

A large, abstract geometric pattern composed of interlocking triangles in shades of green, dark blue, and light grey, creating a 3D effect.

**ANNUAL
REPORT**
2023-24

EICL Limited



Company Information

CIN : U26939KL1963PLC002039

Chairman

Mr. Karan Thapar

Directors

Mr. Firdose Vandrevala

Mrs. Ritu Kishore Raizada

Mr. Kurian Habel Pullukottayil (w.e.f. 6th February, 2024)

Executive Director

Mr. Suresh Kumar Jain

Chief Financial Officer

Mr. Ratheesh Vijay Kumar (w.e.f. 8th August, 2023)

Company Secretary &

Dy. G.M. (Corporate Legal)

Mrs. Shalini Chawla

Bankers

Axis Bank Limited

ICICI Bank Limited

HDFC Bank Limited

The Federal Bank Limited

Auditors

S.N. Dhawan & Co. LLP

Chartered Accountants

Cost Auditors

A. R. Narayanan & Co.

Cost Accountants

Internal Auditors

T.R. Chaddha & Co.

Chartered Accountants

Secretarial Auditors

VKC & Associates

Company Secretaries

Registrar & Share Transfer Agent

RCMC Share Registry Pvt. Ltd.

B-25/1, Okhla Industrial Area,

Phase – II, New Delhi – 110 020

Registered Office

TC-79/4, Veli

Thiruvananthapuram – 695 021

Kerala

Works

Thiruvananthapuram (Kerala)

Corporate Office

(Old)

801-803, Tower-B, 8th Floor

Global Business Park, M. G. Road

Gurugram – 122 002 (Haryana)

(New)

8th Floor, Plaza Tower, DLF Phase-1

Gurugram - 122 001 (Haryana)

Head Office

304, 3rd Floor, DLF City Court,

M.G. Road, Gurugram - 122 001(Haryana)

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Board's Report

To,
The Members,

Your Directors present the 60th Annual Report of the Company and the Audited Financial Statements for the Financial Year ended 31st March, 2024.

FINANCIAL SUMMARY

The Company's financial performance for the Financial Year ended 31st March, 2024 is summarized below: -

(₹ in Lacs)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Total Revenue	15,559	13,490	14,560	12,514
Profit/(loss) before depreciation, interest and tax	1,972	948	1,875	1,047
Profit/(Loss) before tax and exceptional items	745	(604)	723	(431)
Gain/(Loss) on Exceptional items	-	-	-	-
Profit/(loss) before tax	745	(604)	723	(431)
Tax expenses/(income)				
- Current tax	-	(128)	-	(128)
- Deferred Tax	379	(134)	371	(104)
Profit/(Loss) after tax for the year	366	(342)	349	(199)
Comprehensive Income (net of tax) for the year	5	40	5	40
Total Comprehensive Income for the year	371	(302)	354	(159)
Surplus brought forward from the previous year	4,914	5,256	5,315	5,514
Balance available for appropriation	5,280	4,914	5,664	5,315
Surplus carried forward to next year's account	5,280	4,914	5,664	5,315

RESERVES

The Directors of the Company proposed not to transfer any amount in the General Reserve out of the profits for the current year.

DIVIDEND

The Directors have recommended a dividend of ₹ 2/- (100%) per share on the face value of ₹ 2/- per share for the Financial Year ended 31st March, 2024 as final dividend.

PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning under Sections 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on 31st March, 2024, the Company has one subsidiary and the details of the performance of the subsidiary is given below:

Kaolin India Private Limited ("KIPL")

KIPL, a wholly-owned subsidiary of the Company, has its plant situated at Bhuj, Gujarat, engaged in the business of manufacturing and sale of Kaolin products. Net Sales of the company for the year 2023-24 was ₹ 1,903 Lac as compared to ₹ 1,682 Lac in the previous year. The Company recorded a Net Profit of ₹ 25 Lac for the year as compared to a Net Loss of ₹ 173 Lacs for the previous year.

The operating performance of the Company during the year has improved as compared to the previous year. Additional Capex has resulted in the production of more Value-add products leading to an improvement in the product mix. The plan is to further improve

the efficiency of the plant by enhancing production/sales volume and profitability of the Company.

A statement containing salient features of the Financial Statements in Form AOC-1 annexed as **Annexure-C**, as required under Section 129 (3) of the Act forms a part of this Annual Report. The Audited Financial Statement of the subsidiary shall be kept open for inspection at the Registered Office of the Company on every working day of the Company between 10 a.m. to 12 noon up to the date of the ensuing Annual General Meeting ('AGM'). Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of the subsidiary, are available on the website of the Company at www.eicl.in/ investors.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company for the Financial Year 2023-24 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited Consolidated Financial Statements together with the Auditors' Report thereon form part of the Annual Report. The same is with an unqualified opinion.

As regards the Company's performance (consolidated) during the year, the Total Revenue of the Company for the year ended 31st March, 2024 was at ₹ 15,559 Lac as compared to ₹ 13,490 Lac in the previous year. The Company recorded a Net Profit of ₹ 745 Lac as compared to a Net Loss of ₹ 604 Lac for the previous year.

STATE OF THE COMPANY AFFAIRS/CHANGES IN THE NATURE OF BUSINESS, IF ANY.

During the year, the Company was able to operate only its Thonnakkal unit at Trivandrum, that too partially due to non-availability of the requisite volume of raw matrix from its captive mines. Presently, the Company has two approved mining leases which are operational and the raw materials were sourced from the said two mines along with purchases from the market. The Veli unit of the Company continued to be shut down during the year.

Capacity utilization was low during the year as the availability of more raw materials from its own captive mines is critical for operating at a higher level of production. The Company has been doing its follow-up with Government Authorities for obtaining the approval of an additional mining area, enabling the operations of the plants in both the units.

The support of the Kerala Government is a pre-requisite in obtaining approval for more mining areas. Operations of both plants at high capacity utilization, would re-generate more employment and also save the valuable foreign currency for the country, which is being spent by customers presently for importing similar products. EICL has been a big producer of value added products (VAP) for various major companies in the paint and paper sector, which are currently dependent on the import of the products which our company used to supply to them. Approval of more mining areas for the company is critical for the long term sustenance of the operations of the Company.

However, the operating performance of the Thonnakkal Unit during Financial Year 2023-24 is better during the year as compared to the previous Financial Year 2022-23 which has been possible due to extensive work done for the improvement of product-mix.

Your Company is expecting that the Government of Kerala would provide its support in obtaining further mining approvals for the Company shortly, The Board of Directors have taken a decision to partially commence operations at Veli Unit also. This would help the Company to improve the efficiency of the plants, leading to better capacity utilization resulting into more production volume. The raw material would be sourced from the said two captive approved mines and increase in purchases from the market until further mining approvals are received.

The Company had established a small plant with an approximate 40,000 TPA capacity of refined Kaolin products through its wholly subsidiary Company in Bhuj, Gujarat, to de-risk the issue of raw material availability. This unit has been stabilized during the year and is expected to yield the desired results now on.

As regards assets held for sale, during the year, the Company has been able to sell a major part of the land in Shimoga, Karnataka. The sale of the balance of the land would be completed subsequently. The sale of land at Cuddalore, Tamil Nadu, has been completed in all respects. This has improved the cash-flow position of the Company.

As regards the Note on Emphasis of Matters in the Audit Report, the Company has a clear plan to obtain the requisite approvals, as elaborated in the above paragraphs.

There is no qualification, reservation, adverse remark, or disclaimer by the Statutory Auditors which requires any explanation or comments from the Board of Directors of the Company.

ENVIRONMENT, HEALTH, AND SAFETY

The Company's manufacturing units are governed by the "Environment, Health and Safety Policy" and are certified as per

ISO 14001:2015 and ISO 45001:2018 Management system standards. The Company has various safety guidelines in place, which helps to identify unsafe actions or conditions on the Company premises. These guidelines form the cornerstone on which the Company can operate smoothly devoid of any mishaps or accidents at the workplace.

The Company has implemented various Environment, Health and Safety measures at its Factory Units such as:

1. Rain Harvesting Project at plant level in Kerala.
2. Regular safety drives coupled with effective training are conducted to help spread awareness among employees on how to maintain a safe work environment.
3. The Company places equal emphasis on safety processes, and behavioral safety and strives to create a safety-positive culture towards achieving the ultimate goal of zero accidents.
4. Increased focus on training & awareness, safety observations, and various audits like Internal Audit, etc.
5. Identification of safety hazards, near misses and accident-prone areas through safety management audit.
6. Employees are also required to take a safety oath and are encouraged to actively participate in various competitions like posters, slogans, poems, and essay competitions during the national safety week celebration.
7. Annual health check-ups of all officers are conducted to take care of their well-being.

