decrease by ₹633.99 lakhs

As at March 31, 2021

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹733.58 lakhs, increase by ₹584.97 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹729.29 lakhs, decrease by ₹587.35 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, 2022	Year ended March 31, 2021
Change in defined benefit obligations:		
Obligation at the beginning of the year	133.35	118.49
Current service costs	36.63	44.35
Interest costs	8.50	7.74
Remeasurement (gain)/losses	(36.30)	(34.06)
Benefit paid	(5.69)	(3.17)
Obligation at the end of the year	136.49	133.35

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Change in plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Remeasurement gain/(losses)	-	-
Employers' contributions	5.69	3.19
Benefits paid	(5.69)	(3.19)
Fair value of plan assets at the end of the year	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

26 Employee benefits expense (Contd.):

Amounts recognised in the balance sheet consists of:

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets	-	-
Short term compensated absence liability	-	-
Present value of obligation	136.49	133.35
	136.49	133.35
Recognised as:		
Retirement benefit liability - Current	8.03	6.91
Retirement benefit liability - Non-current	128.46	126.44

Expenses recognised in the statement of profit and loss consists of:

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Employee benefits expenses:		
Current service costs	36.63	44.35
Interest costs	8.50	7.74
Past service cost	-	-
	45.13	52.09
Other comprehensive income:		
(Gain)/loss on plan assets	-	-
Actuarial (gain)/loss arising from changes in demographic Assumption	-	-
Actuarial (gain)/loss arising from changes in financial assumption	(13.53)	1.52
Actuarial (gain)/loss arising from changes in experience adjustments	(22.77)	(35.58)
	(36.30)	(34.06)
Expenses recognised in the statement of profit and loss	8.83	18.03

(ii) The key assumptions used in accounting for compensated absence is as below:

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	7.50%	6.56%
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, 2022

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹152.93 lakhs, increase by ₹122.72 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹152.43 lakhs, decrease by ₹122.88 lakhs

As at March 31, 2021

Assumption	₹ In lakhs	
	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹150.77 lakhs, increase by ₹118.86 lakhs
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹150.11 lakhs, decrease by ₹119.13 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, 2022

27 Depreciation & Amortization expense

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, plant & equipment (owned assets)	3674.68	1931.90
Depreciation on Property, plant & equipment (leased assets) (refer note.42)	178.34	202.23
Amortization on intangible assets	4.31	4.31
Total	3857.33	2138.44

28 Finance costs

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest on borrowings:		
- Banks (net off of refund of Rs.Nil (previous year Rs.1.13 lakhs)	1939.21	639.82
- Others	1462.55	1344.97
Interest expense on lease liability(refer note.42)	64.53	83.30
Interest on taxes / duties	139.58	55.79
Total	3605.87	2123.88

29 Other expenses

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores & spares	5220.66	2360.26
Packing material	1112.56	362.91
Processing & job work exp.	385.52	252.51
Power and fuel	2212.57	1372.05
Repairs and maintenance:		
- Plant and machinery	164.09	90.54
- Building	6.32	3.22
- Others	46.62	41.75
Cutter and driller charges	193.86	239.63
Rent (refer note.42)	34.84	27.39
Rates and taxes	87.89	63.71
Deferred lease expense written off	8.21	8.59
Insurance	336.62	173.51
Communication charges	65.09	42.09
Printing & stationery	34.26	22.92
Travelling & conveyance expenses	72.43	9.91
Electricity charges	31.52	32.05
Vehicle maintenance	233.39	126.81
Auditors remuneration	24.01	21.77
Advertisement	5.07	5.92
Professional & consultancy	312.05	271.30
Commission to non-executive directors	27.68	13.73
Directors sitting fees	29.00	20.00
Donations	5.27	221.20
CSR activity expenses	167.60	628.05