All environment, health, and safety measures are successfully implemented.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The Company holds various mining leases over lands situated in Thonnakkal and Veiloor villages of Thiruvananthapuram (Kerala) and other places. These mining leases were granted over a period from 1994 to 2008. Following the judgment of the Hon'ble High Court of Kerala, the mining activities in certain areas of Thonnakkal and Veiloor Villages had been suspended. After complying with the directions of the Hon'ble Court, the Company is following up on the Environment Clearance for Veiloor Village mines, apart from other mines, before the authorities of the Kerala Government, which are at different stages of approval. Besides, the Company had re-started mining at Thonnakkal in the approved area and also got another mining lease executed for Thonnakkal (near the AJ College Site) after all the necessary approvals. Thus, the Company has two mining leases that are operational presently.

The Company could operate only its Thonnakkal Unit during the year.

However, the Directors of your Company have decided to commence partial operations at Veli Unit, which would generate employment.

The support of the Kerala government is required to obtain more mining approvals for its other mining areas. This is critical for the long term continuation of the operations.

The manufacturing facility of its subsidiary in Bhuj, Gujarat, has stabilized, showing positive results. Additional Capex is being incurred to augment the production volume of Value-add products which would further enhance the production volume and profitability.

As regards the two Industrial plots held for sale, land at Cuddalore, Tamil Nadu, has already been sold and full consideration has been received during the year. A major part of the land at Shimoga in

Karnataka has also been sold, and the sale of the rest of the land is expected to be completed shortly.

In view of the above, the Company has a satisfactory financial position, enabling it to finance the improvement capex, as said above, to further enhance the company's performance as a whole.

LEGAL CASES

The details of various pending legal cases of the Company are given in the Financials of the Annual Report 2023-24.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124(5) of the Companies Act, 2013, the final dividend unpaid/unclaimed for the Financial Year 2015-2016, 1st interim dividend unpaid/unclaimed for the Financial Year 2016-2017 and the 2nd interim dividend unpaid/unclaimed for the Financial Year 2016-17 has been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government of India in August, 2023, December, 2023 and April, 2024 respectively. The details of shareholders' unpaid dividend were already uploaded in the Company's website www.eicl.in.

In terms of Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, shares of the Company in respect of which dividend entitlements have remained unclaimed or unpaid for seven consecutive years or more, are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Government of India, for which the Company has published notice through advertisement in widely circulated English Newspaper and in regional language and uploaded in the Company's website: www.eicl.in. Accordingly, during the Financial Year 2023-2024, the Company has transferred 12894 equity shares to the IEPF Authority. After this transfer as of 31-03-2024, the IEPF Authority is holding total of 114250 Equity Shares of the shareholders of the Company. After Financial Year 2023-24, on April, 2024 the Company has transferred 4276 Equity Shares to IEPF Authority.

The Final unpaid dividend of the Financial Year 2016-2017 and 1st interim dividend of the Financial Year 2017-2018 will be transferred to IEPF in the month of August, 2024 and December, 2024 respectively.

The Members are requested to take note that unclaimed dividends to be claimed immediately to avoid the transfer of the shares to the IEPF Account. The shares transferred to the IEPF Account can be claimed back by the concerned members from IEPF Authority as per prescribed rules.

COMPOSITION AND NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company comprises well-qualified and experienced persons having expertise in their respective areas.

The Board meets at least Four times a year. The annual calendar for the Board Meetings for the Financial Year is fixed at the beginning of each year. If necessary, the Board Meetings are also convened beyond the four meetings. During the Financial Year 2023-24, the Directors met Five (5) times i.e., on 8th May, 2023, 8th August, 2023, 2nd November, 2023, 6th February, 2024 and 14th March, 2024.

No Independent Director is related to any other Director on the Board.

DISCLOSURE IN RESPECT OF SECRETARIAL STANDARD

The Company has complied with all the Secretarial Standards issued by the Institute of Company Secretaries of India.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have given their declarations confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

The Company has Three (3) Independent Directors out of Five (5) Directors on the Board.

That the Independent Directors met on 8th May, 2023.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Karan Thapar (DIN: 00004264), retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Suresh Kumar Jain (DIN: 00003500) has been appointed as an Executive Director of the Company w.e.f. 12-09-2022 and he will hold office up to the date of the ensuing Annual General Meeting of the Company. The tenure of Mr. Suresh Kumar Jain as an Executive Director of the Company has been extended for a further period of 3 years w.e.f. 1st April, 2024 by the Board on 06-02-2024.

His re-appointment is recommended as the Executive Director of the Company for a further period of 3 years for the approval of the Shareholders.

Mr. Pullukottayil Habel Kurian (DIN: 00027596) has been appointed as an Independent Director of the Company w.e.f. 06-02-2024 for a term of 5 years and he will hold office up to the date of the ensuing Annual General Meeting of the Company. His appointment is recommended as an Independent Director of the Company with the approval of the Shareholders.

The following are the Key Managerial Personnel of the Company within the meaning of Sections 2(51) and 203 of the Companies (Appointment & Remuneration of Managerial Personnel), Rules, 2014: -

1. Mr. Suresh Kumar Jain, Executive Director
2. Mrs. Shalini Chawla, Company Secretary
3. Mr. Ratheesh Vijay Kumar, Chief Financial Officer

STATEMENT ON ANNUAL EVALUATION MADE BY THE BOARD

A formal evaluation of the Board, its committees, and of the individual Director is one potentially effective way to respond to the demand for greater Board's accountability and effectiveness. The effectiveness and performance of the Board, its committees and its members are evaluated and measured, considering the following parameters: -

1. Performance of the Board/Committee against the performance benchmark set.
2. Overall value addition by the discussions taking place at the Board Meetings/Committee Meetings.
3. The regularity and quality of participation of the individual Director in the deliberation of the Board and its Committees, close monitoring of the various actions taken for the implementation of the Board's decision.

The performance evaluation of Directors including Independent Directors is done by the entire Board of Directors excluding the Directors being evaluated. A questionnaire is prepared and is being circulated amongst the Directors for their comments. A review of the performance of the Chairperson of the Company is done by taking into account the views of Executive and Non-Executive Directors of the Company.

COMPOSITION OF AUDIT COMMITTEE

In compliance with the requirement of Section 177, as applicable to the Company, the Board of Directors has constituted the Audit Committee. The members of the Audit Committee possess financial/accounting expertise/exposure. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company and its compliance with the legal and regulatory requirements. Apart from the matters provided under Section 177(4) of the Companies Act, 2013, the Audit Committee also reviews the significant legal cases pending and all material developments are reported to the Board.

The Audit Committee consists of the following Directors: -

1. Mr. Firdose Vandrevale, Chairman of the Committee
2. Ms. Ritu Kishore Raizada
3. Mr. Suresh Kumar Jain, Executive Director

Statutory Auditors and Internal Auditors are the permanent invitees at the Committee Meetings. Mrs. Shalini Chawla, Company Secretary is the Secretary of the Committee.

For the Financial Year 2023-24, the Audit Committee met four (4) times i.e., on 8th May, 2023, 8th August, 2023, 2nd November, 2023 and 6th February, 2024.

The recommendations given by the Audit Committee are considered and reviewed by the members of the Board of the Company. However, there is no such case where the Board dissented or did not accept the recommendation of the Audit Committee.

A STATEMENT ON THE DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board evaluates the existing as well as anticipated risks and the strategy to mitigate those risks within a defined time frame. The Company has in place a risk identification and mitigation policy.

Regarding Note No. 42 to Accounts, it is to state that the Company holds various mining leases over lands situated in Thonnakkal and Veiloor Villages of Thiruvananthapuram (Kerala) and other places. These mining leases were granted over a period of 1994-2008. Following the judgment of the Hon'ble High Court of Kerala, the mining activities in both Thonnakkal and Veiloor villages have been suspended. After complying with the directions of the Hon'ble Court, the Company is following up on the Environment Clearance for Veiloor villages mines, apart from other mines, before the mining authorities of Kerala, which are at different stages of approval. Besides, the Company has re-started mining at Thonnakkal and also has got a mining lease executed for Thonnakkal (near AJ College Site) after all the necessary approvals. Thus, the Company has two mining leases that are operational presently.

Accordingly, the Company has resumed its mining operations at the locations mentioned above and will be able to do so at other mines upon receipt of necessary approvals and consequently achieve a full level of production and improved profitability.

The Company has been able to operate only of its unit at Thonnakkal due to the non-availability of enough raw-material. The Veli unit of the Company was shut down during the year. The raw-material was sourced from the abovementioned two approved mines along purchases from the market. The Board of Directors of the Company decided to re-start the partial operations of the Veli unit also in the subsequent year. The Company will have to increase its purchase of raw-material from the market. It is critical that the Company receive further mining approval at the earliest enabling it to continue

operations at both of its plants on long-term basis. The support of the government of Kerala is required to obtain further mining approvals for operations of the Company in future.