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

29 Other expenses (Contd..)

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Fees & subscriptions	43.24	27.82
Government royalty and dead rent	553.60	687.33
Carriage outwards	6278.22	1091.18
Sales commission	23.28	12.22
Discounts and claims	55.32	51.10
Business promotion expenses	587.19	238.35
Sundry debit balances written off	16.79	0.13
Allowance for credit losses	-	19.83
Provision for warranties	75.13	211.99
Sales tax	-	2.41
Exchange Loss (Net)	99.88	-
Bad Debts Written off	16.98	-
Loss on modification of lease	0.10	-
Bank charges	135.30	88.11
Impairment / loss on sale of PPE	29.25	44.65
Miscellaneous expenses	95.22	98.89
Total	18826.63	8985.83

29.1 - Auditors remuneration

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Statutory audit	22.50	20.00
Certification	1.25	1.53
Out of pocket expenses	0.26	0.24

29.2 - Corporate social responsibility (CSR)

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
(i) Amount required to be spent by the company during the year	167.60	155.59
(ii) Amount of expenditure incurred	167.60	155.59
(iii) Shortfall at the end of the year	Nil	Nil
(iv) Total of previous years shortfall	Nil	Nil
(v) Reasons for shortfall	Not applicable	Not applicable
(vi) Nature of CSR activities	Health & Sanitation	Health & Sanitation
(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

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

30 Effective tax rate

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Income taxes		
A) Income tax expense/(benefit) recognised in the statement of profit and loss		
Current tax	1899.77	908.47
Less: MAT credit entitlement	(802.03)	(834.78)
Deferred tax	1240.98	1539.12
Deferred tax on comprehensive income	29.94	14.87
Tax in respect of earlier years	20.52	79.10
Total	2389.18	1706.78
B) Reconciliation of income tax expense		
Profit / (loss) before tax	10189.24	4520.80
Other comprehensive Income	118.96	59.07
Effective tax rate	29.17%	29.29%
Computed effective tax expense	3006.59	1341.56
Tax effect of:		
Expenses disallowed	1546.59	1033.29
Allowable items from IT act	(3378.58)	(2232.67)
Setoff against carryover losses	(27.85)	(68.80)
Long term capital gain	-	0.31
Deductions under IT act	(49.01)	-
Current tax provision (A)	1097.74	73.69
Incremental deferred tax liability on account of PPE and intangible assets	1272.17	1551.33
Incremental deferred tax asset on account of financial assets and other items	(1.24)	2.66
Deferred tax provision (B)	1270.93	1553.99
Tax expense recognised in the statement of profit and loss (A+B)	2368.67	1627.68
Effective tax rate	22.98%	35.54%

31 Earnings per share (EPS)

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
(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	7830.00	2828.90
(iv) Weighted average earnings per share (basic and diluted) (in ₹)	25.25	9.12

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, Vishwanatha Reddy, Babita chandrakar

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

32 Related party disclosures : (Contd..)

c) Names of relatives

Raaj Kumar Jain, Ashok Chand Jain, Vidya Jain, Rekha Jain, Anju Jain, Ritu Jain, Pratik Jain, Neha Jain, Megha Jain, Nidhi Jain, Gautam Chand Jain (HUF), Prakash Chand Jain (HUF)

d) Name of executive & non-executive director

Apurva Jain, Prakash Chand Jain, Mahender Chand Chordia, Meka Yugandhar, T.V. Chowdary*, Vinayak Rao Juvvadi, Jayshree Rajesh Sanghani

* resigned as non executive director w.e.f 28.01.2022

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. All amounts mentioned below are inclusive of service tax and GST. The CMD, MD, CFO and Company Secretary are regarded as Key management personnel in terms of Companies act, 2013.