In addition, the Company is also evaluating the opportunities for increasing its geographical presence and building up relationships / tie-ups to diversify into other minerals.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee of the Company consists of the following Directors: -

1. Ms. Ritu Kishore Raizada, Chairwomen of the Committee
2. Mr. Firdose Vandrevale
3. Mr. Suresh Kumar Jain, Executive Director
4. Mr. Pullukottayil Habel Kurian (appointed w.e.f. 06-02-2024)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted the CSR Policy as recommended by the CSR Committee covering the objectives, initiatives, implementation, monitoring, etc. The CSR Policy of the Company is displayed on the Company's website: www.eicl.in

The details about the Corporate Social Responsibility Policy developed and implemented by the Company and the various initiatives taken during the year and other particulars are enclosed in the prescribed form as **Annexure – A**.

During the Financial Year 2023-24, the Corporate Social Responsibility Committee met once i.e., on 8th May, 2023.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Nomination & Remuneration Committee of the Company consists of the following Directors: -

1. Mr. Firdose Vandrevale, Chairman of the Committee
2. Ms. Ritu Kishore Raizada
3. Mr. Suresh Kumar Jain, Executive Director

The Committee met Three (3) times in the Financial Year 2023-24 i.e., on 8th May, 2023, 8th August, 2023, and 6th February, 2024.

The Nomination & Remuneration Committee considering the requirement of the skill sets on the Board, the integrity of the persons having standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions, recommends the appointment to the Board for approval.

The Committee has approved a policy with respect to the appointment and remuneration of the Directors and Senior Management Personnel. The objectives of this policy are:

- a) to create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company;
- b) encourage people to perform to their highest level;
- c) allow the Company to compete in each relevant employment market;
- d) provide consistency in remuneration throughout the Company;
- e) align the performance of the business with the performance of key individuals and teams within the Company;
- f) long-term value creation; and
- g) to attract and retain the best professionals.

The policy details and the types of remuneration to be offered by the Company and factors to be considered by the Board, Nomination & Remuneration Committee and management in determining the appropriate remuneration strategy.

The statement containing names of the top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is open for inspection at the Registered Office of the Company and any Member interested in obtaining a copy of the same may write to the Company Secretary.

SHARE TRANSFER/SHAREHOLDERS' GRIEVANCE COMMITTEE

The "Share Transfer/Shareholders' Grievance Committee" of the Company consists of the following Directors: -

1. Mr. Karan Thapar
 2. Mr. Firdose Vandrevala
 3. Mr. Suresh Kumar Jain, Executive Director, Chairman of the Committee
 4. Mr. Pullukottayil Habel Kurian (appointed w.e.f. 06-02-2024)
- Mrs. Shalini Chawla, Company Secretary is the Secretary of the Committee.

The Committee met once in 2023-24 i.e., on 8th May, 2023.

INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has adopted accounting policies as per the Accounting Standards and other applicable provisions of the Companies Act, 2013.

STATUTORY AUDITOR

M/s. S. N. Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N/N500045), the Statutory Auditors were appointed in the 56th Annual General Meeting of the Company held on 31st July, 2020 for a period of 5 years till the conclusion of the Annual General Meeting held in the Calendar Year 2025.

STATUTORY AUDITORS' REPORT

Reports issued by the Statutory Auditors on the Standalone and Consolidated Financial Statements for the Financial Year ended 31st March, 2024 are with unmodified opinion (unqualified).

The Statutory Auditors of the Company have not reported any instances of fraud as specified under the second proviso to Section 143(12) of the Act.

INTERNAL CONTROL SYSTEMS AND ADEQUACY OF INTERNAL FINANCIAL CONTROLS

EICL Ltd. has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit committee defines the scope and authority of the Internal Auditor. The Audit Committee, comprises professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. Your Company has a proper and adequate system of internal controls.

INTERNAL AUDITOR

Internal Control Systems and Adequacy of Internal Financial Controls, EICL Ltd. has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit Committee defines the scope and authority of the Internal Auditor. The Audit Committee, comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. Your Company has a proper and adequate system of internal controls.

The Company appointed M/s T.R. Chaddha & Company, Chartered Accountants, as the Internal Auditors of the Company for a period of 3 years, pursuant to Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014, to conduct the internal audit for the Financial Years 2023-2026.

COST AUDITOR

M/s A.R. Narayanan & Co., Cost Accountants, have been appointed as Cost Auditors for the Financial Year 2023-24 to conduct the cost audit of the accounts maintained by the Company. They have confirmed their eligibility for appointment under the provisions of Section 148 of the Companies Act, 2013. The remuneration proposed to be paid to the Cost Auditors is submitted for ratification by the Shareholders of the Company.

SECRETARIAL AUDITOR

M/s. VKC & Associates (Partner Membership No.49021/C.P.No.17827), Company Secretaries in practice have been appointed as Secretarial Auditors to conduct the Secretarial Audit for the Financial Year 2023-24 of the Company.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014, has been annexed to this report as **Annexure - B**. The observation made by the Secretarial Auditors in their report is self-explanatory.

M/s. VKC & Associates, Company Secretaries in practice has conducted Secretarial Audit of the Company for the Financial Year 2023-24.

There is no qualification, reservation, or adverse remarks or disclaimer by the Secretarial Auditors which requires any explanation or comments from the Board of Directors of the Company.

ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, Annual Return is also available on Company's website: www.eicl.in.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134 (3) (c) and (5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- a) the Company has followed the applicable Accounting Standards in the preparation of the Annual Accounts for the year ended 31st March, 2024, and there is no material deviation from the previous year.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on 31st March, 2024 and of the profit/loss for the year ended 31st March, 2024.
- c) the Directors have taken proper and sufficient care 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 and;
- d) the Directors have prepared the Annual Accounts of the Company on a going concern basis.
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

- f) the Directors have laid proper internal financial control and that such financial controls are adequate and are operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Under Section 186 of the Companies Act, 2013 the Company has neither given any guarantee nor provided any security in connection with a loan, directly or indirectly to any person or other body corporate other than mentioned in the financial statements of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of the Related Party Transactions, as per the requirement of Accounting Standard-18, are disclosed in notes to the Financial Statements of the Company for the Financial Year 2023-24. All the Directors have disclosed their interest in form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as & when any changes in their interest take place, such changes are placed before the Board at its meetings. None of the transactions with any of the related parties was in conflict with the interest of the Company. A Statement in the prescribed Form AOC-2 is annexed to this report as **Annexure - D**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings, and Outgo are as follows: -

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings, and Outgo are as follows: -

(A) Conservation of energy

(i) Steps taken or impact on the Conservation of Energy are as under:

- Reduction in specific energy consumption was achieved during the year with dedicated drive on conservation with a month-long campaign with energy-saving pledge signed by all departments.
- Internal energy audit done and the improvement actions implemented.
- Non-peak hour operation maximized and all planned maintenance of short duration planned during peak hours.
- Migration to energy-efficient motors and replacement part of the factory lighting with solar lighting and new low-power LED lighting.
- All new motors are energy-efficient IE3 rated.
- Damper-controlled fans to the VFD control system for better energy savings
- Pressure transmitter introduced in compressed air receivers and optimized compressors operations.

- Calciners PLC Operations modified for efficient AMC operations to stop mills automatically if the load comes down.
- Keeping the power factor to unity, thereby reducing transmission losses, the following are planned for further energy savings:
 - Migrating all conventional ceiling fans to new energy-efficient BLDC fans (Capex)
 - Migrating conventional compressors to inverter duty motors
 - Converting conventional air conditioners to Inverter type

(ii) Steps taken by the Company for utilizing alternate sources of energy:

LNG (Liquified Natural Gas) is operational and replaced with diesel/SKO. The modification in the burner of calciners to accommodate LNG has been carried out with the freedom of operating the plant with both Furnace oil / LNG depending upon the cost.

(iii) Capital investment on Energy Conservation equipment

During the current Financial Year, the Company has not incurred any major capital expenditure on the energy conservation equipment except maintenance CAPEX.

(B) Technology absorption

- Company has taken up a re-engineering program. This is based on our own Research & Development findings and collaborative work with leaders in process technology. This is an ongoing program.
- Modifications and replacement of pumps in the blunger section to get better dispersion and increased throughput.
- Increased the number of Hydro cyclones to get higher slurry flow with improved efficiency.
- Indigenisation of Self-Cleaning Filter for Nozzle Centrifuge done.
- Double-stage screening of feed slurry to Nozzle Centrifuge to eliminate frequent stack choking.

(C) Research & Development activities

Your Company lays special emphasis on Research & Development activities with objective to develop a new product line for the growth of the Company. The Company's commitment and strong research orientation have played big role such as:

- R & D has been at the forefront of developing a new product for Tyre Commercial- scale production and ongoing plant trials at the customer end.
- New products are being worked on with less than 18 months incubation time.
- Research tie-ups made with leading institutions in India
- Joint projects with leading customers to provide customer-specific solutions based on our raw materials.
- The R&D Team has been able to develop cutting-composite for anti-corrosive coatings and has developed composites for barrier applications. One product of the category has been developed and is being test marketed.

Expenditures incurred on Research & Development are as under: -

(₹ in Lacs)

	31st March, 2024	31st March, 2023
a) Capital	0	0
b) Recurring	63.14	79.71
c) Total	63.14	79.71
d) Total R&D Expenditure as a percentage of total turnover	0.45	0.71

(D) Foreign Exchange earnings and outgo

The Company has recorded export earnings of ₹ 1,339.64 Lacs, import payments of ₹ 144.33 Lacs, and expenses in foreign exchange of ₹ 92.52 Lacs.

VIGIL MECHANISM POLICY

The Company has a “Vigil Mechanism Policy” to facilitate the Directors and employees at all levels, to voice their concerns or observations to the Chairman of the Audit Committee. The policy provides a framework to promote responsible and secure whistleblowing.

The Company has provided a dedicated email ID that can be accessed only by the Chairman of the Audit Committee.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place an Anti-Sexual Harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaints of sexual harassment during the Financial Year 2023-24.

HUMAN RESOURCES

Your Company has successfully aligned human capital with business and organizational objectives. The emphasis has been on teamwork, skill development and the development of leadership and functional capabilities of the employees. 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 member interested in obtaining a copy of the same may write to the Company Secretary. There were no employees who were employed throughout the Financial Year or part thereof, by himself/ herself or along with / her spouse and dependent children, who held more than two percent of the equity shares of the Company.

INDUSTRIAL RELATIONS

In the Financial Year 2023-24, the relations of the Company with all its employees and trade unions were cordial in line with business requirements.

The workmen extended their cooperation in the smooth operations of the Company during the year at its Thonnakkal unit. The workmen have assured the smooth functioning of the Veli unit as well.

The Company appreciates the strong support of all its employees in taking up the matter at various forums of the Kerala government through various representations, etc.

INSOLVENCY AND BANKRUPTCY DISCLOSURE

During the year, there is no application which was made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 by and against the Company.

MANAGERIAL REMUNERATION

The Managerial Remuneration shall be made available to any shareholder on a specific request made by him/her in writing before the date of the Annual General Meeting and such particulars shall be made available by the Company within three days from the date of receipt of such request from shareholders.

SHARE CAPITAL

The authorized share capital of the Company as on 31st March, 2024 is ₹ 48,00,00,000 (Rupees Forty-Eight Crores) and issued, subscribed and paid-up share capital of the Company is ₹ 10,05,52,026 (Rupees Ten Crores Five lac Fifty-two thousand Twenty-six).

There has been no change in the Share Capital of the Company during the Financial Year 2023-24.

DETAILS OF SIGNIFICANT OR MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE.

There is no significant order passed by the Regulators or Court or Tribunal during the Financial Year 2023-24.

ACKNOWLEDGEMENT

The Board of Directors places on record their appreciation for the continued support and confidence received from Banks, Financial Institutions, Customers, Central and State Governments and other Government authorities.

The Board of Directors is also thankful to all other stakeholders for their valuable sustained support to the Company.

For and on behalf of the Board

Sd/-
Karan Thapar
Chairman
DIN: 00004264

Place: Gurugram
Date: 06 May, 2024

LIST OF ANNEXURES

Annexure A :	Report on CSR Activities
Annexure B :	Secretarial Audit Report (Form No. MR-3)
Annexure C :	Financial statement (Form AOC-1) of Subsidiary Company
Annexure D :	Contract/arrangements entered into by the Company with Related Parties (Form No. AOC-2)

ANNEXURE – A

(Report on Corporate Social Responsibility activities)

1. Brief outline on CSR Policy of the Company:

The areas of CSR activities are rain water harvesting, supply of water and promoting education to villagers. The funds were primarily allocated and utilized for the activities which are specified in Schedule VII of the Companies Act, 2013.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Ritu Kishore Raizada	Chairwomen of the Committee	1	1
2	Mr. Firdose Vandrevala	Director	1	1
3.	Mr. P.H. Kurian(w.e.f. 06/02/2024)	Director	0	0
4	Mr. Suresh Kumar Jain	Director	1	1

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: **www.eicl.in**

4. Provide the executive summary alongwith web-link(s) of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable

5. (a) Average net profit of the Company as per sub section (5) of Section 135 ₹ (1063.31) lacs
 (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135 Nil
 (c) Surplus arising out of the CSR projects or programs or activities of the previous Financial Year. Nil
 (d) Amount required to be set off for the Financial Year, if any. Nil
 (e) Total CSR obligation for the Financial Year ((b)+(c)-(d)). NIL
6. (a) Amount spent on CSR Projects (both Ongoing Project and Other than Ongoing Project) ₹ 17.32 lacs
 (b) Amount spent in Administrative Overheads Nil
 (c) Amount spent on Impact Assessment, if applicable Nil
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] ₹ 17.32 lacs
 (e) CSR amount spent or unspent for the Financial Year :

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (in ₹)				
₹ 17.32 lacs	Total Amount transferred to Unspent CSR Account as per Sub-section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Nil	Not Applicable	Not Applicable	Nil	Not Applicable

(f) Excess amount for set off, if any: Nil

Sl. No.	Particular	Amount (in ₹ Lacs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year, if any,	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent CSR amount for the preceding three Financial Years : **N.A.**

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR account under sub-section (6) of Section 135 (in ₹)	Balance amount in Unspent CSR account under sub-section (6) of Section 135 (in ₹)	Amount spent in the Financial year (in ₹)	Amount Transferred to a fund as specified under Schedule 7 as per VII proviso to sub-section (5) of Section 135, if any		Amount remaining to be spent in Succeeding Financial Year (in ₹)	Deficiency, if any
					Amount(in ₹)	Date of transfer		
1	FY-1							
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year.

Yes/No

If Yes, enter the number of Capital assets created/acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year.

Sl. No.	Short particulars of the property or assets [including complete address and location of the property]	Pincode of the property or assets	Date of Creation	Amount of CSR spent	Details of entity/authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135(5) : **N.A.**

For and on behalf of the Board

Sd/-

Ritu Kishore Raizada
Chairwoman of the Committee
DIN: 10100393

Sd/-

Suresh Kumar Jain
Executive Director
DIN: 00003500

Place: Gurugram
Date : 06 May, 2024

Annexure – B**FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
EICL Limited
CIN: U26939KL1963PLC002039
Registered office address: - TC-79/4, Veli,
Thiruvananthapuram 695021 Kerala

We report that:

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EICL Limited** (hereinafter referred 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.

Company's Responsibilities

The Company's Management and Board of Directors are responsible for the maintenance of secretarial record under the Companies Act, 2013 and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards. Further the Company's management and the Board of Directors are also responsible for establishing and maintaining adequate systems and process, commensurate with the size and operations of the Company to identify, monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

Auditor's Responsibilities Statement

Our responsibility is only to examine and verify those compliances on a test basis and express an opinion on these secretarial records based on our audit.

We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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.

Limitations

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Secretarial Auditing Standards as prescribed by Institute of Company Secretaries of India (ICSI).

Further, we conducted the secretarial audit by examining the secretarial records including minutes, documents, registers, other records and returns related to the applicable laws on the Company etc. The management has confirmed that the records submitted to us are the true and correct. We have also relied upon representation given by the management of the Company for certain areas which otherwise requires physical verification.

Basis of Opinion

We have followed the audit practices, secretarial auditing standards and processes as were applicable and appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification in some cases were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We also believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Secretarial Records and Compliances thereof

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The 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**
- (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; **Not Applicable**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **Not Applicable**
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **Not Applicable**

- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; - **Not Applicable**
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;- **Not Applicable**
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - **Not Applicable**
- (g) 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; **Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the financial year under review.**
- (h) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021; - **Not Applicable**
- (i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; - **Not Applicable**
- (vi) The Mines Act, 1952 and the rules, regulations made thereunder are specifically applicable to the Company and we have carried out a limited review and also relied upon the representation made by the Company and its officers for the system and mechanism framed by the Company for compliances made thereunder.

We have also examined compliance with the applicable provisions of the following: -

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s); - **Not Applicable**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Standards and Guidelines etc. mentioned above except delay in filling e-forms.

We further report that:

The Board of Directors of the Company has been duly constituted with proper balance of Non-Executive Directors and Independent Directors, as applicable. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice(s) have been given to all directors to schedule the Board & its Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in case of shorter notice, compliance as required under the Act has been made by the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings have been carried out with requisite majority of the members of the Board or committees as the case may be. Further there is no case of views of the dissenting members as per the recordings in the minutes of the meetings of the Board or Committee(s) thereof.