Particulars	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	751.04	451.94
Post-employment pension, provident fund and medical benefits	0.91	0.88
Termination benefits*	-	-
Total compensation paid to Key management personnel	751.95	452.82

* 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 - 2021-22 (2020-21)

Nature of the transaction	₹ In lakhs				
	Key Management personnel	Executive/ Non-executive directors	Associates/ other related parties	Relatives	Total
Purchases					
Goods and services, net	-	-	3.93	-	3.93
	-	-	(10.80)	-	(10.80)
Sales					
Goods and services, net	-	-	1.20	0.46	1.66
	-	-	(0.26)	(1.21)	(1.47)
Job work	-	-	0.04	-	0.04
	-	-	(0.24)	-	(0.24)
Expenses					
Remuneration	751.04	24.00	-	-	775.04
	(452.59)	(22.23)	-	-	(474.82)
Commission & Sitting fee	-	56.66	-	-	56.66
	-	(33.70)	-	-	(33.70)
Rent & taxes	5.88	8.75	34.33	96.55	145.51
	(5.92)	(8.74)	(34.33)	(95.60)	(144.59)
Interest	422.79	0.00	763.10	-	1185.89
	(418.39)	(24.78)	(782.82)	-	(1225.99)
Dividend					
Dividend	88.11	2.64	-	14.67	105.42
	(88.11)	(2.64)	-	(14.67)	(105.42)

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

32 Related party disclosures : (Contd..)

					₹ In lakhs
Nature of the transaction	Key Management personnel	Executive/ Non-executive directors	Associates/ other related parties	Relatives	Total
Loans & advances					
Loans received	-	-	-	-	-
	(522.10)	-	-	-	(522.10)
Carrying amount					
Payables	4303.30	29.22	7673.96		12006.48
	(4438.17)	(20.38)	(7108.41)	-	(11566.96)
Rent deposit - receivable	-	8.33	23.20	97.82	129.35
	-	(8.33)	(23.20)	(97.82)	(129.35)

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, 2022	Year ended March 31, 2021
1	Purchases			
	Goods & Services, net			
	Pokarna Fabrics Pvt Limited	Associate	2.22	7.00
	Southend	Associate	-	0.18
2	Sales			
	Goods & Services, net			
	Pokarna Marketing Pvt Ltd	Associate	1.71	3.62
	Southend Extension	Associate	1.20	0.26
3	Expenses			
	Remuneration			
	Gautam Chand Jain	Key management personnel	553.55	274.51
	Rahul Jain	Key management personnel	120.00	110.23
3	Expenses			
	Apurva Jain	Executive director	24.00	22.23
	Viswanatha Reddy	Key management personnel	69.15	63.64
	Mahesh Inani	Key management personnel	-	4.21
3	Expenses			
	Babita Chandrakar	Key management personnel	8.34	-
	Commission & Sitting fee			
	Prakash Chand Jain	Non-executive director	9.61	6.61
3	Expenses			
	Mahender Chand Chordia	Non-executive director	8.61	6.61
	Meka Yugandhar	Non-executive director	9.61	6.61
	T.V.Chowdary	Non-executive director	9.61	6.61
3	Expenses			
	Vinayak Rao Juvvadi	Non-executive director	9.61	5.61
	Jayshree Rajesh Sanghani	Non-executive director	9.61	1.65
3	Expenses			
	Rent & taxes			
	Pokarna Fabrics Pvt Limited	Associate	34.33	34.33
	Gautam Chand Jain	Key management personnel	5.88	5.92
3	Expenses			
	Prakash Chand Jain	Non-executive director	8.75	8.74
	Gautam Chand Jain (HUF)	Relative	14.70	14.70
	Prakash Chand Jain (HUF)	Relative	15.27	15.27
3	Expenses			
	Vidya Jain	Relative	8.75	8.74