We further report that there are adequate systems and process in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards & guidelines;

During the period under review,

- i) The Company's Shareholders had passed a Special Resolution Under Section 180(1)(a) of Act vide Postal Ballot dated 13th April, 2023 pursuant to which a Sale of undertakings (parcel of Land) situated at Shimoga and Cuddalore has been made.
It is also informed by the management that Company has sold some part of Shimoga land parcel during the period under review.
- ii) On the recommendation of the Nomination & Remuneration Committee (NRC), the Board has approved the re-appointment of Mr. Suresh Kumar Jain holding DIN: 00003500 as the Executive Director (KMP) of the Company for a period of 3 (three) years w.e.f. 1st April, 2024 subject to the approval of the shareholders.
- iii) The Board of the Company in the Board meeting dated 06th February, 2024 considered re-commencement of Operations at "Veli Unit" of the Company which was closed since August, 2020 due to non-availability of Raw material. Further the Board has given power to management Committee to take necessary actions in this regard.
- iv) The Company holds various mining leases over lands situated in Thonnakkal and Veiloor Villages of Trivandrum (Kerala) and other places. These mining leases were granted over a period of 1994 to 2008. Following the judgment of the Hon'ble High Court of Kerala, the mining activities in both Melthonnakkal and Veiloor Villages had been suspended. Post complying with the directions of the Hon'ble Court, the Company is following up for the Environment Clearance for Veiloor Villages mines apart from other mines before the mining authorities of Kerala which are at different stages of approvals. The Company has got mining lease executed for Melthonnakkal (near AJ College Site) after all the necessary approvals. Thus, the Company has two mining leases which are operational presently.
Accordingly, the Company has resumed its mining operations at locations mentioned above and shall be able to do so at other mines on receipt of necessary approvals.

FOR VKC & ASSOCIATES
(Company Secretaries)
Unique Code: P2018DE077000

Sd/-
CS Ishan Khanna
Partner
ACS No. 53517
C P No. 24258

Place : Delhi
Date : 06 May, 2024

Peer Review Certificate No.: 1955/2022
UDIN: A053517F000297695

Annexure-C**Form AOC-I**

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

Statement containing salient features of the Financial Statement of Subsidiary Company**Part "A": Subsidiary**

(Information in respect of subsidiary to be presented with amounts in ₹)

Sl. No.		1
1.	Name of the Subsidiaries	Kaolin India Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	From 01-04-2023 to 31-03-2024
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign Subsidiaries.	N.A.
4.	Share capital	9,50,00,000
5.	Reserves & surplus	(3,71,28,253)
6.	Total assets	16,63,33,307
7.	Total Liabilities	10,84,61,560
8.	Investments	0
9.	Turnover	19,02,55,657
10.	Profit before taxation	24,41,582
11.	Provision for taxation	5,43,253
12.	Profit after taxation	18,98,329
13.	Proposed Dividend	Nil
14.	% of shareholdings	100%

Notes:

The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures**Not Applicable****For and on behalf of the Board**

Place : Gurugram
Date : 06 May, 2024

Sd/-
Shalini Chawla
Company Secretary
ACS-22060

Sd/-
Suresh Kumar Jain
Executive Director
DIN: 00003500

Annexure – D**Form No. AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis
 - (a) Name(s) of the related party and nature of relationship: N.A.
 - (b) Nature of contracts/arrangements/transactions: N.A.
 - (c) Duration of the contracts / arrangements/transactions: N.A.
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
 - (e) Justification for entering into such contracts or arrangements or transactions: N.A.
 - (f) Date(s) of approval by the Board: N.A.
 - (g) Amount paid as advances, if any: Nil.
 - (h) The date on which the special resolution was passed in General Meeting as required under the first proviso to Section 188: N.A.
2. (a) Details of material contracts or arrangement or transactions at arm's length basis
 - i. DBH Consulting Ltd.
 - ii. Kaolin India Private Limited (A wholly owned subsidiary of EICL Limited)
 - iii. DBH Investment Capital India Pvt. Ltd. (formerly known as Karun Carpets Pvt. Ltd.)
- (b) Nature of contracts/arrangements/transactions
 - i. DBH Consulting Ltd. - Consultation charges
 - ii. Kaolin India Private Limited - ICD/ICD interest/Rent/Purchase of material
 - iii. DBH Investment Capital India Pvt. Ltd. - interest/reimbursement expenses/rent paid
(formerly known as Karun Carpets Pvt. Ltd.)
- (c) Duration of the contracts / arrangements/transactions

			Value
i. DBH Consulting Ltd.	- 01-04-2023 to 31-03-2024	₹ 25.54 Lacs	(Payment)
ii. Kaolin India Private Limited (ICD)	- 01-04-2023 to 31-03-2024	₹ 170.00 Lacs	(Payment)
(Advance against supply)	- 01-04-2023 to 31-03-2024	₹ 100.00 Lacs	(Payment)
(Interest)	- 01-04-2023 to 31-03-2024	₹ 52.79 Lacs	(Receipt)
(Rent)	- 01-04-2023 to 31-03-2024	₹ 11.67 Lacs	(Receipt)
(Material Purchased)	- 01-04-2023 to 31-03-2024	₹ 859.72 Lacs	(Payment)
(Sale of Superfine Premium, motors etc.)	- 01-04-2023 to 31-03-2024	₹ 13.62 Lacs	(Payment)
(Sales of PPE)	- 01-04-2023 to 31-03-2024	₹ 2.31 Lacs	(Receipt)
iii. DBH Investment Capital (Rent) India Pvt. Ltd	- 01-04-2023 to 31-03-2024	₹ 21.24 Lacs	(Payment)
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
The above transactions are in the ordinary course of business and at an arm's length basis.
- (e) Date(s) of approval by the Board, if any:
08-08-2023, 02-11-2023, 06-02-2024 & 06-05-2024
- (f) Amount paid as advances, if any:
Nil

For and on behalf of the Board

Place : Gurugram
Date : 06 May, 2024

Sd/-
Karan Thapar
Chairman
DIN: 0004264

INDEPENDENT AUDITOR'S REPORT

To the Members of EICL Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **EICL Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and 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 in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 opinion.

Emphasis of Matter

We draw attention to Note 44 to the accompanying standalone financial statements, relating to filing of application with the regulatory authorities for securing environment clearances for their mining land parcels. The Company has received approvals for two mining leases which are operational presently and is awaiting to receive approvals for other locations. The classification of underlying land as property, plant and equipment, conclusion relating to non-impairment of plant and machinery and measurement of site restoration obligation is dependent on such clearances. Our opinion is not modified in this respect of this matter.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information obtained at the date of this auditor's report comprises the Director's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 Indian 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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, except for the matter stated in the paragraph (h)(vi) below on reporting under Rule 11(g).
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of

Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42.1 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 performed 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) contain any material misstatement.
- (v) The final dividend proposed for the year by the Company is in compliance with Section 123 of the Act.
- (vi) Based on our examination which included test checks, the Company, has used accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility, except that no audit trail had been enabled at the database level to log any direct data changes. The audit trail facility (to the extent mentioned above) has been operating throughout the year for all relevant transactions recorded in the software. Further, during the course

of our audit we did not come across any instance of audit trail feature (to the extent mentioned above) being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only with effect from 01 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Bhaskar Sen
Partner
Membership No.: 096985
UDIN: 24096985BKBWFG1888

Place: Gurugram
Date: 06 May, 2024

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **EICL Limited** on the standalone financial statements as of and for the year ended 31 March 2024)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment, including Right of Use assets and intangible assets during the year, being under cost model. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- (e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and Rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification as compared to the book records.
- (b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of ₹ 500 lakhs, in aggregate, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks, except for some immaterial differences, are in agreement with the unaudited books of account of the Company for the respective quarters. However, the Company has not filed the statements with banks for the fourth quarter, as it is to be filed within a specific period of time which has not been lapsed yet. Accordingly, we are unable to comment on the same.
- (iii) According to the information and explanations given to us, the Company has made investments in/, provided any guarantee/ security/ granted loans/ advances in the nature of loans, secured or unsecured, to companies, during the year, in respect of which:
- (a) The Company has granted unsecured loans, to its subsidiary, the details of which are as given below. The Company has not provided guarantee or provided security to any other entities during the year.
- | Particulars | Loans
(₹ lakhs) |
|---|--------------------|
| Aggregate amount granted during the year - Subsidiary | 170 |
| Balance outstanding as at balance sheet date in respect of above cases-Subsidiary | 600 |
- (b) In our opinion and according to the information and explanations given to us the terms and conditions of grant of the loans are not, prima facie, prejudicial to the Company's interest.
- (c) According to the information and explanations given to us, in respect of loans, the schedule of repayment of principal and payment of interest has been stipulated, wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, the repayment/receipt of the principal amount and interest are regular.
- (d) According to the information and explanations given to us, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) According to the information and explanations given to us, there are no loans or advances in the nature of loans granted which has fallen due during the year. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.
- (f) According to the information and explanations given to us, the Company has not granted any loans which are either repayable on demand or without specifying any terms or period of repayment, except for the following cases.
- | Particulars | All parties
(₹ lacs) | Related parties
(₹ lacs) |
|---|-------------------------|-----------------------------|
| Aggregate amount of loans - Repayable on demand | 600 | 600 |
| Total | 600 | 600 |
| Percentage of loans to the total loans | 100% | 100% |
- (iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 of the Act. However, in our opinion, the Company has complied with the provisions of Sections 186 of the Act in respect of loans.