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

32 Related party disclosures : (Contd..)

₹ In lakhs

S.No	Particulars	Relationship	Year ended March 31, 2022	Year ended March 31, 2021
	Ritu Jain	Relative	14.27	14.27
	Pratik Jain	Relative	8.75	7.77
	Rekha Jain	Relative	17.25	17.25
	Ashok Chand Jain (HUF)	Relative	11.68	11.68
	Anju Jain	Relative	5.88	5.92
	Interest			
	Pokarna Fabrics Pvt Limited	Associate	635.15	640.23
	Pokarna Marketing Pvt Limited	Associate	127.95	142.59
	Gautam Chand Jain	Key management personnel	274.92	263.60
	Rahul Jain	Key management personnel	147.87	154.79
	Prakash Chand Jain	Non-executive director	-	24.78
	Dividend			
	Gautam Chand Jain	Key management personnel	85.12	85.12
	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	2.64	2.64
	Anju Jain	Relative	2.64	2.64
	Raaj Kumar Jain	Relative	2.64	2.64
	Ashok Chand Jain	Relative	2.64	2.64
	Megha Jain	Relative	0.75	0.75
4	Loans & Advances			
	Loans received			
	Gautam Chand Jain	Key management personnel	-	522.10
5	Carrying amount			
	Payables			
	Pokarna Fabrics Pvt Limited	Associate	6439.37	5867.74
	Pokarna Marketing Pvt Limited	Associate	1234.59	1240.67
	Gautam Chand Jain	Key management personnel	2816.54	2956.19
	Rahul Jain	Key management personnel	1481.35	1454.75
	Viswanatha Reddy	Key management personnel	4.25	27.23
	Babita Chandrakar	Key management personnel	1.16	-
	Apurva Jain	Executive director	1.56	6.68
	Prakash Chand Jain	Non-executive director	4.61	2.61
	Mahender Chand Chordia	Non-executive director	4.61	2.61
	Meka Yugandhar	Non-executive director	4.61	2.61
	T.V.Chowdary	Non-executive director	4.61	2.61
	Vinayak Rao Juvvadi	Non-executive director	4.61	2.61
	Jayshree Rajesh Sanghani	Non-executive director	4.61	0.65
	Rent deposit receivable			
	Pokarna Fabrics Pvt Limited	Associate	23.20	23.20
	Prakash Chand Jain	Non-executive director	8.33	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	19.80
	Ashok Chand Jain & Sons	Relative	11.34	11.34
	Vidya Jain	Relative	8.33	8.33
	Pratik Jain	Relative	8.33	8.33

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

33 Contingent liabilities and commitments

33.1 Contingent liabilities :

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
a. Letter of credits outstanding	889.25	130.12
b. Bank guarantee	10.60	10.60
c. Claims against the Group / disputed liabilities not acknowledged as debts:		
i) Income tax matters, pending decisions on various appeals made by the Group and by the department. Amount deposited ₹ Nil (previous year ₹ 1.85 lakhs)	149.27	151.12
ii) Excise matters (including service tax), Amount deposited ₹23.06 lakhs (previous year ₹23.06 lakhs)	396.34	396.39
iii) Customs matters, Amount deposited ₹ Nil (previous year ₹ Nil)	75.91	75.91
iv) Sales tax matters, amount deposited ₹ 34.97 lakhs (previous year ₹ 34.97 lakhs)	266.05	266.05
v) Goods and Service Tax (GST) matters, amount deposited ₹ Nil.	37.74	-
vi) Mines & Geology matters, amount deposited ₹ Nil (previous year ₹ Nil)	1141.74	1106.94
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	306.13	-
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	163.75	204.21

33.2 Capital commitments

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account not provided for	122.15	497.38

33.3 Other Commitments:

- 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, 2022, the Company has a positive Net Foreign Exchange Earning, as defined in the Foreign Trade Policy 2009-2014 and 2015-2021 wherever applicable.
- Obligations towards environmental protection measures in respect of quarry leases ₹212.63 lakhs (previous year ₹212.63 lakhs)
- 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, 2022, the Company has a positive Net Foreign Exchange Earning, as defined in the SEZ Act, 2005.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

33 Contingent liabilities and commitments (Contd..)

- iv) The undertaking of the 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 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. Company has started its operations on 24th March, 2021 and expects a positive net foreign exchange earning, as defined in the foreign trade policy 2009-2014 and 2015-2021 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.