- (v) According to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposits during the year and further the Company had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of Company's products. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained by the Company. However, we have not made a detailed examination of the cost

records with a view to determine whether they are accurate or complete.

- (vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

Name of the statute	Nature of dues	Amount (₹ Lacs)	Amount paid under Protest (₹ Lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	MODVAT claimed on lubricant and transformer oil	1,073.70	17.48	Year 2000 to 2004	Hon'ble Supreme Court of India
Central Excise Act, 1944	Demand with respect to classification of maize starch	611.11	-	Year 1997 to 2001	Hon'ble Supreme Court of India
Income Tax Act 1961	Income tax	775.00	116.32	Assessment year 2018-19	Commissioner of Income-Tax (Appeals)
Income Tax Act 1961	Income tax	233.00	-	Assessment year 2015-16	Commissioner of Income-Tax (Appeals)
Income Tax Act 1961	Income tax	297.00	-	Assessment year 2016-17	Commissioner of Income-Tax (Appeals)

- (viii) According to the information and explanations given to us, 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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has neither taken any funds from any entity or person

during the year nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiary.

- (f) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary.
- (x) (a) According to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3 (x)(b) of the Order are not applicable.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and upto the date of this report.

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a) to (c) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3 (xvi) (a) of the Order are not applicable.
- (b) The Company has not conducted non-banking financial or housing finance activities during the year.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (d) The Group has no CIC which are part of the Group.
- xvii) The Company has incurred cash losses of 52.84 lakhs during the immediately preceding financial year, however, it has not incurred any cash losses during the current financial year.
- xviii) There has been no resignation of the statutory auditors during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) Since the provisions of Section 135 of the Act are not applicable to the Company. Accordingly, provisions of clause 3 (xx) (a) and (b) of the order are not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Bhaskar Sen
Partner
Membership No.: 096985
UDIN: 24096985BKBWFG1888

Place: Gurugram
Date: 06 May, 2024

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **EICL Limited** on the standalone financial statements as of and for the year ended 31 March 2024)

Independent Auditor's report on the Internal Financial Controls with reference to 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 financial statements of **EICL Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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. 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 the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by

the Institute of Chartered Accountants of India (“the ICAI”) and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.N. Dhawan & CO LLP**

Chartered Accountants

Firm Registration No.: 000050N/N500045

Sd/-

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 24096985BKBWFG1888

Place: Gurugram

Date: 06 May, 2024

STANDALONE Balance Sheet as at 31 March, 2024

(₹ in Lacs)

	Note No.	As at 31 March, 2024	As at 31 March, 2023
Assets			
1 Non-current assets			
a. Property, plant and equipment	6	12,726.50	13,399.63
b. Capital work in progress	6	43.97	40.29
c. Other intangible assets	7	1.43	1.96
d. Right to use assets	8	118.62	2.61
e. Financial assets			
i. Investments	9	55.00	55.00
ii. Other financial assets	10	255.66	250.85
f. Deferred tax assets (net)	15	551.88	927.42
g. Other non current assets	12	188.65	326.30
		13,941.71	15,004.06
2 Current assets			
a. Inventories	14	1,718.98	2,594.92
b. Financial assets			
i. Trade receivables	16	2,117.43	1,674.66
ii. Cash and cash equivalents	17	307.37	3.94
iii. Other bank balances	18	9.71	13.09
iv. Loans	11	600.00	430.00
v. Other financial assets	10	62.38	88.55
c. Current tax assets (Net)	13	73.05	49.52
d. Other current assets	12	538.18	451.38
		5,427.10	5,306.06
Non-current assets classified as held for sale	19	1,879.37	3,904.43
Total assets		21,248.18	24,214.55
Equity and liabilities			
1 Equity			
a. Equity share capital	20	1,005.52	1,005.52
b. Other equity	21	14,860.24	14,506.30
Total equity		15,865.76	15,511.82
2 Liabilities			
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	22	-	69.75
ii. Lease liabilities	24	80.94	-
iii. Other financial liabilities	23	1.01	1.01
b. Provisions	25	2,228.67	2,194.19
		2,310.62	2,264.95
Current liabilities			
a. Financial liabilities			
i. Borrowings	26	329.90	2,867.05
ii. Lease liabilities	24	40.20	-
iii. Trade payables	27		
- Total outstanding dues of micro enterprises and small enterprises		183.67	115.95
- Total outstanding dues of other than micro enterprises and small enterprises		1,775.04	1,922.93
iv. Other financial liabilities	28	26.23	39.32
b. Other current liabilities	29	601.25	1,371.61
c. Provisions	25	115.51	120.92
		3,071.80	6,437.78
Total liabilities		5,382.42	8,702.73
Total equity and liabilities		21,248.18	24,214.55

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Bhaskar Sen
Partner
Membership No.: 096985

For and on behalf of the Board of Directors of EICL Limited

Sd/-
Suresh Kumar Jain
Executive Director
DIN: 00003500
Sd/-
Ratheesh Vijay Kumar
Chief Financial Officer

Place: Gurugram
Date: 06 May, 2024

Sd/-
Firdose Vandrevala
Director
DIN: 00956609
Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 06 May, 2024

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

(₹ in Lacs)

	Note No.	Year ended 31 March, 2024	Year ended 31 March, 2023
I			
Revenue from operations	30	14,178.16	11,263.46
II			
Other income	31	381.93	1,250.35
III			
Total income (I + II)		14,560.09	12,513.81
IV			
Expenses			
Cost of materials consumed	32	2,198.29	1,922.22
Purchases of stock-in-trade	33	1,394.21	889.89
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	594.95	239.46
Employee benefits expense	35	2,284.10	2,205.46
Finance costs	36	361.70	586.10
Depreciation and amortisation expense	37	791.01	891.94
Other expenses	38	6,213.32	6,209.83
Total expenses (IV)		13,837.58	12,944.90
V			
Profit / (Loss) before tax (III-IV)		722.51	(431.09)
VI			
Tax expense	40		
Current tax		-	-
Income tax expense related to earlier year		(2.22)	(127.76)
Deferred tax		374.33	(104.34)
		372.11	(232.10)
VII			
Profit / (Loss) for the year (V-VI)		350.40	(198.99)
VIII			
Other comprehensive income			
Items that will not be reclassified to profit or loss			
i. Re-measurement of defined benefit plans		4.73	54.01
ii. Income tax relating to items that will not be reclassified to profit or loss		(1.19)	(13.59)
Other comprehensive income for the year		3.54	40.42
IX			
Total comprehensive income for the year (VII+VIII)		353.94	(158.57)
X			
Earnings per equity share	41		
Equity shares of face value ₹ 2 each			
Basic (₹ per share)		0.70	(0.40)
Diluted (₹ per share)		0.70	(0.40)

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Sd/-

Bhaskar Sen

Partner

Membership No.: 096985

For and on behalf of the Board of Directors of EICL Limited

Sd/-

Suresh Kumar Jain

Executive Director

DIN: 00003500

Sd/-

Ratheesh Vijay Kumar

Chief Financial Officer

Sd/-

Firdose Vandrevale

Director

DIN: 00956609

Sd/-

Shalini Chawla

Company Secretary

Membership No. 22060

Place: Gurugram

Date: 06 May, 2024

Place: Gurugram

Date: 06 May, 2024

STANDALONE Statement of Changes in Equity for the year ended 31 March, 2024**A. Equity share capital**

	No. of shares	(₹ in Lacs)
Equity shares of 2 each issued, subscribed and fully paid		
Balance as at 31 March, 2022	5,02,76,013	1,005.52
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April, 2022	5,02,76,013	1,005.52
Issue of equity share capital	-	-
Balance as at 31 March, 2023	5,02,76,013	1,005.52
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April, 2023	5,02,76,013	1,005.52
Issue of equity share capital	-	-
Balance as at 31 March, 2024	5,02,76,013	1,005.52

B. Other equity

	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	Other comprehensive income	Total
Balance as at 31 March, 2022	6.34	3,441.38	5,566.85	5,514.01	136.29	14,664.87
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at 1 April, 2022	6.34	3,441.38	5,566.85	5,514.01	136.29	14,664.87
Loss for the year	-	-	-	(198.99)	-	(198.99)
Other comprehensive income for the year, net of income tax	-	-	-	-	40.42	40.42
Balance as at 31 March, 2023	6.34	3,441.38	5,566.85	5,315.02	176.71	14,506.30
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at 1 April, 2023	6.34	3,441.38	5,566.85	5,315.02	176.71	14,506.30
Profit for the year	-	-	-	350.40	-	350.40
Other comprehensive income for the year, net of income tax	-	-	-	-	3.54	3.54
Balance as at 31 March, 2024	6.34	3,441.38	5,566.85	5,665.42	180.25	14,860.24

In terms of our report attached

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Sd/-

Bhaskar Sen

Partner

Membership No.: 096985

Place: Gurugram

Date: 06 May, 2024

For and on behalf of the Board of Directors of EICL Limited

Sd/-

Suresh Kumar Jain

Executive Director

DIN: 00003500

Sd/-

Ratheesh Vijay Kumar

Chief Financial Officer

Place: Gurugram

Date: 06 May, 2024

Sd/-

Firdose Vandrevale

Director

DIN: 00956609

Sd/-

Shalini Chawla

Company Secretary

Membership No. 22060

STANDALONE Statement of Cash Flows for the year ended 31 March, 2024

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
A. Cash flow from operating activities		
Profit/(Loss) before tax	722.51	(431.09)
Adjustments for :		
Profit on sale of assets held for sale	(160.94)	(1,103.86)
Depreciation and amortisation expense	791.01	891.94
Provision for bad trade and other receivables, loans and advances	2.01	3.15
Interest on borrowings	236.94	461.12
Provision for impairment	-	122.24
Interest from banks on deposits	(61.01)	-
Loss/(Profit) on sale of property, plant and equipment	1.65	(1.17)
Unrealised foreign exchange (gain)/loss	(4.36)	4.83
	1,527.81	(52.84)
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	875.94	(189.75)
Trade receivables	(440.40)	454.95
Other current financial assets	22.47	(24.98)
Other current assets	(83.42)	109.88
Other non-current financial assets	(4.81)	40.66
Other non current assets	168.68	10.02
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(80.17)	(613.98)
Other financial liabilities	(2.49)	(100.26)
Provisions	33.80	6.70
Other current liabilities	11.64	12.96
Cash generated from operating activities	2,029.04	(346.64)
Income taxes refund (net)	(21.31)	(59.28)
Net cash generated from/(used in) operating activities	2,007.73	(405.92)
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment, including capital advances	(188.34)	(64.82)
Capital expenditure on intangible assets	(0.16)	(1.48)
Sale proceeds of property, plant and equipment	0.10	16.15
Sale proceeds of assets held for sale	1,433.22	1,484.71
Advance received against assets held for sale	-	890.00
Loans given to subsidiary	(170.00)	(230.00)
Interest income on bank deposits	64.71	8.85
Net cash generated from/(used in) investing activities	1,139.54	2,103.41
C. Cash flows from financing activities		
Proceeds from/ (repayment of) borrowings		
- Repayments	(162.75)	(784.25)
Proceeds from/ (repayment of) cash credits/working capital demand loan (net)	(2,444.15)	574.44
Repayment of unsecured loan	-	(1,000.00)
Interest paid	(236.94)	(491.92)
Net cash generated from/(used in) financing activities	(2,843.84)	(1,701.73)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	303.43	(4.24)
Cash and cash equivalents at the beginning of the year	3.94	8.18
Cash and cash equivalents at the end of year	307.37	3.94

- 1) The Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on 'Statement of Cash Flows'.
2) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Bhaskar Sen
Partner
Membership No.: 096985

For and on behalf of the Board of Directors of EICL Limited

Sd/-
Suresh Kumar Jain
Executive Director
DIN: 00003500

Sd/-
Ratheesh Vijay Kumar
Chief Financial Officer

Place: Gurugram
Date: 06 May, 2024

Sd/-
Firdose Vandrevala
Director
DIN: 00956609

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 06 May, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 Corporate Information

EICL Limited, a Company incorporated in India in 1963, under the Companies Act 1956, was part of the erstwhile Thapar Group. The registered office of the Company is at TC-79/4, Veli Thiruvananthapuram – 695 021, Kerala. The Company is engaged in the business of mining of clay (Kaolin) and manufacturing of processed clay.

2 Statement of compliance

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013

Accordingly, the Company has prepared these standalone financial statements which comprise the Balance Sheet as at 31 March, 2024, the Statement of Profit and Loss for the year ended 31 March 2024, the Statement of Cash Flows for the year ended 31 March 2024 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

These financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

3 Basis of preparation and presentation

Separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for

- Financial instruments – measured at fair value;
- Assets held for sale – measured at lower of its fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- In addition, certain financial instruments are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle. Based on nature of operations, the Company has considered an operating cycle of 12 months.

The standalone financial statements are presented in Indian Rupee, which is the functional currency of the Company and all values are rounded to the nearest lakhs (₹/00000), except when otherwise indicated.

4 Use of estimates

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make

estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

The areas involving critical estimates or judgments are:

- Decommissioning and restoration provision
- Fair value of unlisted equity securities
- Determination of useful life of property, plant and equipment and intangible assets
- Measurement of defined benefit obligations – Key actuarial assumptions
- Loss allowance for expected credit losses
- Recognition of deferred tax assets / liabilities
- Impairment of financial assets
- The net realisable value of an item of inventory

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the Company.

5 Material Accounting Policy Information

5.1 Revenue recognition

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of goods

Revenue from the sale of products is recognised when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

5.2 Interest income

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

5.3 Leases

As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of

whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of building and machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of building and machinery and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

5.4 Foreign currencies

The functional currency of the Company is Indian rupee (₹).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

5.5 Employee benefits

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries including incentive and bonus, annual leave and sick leave (leave comprises compensated absences) in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. The casual leave, if not availed are lapsed at the end of the year and are not accumulated for future period.

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

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

5.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of

taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

5.7 Property plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal

levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Assets costing 5,000 and below are fully depreciated in the year of acquisition.

Subsequent expenditure and componentisation

Parts of an item of property, plant and equipment having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Decommissioning costs/ Site Restoration costs

Decommissioning cost includes cost of restoration. Provision for decommissioning costs is recognized when the Company has a legal or constructive obligation to plug and abandon a site, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated provision towards costs relating to dismantling, abandoning and restoring sites and other facilities are recognized in respective assets when the site is complete / facilities or Property, Plant and Equipment are installed.

The amount recognised is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk-free discount rate. An amount equivalent to the decommissioning provision is recognized along with the cost of site or Property, Plant and Equipment.

Depreciation and useful life

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

Depreciation is computed on Straight-Line Method ('SLM') based on useful lives, determined based on internal technical evaluation as follows:

Type of Assets	Method	Useful lives estimated by the management
Factory and other buildings	SLM	3- 60 years
Plant and equipment	SLM	10- 25 years
Furniture and fixtures	SLM	10 years
Office equipment	SLM	5 years
Vehicle and cycles	SLM	8 years

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of office equipment and computer over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

5.8 Intangible assets

Intangible assets are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any).

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life

and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

Derecognition of intangible assets.

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

Useful lives of intangible assets.

Estimated useful lives of the intangible assets are as follows:

Computer software: 5 years

The amortisation period and method are reviewed at each year end.

5.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does

not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior year. A reversal of an impairment loss is recognised immediately in profit or loss.

5.10 Inventories

Inventories, including stores and spare parts (other than stores and spares accounted for as Property, Plant and Equipment), raw materials (including clay matrix-mined and purchased) are valued at weighted average cost. Work in progress and finished goods, are valued at lower of standard cost and net realisable value. Cost includes direct expenses and is determined on the basis of weighted average method.

Total mining expenses are considered as raw material cost for clay matrix – mined.

In respect of finished goods and work in progress, cost includes raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition based on normal operating capacity.

5.11 Non-current assets or disposal held for sale and discontinued operations

Non-current assets or disposal held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Such assets or disposal groups are classified only when both the conditions are satisfied –

1. The sale is highly probable, and
2. The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Noncurrent assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of

business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

5.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

5.13 Cash and cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

5.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

5.15 Investments in subsidiaries

The investments in subsidiaries are carried in these financial statements at historical 'cost', except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

5.16 Financial instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

5.17 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The

Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting

date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

5.18 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after

deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are

discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5.19 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees

5.20 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

6 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

	Free hold land	Factory and other buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles and cycles	Total
Cost or deemed cost							
Balance as at 31 March, 2022	7,022.40	2,069.94	7,433.43	71.90	62.58	109.45	16,769.70
Additions	-	6.28	5.42	5.50	4.11	-	21.31
Disposals	2.75	-	-	5.05	56.94	35.20	99.94
Balance as at 31 March, 2023	7,019.65	2,076.22	7,438.85	72.35	9.75	74.25	16,691.07
Additions	-	-	127.57	5.81	10.54	-	143.92
Disposals	0.67	14.24	-	0.20	2.83	-	17.94
Transferred to assets held for sale (refer note iv)	29.22	-	-	-	-	-	29.22
Balance as at 31 March, 2024	6,989.76	2,061.98	7,566.42	77.96	17.46	74.25	16,787.83
Accumulated depreciation							
Balance as at 31 March, 2022	48.30	422.83	1,941.82	22.21	51.57	60.21	2,546.94
Depreciation expense	28.57	141.54	628.45	15.82	5.76	9.32	829.46
Elimination on disposals of assets	0.21	-	-	1.14	56.74	26.87	84.96
Balance as at 31 March, 2023	76.66	564.37	2,570.27	36.89	0.59	42.66	3,291.44
Depreciation expense	28.56	140.95	592.91	12.26	6.84	4.56	786.08
Elimination on disposals of assets	-	13.27	-	0.20	2.72	-	16.19
Balance as at 31 March, 2024	105.22	692.05	3,163.18	48.95	4.71	47.22	4,061.33
Net carrying amount							
Balance as at 31 March, 2023	6,942.99	1,511.85	4,868.58	35.46	9.16	31.59	13,399.63
Balance as at 31 March, 2024	6,884.54	1,369.93	4,403.24	29.01	12.75	27.03	12,726.50