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 31st March, 2022	As at 31st March, 2021
Not later than One year	19.89	11.92
Later than one year and not later than five years	-	-

34 Segment Reporting

Disclosure of segment reporting for the year 2021-22 (2020-21):

(a) Information about Primary Business Segments:

Description	₹ In lakhs			
	Granite	Apparel	Quartz Surfaces	Total
Sales to external customers	6607.67	310.51	58100.90	65019.08
	(7411.03)	(227.76)	(21864.80)	(29503.59)
Inter segment sales	35.77	28.37	-	64.14
	(35.60)	(19.03)	-	(54.63)
Total revenue	6643.44	338.88	58100.90	65083.22
	(7446.63)	(246.79)	(21864.80)	(29558.22)
Segment results				
Profit / (loss)	556.89	(196.15)	13434.72	13795.46
	(958.01)	(-469.12)	(6155.80)	(6644.69)
Unallocable Expenses				0.35
				-
Interest expenses				3605.87
				(2123.88)
Income tax				2359.24
				(1691.91)
Profit after tax				7830.00
				(2828.90)

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

34 Segment Reporting (Contd..)

₹ In lakhs

Description	Granite	Apparel	Quartz Surfaces	Total
Other segment information:				
Capital expenditure	191.72	35.58	3400.82	3628.12
	(371.13)	(9.32)	(8605.24)	(8985.69)
Depreciation	737.49	158.31	2961.53	3857.33
	(767.97)	(245.68)	(1124.79)	(2138.44)
Particulars of segment assets and liabilities:				
Segment assets	12534.39	1789.94	102833.13	117157.46
	(12942.13)	(2071.49)	(85290.56)	(100304.18)
Unallocable segment assets				0.66
				-
Segment liabilities	6905.64	615.63	65347.00	72868.27
	(7575.90)	(751.61)	(55419.82)	(63747.33)

(b) Information about secondary segments – geographical

Revenue attributable to location of customers is as follows

Geographical Market	Year ended March 31, 2022				Year ended March 31, 2021			
	₹ In lakhs				₹ In lakhs			
	Granite	Apparel	Quartz Surfaces	Total	Granite	Apparel	Quartz Surfaces	Total
U S A	1308.34	-	54356.08	55664.42	1358.09	-	19569.08	20927.17
China	1279.73	-	-	1279.73	2438.80	-	-	2438.80
India	2964.04	310.50	988.71	4263.25	2764.92	227.75	651.52	3644.19
Rest of the world	1055.57	-	2756.11	3811.68	849.23	-	1644.20	2493.43
Total	6607.68	310.50	58100.90	65019.08	7411.04	227.75	21864.80	29503.59

The entire activity pertaining to sales outside India is carried out from India.

Notes:

- 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 Quart Surfaces segments.
- 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.
- The Group's exposure to customers is diversified and there are two customer who contributes more than 10% each of the total revenue for the year ended March 31, 2022 and March 31, 2021 for Granite segment and there are four customers who contributes more than 10% each of the total revenue for the year ended March 31, 2022 and two customers for the year ended March 31, 2021 for Quartz surfaces segment.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

35 Additional information pursuant to para 2 of general instructions for the preparation of the Consolidated Financial Statements

March 31, 2022	₹ 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
Parent								
Pokarna Limited	26%	12919.43	0%	8.39	90%	79.79	1%	88.18
Indian Subsidiaries								
Pokarna Engineered Stone Ltd	74%	37581.26	100%	7857.73	10%	9.23	99%	7866.96
Pokarna Foundation	0%	0.65	0%	(0.35)	0%	0.00	0%	(0.35)
Sub Total	100%	50501.34	100%	7865.77	100%	89.02	100%	7954.79
Adjustments arising out of consolidation		(6211.49)		(35.77)		-		(35.77)
Total		44289.85		7830.00		89.02		7919.02

March 31, 2021	₹ 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
Parent								
Pokarna Limited	30%	13017.28	1%	28.50	46%	20.32	2%	48.82
Indian Subsidiaries								
Pokarna Engineered Stone Ltd	70%	29714.30	99%	2843.85	54%	23.88	98%	2867.73
Sub Total	100%	42731.58	100%	2872.35	100%	44.20	100%	2916.55
Adjustments arising out of consolidation		(6174.73)		(43.45)		-		(43.45)
Total		36556.85		2828.90		44.20		2873.10

36 Capital management

- 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.
- 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.
- The Group's adjusted net debt to equity ratio is as follows:

Movements in allowance for credit losses of receivables is as below:	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Gross debt	51018.01	30653.24
Less: Cash and bank balances	3156.04	3734.10
Adjusted net debt	47861.97	26919.14
Total equity	44289.84	36556.85
Adjusted net debt to equity ratio	1.08	0.74

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

37 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 2022

₹ 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
Financial assets measured at fair value						
Security Deposit	578.07	-	578.07	-	578.07	-
Deferred payment charges	120.36	-	120.36	-	120.36	-
Financial assets not measured at fair value						
Other loans	531.45	-	531.45	-	-	-
Accrued interest	18.73	-	18.73	-	-	-
Trade receivables	14315.19	-	14315.19	-	-	-
Cash and cash equivalents	3156.04	-	3156.04	-	-	-
Total	18719.84	-	18719.84	-	698.43	-
Financial liabilities measured at fair value						
Lease liability	444.66	-	444.66	-	444.66	-
Financial liabilities not measured at fair value						
Secured bank loans	39365.12	-	39365.12	-	-	-
Loans from related parties	11652.89	-	11652.89	-	-	-
Trade payables	10779.32	-	10779.32	-	-	-
Accrued interest	1.93	-	1.93	-	-	-
Unpaid dividend	11.02	-	11.02	-	-	-
Total	62254.94	-	62254.94	-	444.66	-

31st March 2021

₹ 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
Financial assets measured at fair value						
Security Deposit	546.90	-	546.90	-	546.90	-
Deferred payment charges	446.27	-	446.27	-	446.27	-
Financial assets not measured at fair value						
Other loans	344.98	-	344.98	-	-	-
Accrued interest	99.44	-	99.44	-	-	-
Trade receivables	4341.21	-	4341.21	-	-	-
Cash and cash equivalents	3734.10	-	3734.10	-	-	-
Total	9512.90	-	9512.90	-	993.17	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

37 Financial instruments (Contd..)

₹ 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
Financial liabilities measured at fair value						
Lease liability	544.96	-	544.96	-	544.96	-
Financial liabilities not measured at fair value						
Secured bank loans	19441.78	-	19441.78	-	-	-
Secured other loans	8.87	-	8.87	-	-	-
Loans from related parties	11202.59	-	11202.59	-	-	-
Trade payables	4600.95	-	4600.95	-	-	-
Accrued interest	1.37	-	1.37	-	-	-
Unpaid dividend	12.75	-	12.75	-	-	-
Total	35813.27	-	35813.27	-	544.96	-

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.

38 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.

• Credit risk

- 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
- 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.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

38 Financial risk management objectives and policies (Contd..)

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, 2022	As at March 31, 2021
Not due	13482.48	2794.00
Upton 1 year	682.56	1383.10
1 to 2 years	104.08	87.12
2 to 3 years	45.48	219.92
More than 3 years	408.17	302.82
Total	14722.77	4786.96

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in allowance for credit losses of receivable is as follow:	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	226.15	206.32
Charge in statement of profit and loss	-	19.83
Release to statement of profit and loss	(9.38)	-
Utilised during the year	-	-
Balance at the end of the year	216.77	226.15

iii) Cash and cash equivalents: The Group held cash and cash equivalents of ₹2316.47 lakhs as at 31 March 2022 (previous year ₹1210.52 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.

31st March 2022

Particulars	₹ In lakhs			
	Carrying amount	1 year or less	1-3 years	More than 3 years
Borrowings- secured	39365.12	12572.69	6926.93	19865.50
Borrowings- un-secured	11652.89	-	-	11652.89
Trade payables	10779.31	10779.31	-	-
Lease liabilities	444.66	118.71	169.27	156.68
Other financial liabilities	12.95	12.95	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

38 Financial risk management objectives and policies (Contd..)

31st March 2021

Particulars	Carrying amount	1 year or less	1-3 years	₹ In lakhs
				More than 3 years
Borrowings- secured	19450.65	8058.63	2416.13	8975.87
Borrowings- un-secured	11202.59	-	-	11202.60
Trade payables	4600.95	4600.95	-	0.00
Lease liabilities	544.96	148.17	223.55	173.19
Other financial liabilities	14.12	14.12	-	-

• 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, 2022		As at March 31, 2021	
Currency	USD	EURO	USD	EURO
Borrowings	28581.12	-	11462.19	-
Trade receivables	13548.62	100.59	3458.75	0.03
Trade and other payables (including payable for capital goods)	436.80	4371.43	119.07	20872.51
Cash & Bank balances (Including deposits)	1188.71	23.96	291.28	168.30
Total	43755.25	4495.98	15331.29	21040.84

- 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 ₹2734.13 lakhs for the year ended March 31, 2022 (previous year ₹2853.51 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 ₹310.95 lakhs (previous year ₹81.43 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, 2022

38 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.

39 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	As at 31st March 2022	As at 31st March 2021
Pledge of Equity Shares	Pokarna Engineered Stone Limited (wholly owned subsidiary)	Security by way of pledge of 51% investment in equity shares of subsidiary lenders for credit facilities availed by them. (Fund based ₹8477 lakhs and non-fund based ₹1650 lakhs.)	Relieved by lenders during the year	Under Pledge with Bankers
Corporate Guarantee	Pokarna Engineered Stone Limited (wholly owned subsidiary)	Corporate Guarantee to the bankers on behalf of subsidiary for the facilities availed by them to the extent of ₹25000 lakhs.	Relieved by lenders during the year	Under guarantee with Bankers

40 Pokarna Engineered Stone Limited ("PESL") was selected by the U.S. Department of Commerce ("USDOC") as a "mandatory respondent" to both Countervailing duty ("CVD") and Antidumping duty ("ADD") investigations on the imports of quartz surface products from India and as a result, PESL has received unique company specific rates :

Final Subsidy Rate		Final Dumping Rate	
CVD	Cash Deposit	AD	Cash Deposit
2.34%	2.34%	2.67%	0.33%

The CVD and AD rates are subject to further adjustment through administrative reviews to be completed by the USDOC. The First AD administrative review is ongoing whose preliminary results are expected in June 2022. With regard to CVD all parties have withdrawn the review request of the first CVD review, hence the CVD duty of 2.34% as determined in investigation period is final CVD assessment rate for entries of the first review period.

There is no impact on the financials of the company.

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

41 Estimation of uncertainties relating to the global health pandemic from COVID-19 :

The continuance of corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. During the year ended March 31, 2022, there is no significant impact of COVID-19 on the operations of the Group.

42 Leases disclosures

As a Lessee

Movement in lease liability during the year:

Particulars	₹ In lakhs	
	As at March 31, 2022	As at March 31, 2021
Opening balance as on 01.04.2021	544.96	799.49
Additions on account of adoption of Ind As 116	-	-
Adjustments on modification of leases	33.18	(130.08)
Interest expenses on lease liability	64.53	83.30
Principal payments of lease liability	(198.01)	(207.75)
As at 31st March 2022	444.66	544.96
Current	117.77	145.89
Non Current	326.89	399.07
Amounts recognised in the statement of cash flows		
Payments for leases In financing activity	198.01	207.75

Amounts recognised in statement of profit or loss	₹ In lakhs	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense on leased assets	178.34	202.23
Interest expense on lease liability	64.53	83.30
Rent expense-Short term leases and leases of low value assets	34.84	27.39
Total amount recognised in Profit or loss	277.71	312.92

43 Ratios

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Denominator
Current Ratio (in times)	Current assets	Current liabilities	1.36	1.17	16%	
Debt - Equity Ratio (in times)	Total Debts	Shareholder's Equity	0.92	0.67	37%	Due to increase in debt
Debt - Service coverage Ratio (in times)	Earnings available for debt service	Debt service	2.54	0.65	291%	Due to increase in profit
Return on Equity(ROE) (in %)	Net profits after taxes	Average Shareholder's Equity	0.18	0.08	125%	Due to increase in profit
Inventory turnover ratio	Cost of goods sold	Average Inventory	2.46	1.60	54%	Due to revenue growth
Trade receivables turnover ratio	Revenue	Average Trade Receivables	6.97	7.64	-9%	
Trade payables turnover ratio	Trade payables	Average Trade Payables	4.62	3.36	38%	Due to reduction in payables
Net capital turnover ratio	Revenue	Working capital	6.15	9.92	-38%	Due to reduction in payables and increase in revenue
Net profit ratio (in %)	Net Profit	Revenue	0.12	0.10	20%	
Return on capital employed (ROCE) (in %)	Earnings before interest and taxes	Capital Employed	0.20	0.14	43%	Due to increase in revenue and profit
Return on Investment (ROI) (in %)	Income generated from Investments	Time weighted average investments	-	-		

Notes to Consolidated Financial Statements

for the year ended 31 March, 2022

44 Additional Regulatory Information

- a) 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.
- b) The Group has not revalued its Property, Plant and Equipment and its intangible assets.
- c) The Group is not holding any Benami Property and there are no proceedings initiated or pending against the Group.
- d) The Group has not been declared wilful defaulter by any bank or financial institutions.
- e) The Group does not have any relationship with Struck off Companies.
- f) 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.
- g) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- h) 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. 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.

45 Consequent to Schedule III amendments being made effective 1 April 2021, previous year numbers pertaining to security deposits of Rs.546.90 lakhs have been reclassified from non-current loans to non-current financial assets respectively

46 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 21st May 2022, there are no subsequent events to be recognised or reported that are not already disclosed.

47 Dividend:

The dividend declared by the parent company are based on the accumulated profits available for distribution as reported in the financial statements of the company. On May 21, 2022, the Board of Directors of the company have proposed a dividend of ₹0.60 per share in respect of the year ended 31st March, 2022 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹186.02 lakhs.

48 Previous year figures are regrouped, rearranged and reclassified wherever considered necessary in order to conform to the current years presentation.

49 The financial statements for the year ended 31st March 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 21st May 2022.

In terms of our report attached

For **K.C.Bhattacharjee & Paul**
Chartered Accountants
(F.No.303026E)

Manoj Kumar Bihani
Partner
Membership No. 234629

Place : Hyderabad
Date : 21st May, 2022

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

Meka Yugandhar
Director
(D.No: 00012265)

Apurva Jain
Executive Director
(D.No: 06933924)

Babita Chandrakar
Company Secretary

Disclaimer

Some of the information in this report may contain forward-looking statements, which include statements regarding the Company's expected financial position and results of operations, business plans and prospects, etc. They are generally identified by forward-looking words, such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will", or other similar words. Forward-looking statements are dependent on assumptions or the basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that the actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



POKARNA LIMITED

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