Notes:

- Additions to plant and machinery include additions to research and development assets amounting to ₹ 4.76 lacs (31 March, 2023 Nil) and depreciation charged for the year includes ₹ 43.69 lacs (31 March, 2023 ₹ 45.30 lacs) on account of research and development assets.
- For information of assets pledged as security, refer note 22
- a. Capital work in progress ageing schedule:

As at 31 March, 2024

Sl. No.	Capital work in progress	Amount of CWIP for a period of				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Projects in progress	3.68	-	-	-	3.68
(ii)	Projects temporarily suspended	-	-	-	40.29	40.29
	Total	3.68	-	-	40.29	43.97

As at 31 March, 2023

Sl. No.	Capital work in progress	Amount of CWIP for a period of				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Projects temporarily suspended	-	-	-	40.29	40.29
	Total	-	-	-	40.29	40.29

- b. Details of projects where activity has been suspended

Sl. No.	CWIP	Amount of CWIP for a period of				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Filter press replacement	-	-	-	8.11	8.11
(ii)	Nozzle Centrifuge	-	-	-	30.73	30.73
(iii)	LT Cable replacement	-	-	-	0.41	0.41
(iv)	Powder Silo	-	-	-	1.04	1.04
	Total	-	-	-	40.29	40.29

- iv The Company owns the land with Survey No. 489/13 admeasuring 1 (one) Acre situated at Thonnakkal, Thiruvananthapuram. As there was no commercial activity of the Company on the said land, it was proposed to sell the entire land as a single plot or in parts.

7 OTHER INTANGIBLE ASSETS

(₹ in Lacs)

	Computer software	Total
Cost or deemed cost		
Balance as at 31 March, 2022	12.83	12.83
Additions	1.48	1.48
Disposals	-	-
Balance as at 31 March, 2023	14.31	14.31
Additions	0.16	0.16
Disposals	-	-
Balance as at 31 March, 2024	14.47	14.47
Amortisation		
Balance as at 31 March, 2022	11.04	11.04
Amortisation expense	1.31	1.31
Disposals	-	-
Balance as at 31 March, 2023	12.35	12.35
Amortisation expense	0.69	0.69
Disposals	-	-
Balance as at 31 March, 2024	13.04	13.04
Net carrying amount		
Balance as at 31 March, 2023	1.96	1.96
Balance as at 31 March, 2024	1.43	1.43

8 RIGHT TO USE ASSETS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Right to use assets (refer note 50)*	118.62	2.61
	118.62	2.61

* Includes leasehold improvements of ₹ 2.61 lacs (31 March, 2023: ₹ 2.61 lacs)

9 INVESTMENTS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Unquoted (Carried at fair value)		
a. Investment in equity instruments		
- Kerala Enviro Infrastructures Limited {50,000 (31 March, 2023: 50,000) equity shares carrying face value of ₹ 10 each fully paid}	5.00	5.00
Unquoted (Carried at cost)		
b. Investment in equity instruments	50.00	50.00
- in subsidiary Company Kaolin India Private Limited {500,000 (31 March, 2023: 500,000) equity shares carrying face value of ₹ 10 each fully paid}		
	55.00	55.00

10 OTHER FINANCIAL ASSET

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
I. Non-current		
a. Security deposits	118.57	116.77
b. Duty / taxes paid under protest recoverable (also refer note 42.1)	133.81	133.81
c. Fixed deposits*	3.28	0.27
	255.66	250.85
* Lien as margin money with banks for issuance of credit card and bank guarantee amounting to ₹ 3 lacs and ₹0.28 lacs respectively		
II. Current		
a. Security deposits	51.76	47.78
b. Security deposits to related parties	2.00	2.00
c. Accrued interest on bank deposits	0.78	-
d. Accrued interest on other deposits	1.94	6.42
e. Other receivable	5.90	32.35
	62.38	88.55

11 LOANS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Loans to Subsidiary (see note below)	600.00	430.00
	600.00	430.00

Note

Included in loans are certain intercorporate loans the particulars of which are disclosed below as required by Section 186(4) of the Companies Act 2013

As at 31 March, 2024

Type of borrower	Amount of Loan (₹ Lacs)	% of total loans
Related party	600.00	100%

As at 31 March, 2023

Type of borrower	Amount of Loan (₹ Lacs)	% of total loans
Related party	430.00	100%

Unsecured short term loan given to subsidiary company which is repayable within a period of 12 months. The unsecured loan shall be renewed as and when required for a further period.

12 OTHER ASSETS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
I. Non-current		
a. Capital advances	32.35	1.32
b. Prepayments	14.90	17.52
c. Balances with government authorities	51.57	200.18
d. Plan asset over present value of gratuity obligation (also refer note 45)	89.83	107.28
	188.65	326.30
II. Current		
a. Advances to suppliers	118.86	103.38
b. Advances to employees	25.48	36.75
c. Prepayments	132.22	38.91
d. Balances with government authorities	169.46	224.24
e. Other advances	92.16	48.10
	538.18	451.38

13 CURRENT TAX ASSETS (NET)

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Advance taxes paid including tax deducted at source (net of provisions for tax)	73.05	49.52
	73.05	49.52

14 INVENTORIES

(lower of cost and net realisable value)

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Raw materials	353.36	602.15
b. Stores and spares	784.29	816.49
c. Work in progress (see note "I" below)	31.21	21.75
d. Finished goods (see note "II" below)	550.12	1,154.53
	1,718.98	2,594.92

Note:

- I Includes by-products and others of ₹ 0.01 lacs (31 March, 2023: ₹ 0.01 lacs)
- II Includes by-products of ₹ 35.34 lacs (31 March, 2023 ₹ 35.35 lacs) and traded goods of clay products of ₹ 48.01 lacs (31, March 2023 ₹ 25.88 lacs).

15 DEFERRED TAX ASSETS (NET)

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Deferred tax assets	551.88	927.42

(₹ in Lacs)

	Opening Balance	Recognised in Profit or loss [(Charge)/ income]	Recognised in other comprehensive Income	Closing balance
2023-24				
Deferred tax (liabilities) / assets in relation to Property, plant and equipment	(1,014.01)	45.33	-	(968.68)
Employee benefit obligation	25.52	6.50	(1.19)	30.83
Tax impact of expenses chargeable in the financial statements but allowable under the Income Tax Act, 1961 in future years	21.25	0.51	-	21.76
Site restoration on land	546.61	6.40	-	553.01
Lease obligation	-	1.29	-	1.29
Business loss and unabsorbed depreciation	1,348.03	(434.36)	-	913.67
	927.42	(374.33)	(1.19)	551.88
2022-23				
Deferred tax (liabilities) / assets in relation to Property, plant and equipment	(1,084.14)	70.13	-	(1,014.01)
Employee benefit obligation	38.36	0.75	(13.59)	25.52
Tax impact of expenses chargeable in the financial statements but not allowable under the Income Tax Act, 1961 in future years	25.85	(4.60)	-	21.25
Site restoration on land	502.64	43.97	-	546.61
Lease obligation	4.94	(4.94)	-	-
Business loss and unabsorbed depreciation	1,349.01	(0.97)	-	1,348.03
	836.66	104.34	(13.59)	927.42

Note:

The Company elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 effective from Financial Year 20-21

16 TRADE RECEIVABLES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Secured, considered good	78.95	70.59
b. Unsecured, considered good	2,038.48	1,604.07
c. Unsecured, considered doubtful	85.25	83.24
Less: Allowances for doubtful debts (expected credit loss allowances)	(85.25)	(83.24)
Total	2,117.43	1,674.66

Notes:

- The above amount of trade receivables also includes amount receivable from its related parties (refer note 51).
- The average credit period on sale of goods is 30 days to 60 days. No interest is charged on overdue trade receivables.
- Trade receivables ageing schedule

As at 31 March, 2024

Sl. No.	Particulars	Outstanding for the 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	2,115.87	1.56	-	-	-	2,117.43
(ii)	Undisputed trade receivables - credit impaired	-	-	2.72	0.11	82.42	85.25
	Total	2,115.87	1.56	2.72	0.11	82.42	2,202.68

As at 31 March, 2023

Sl. No.	Particulars	Outstanding for the 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	1,670.51	4.15	-	-	-	1,674.66
(ii)	Undisputed trade receivables - credit impaired	-	-	0.23	26.76	56.25	83.24
	Total	1,670.51	4.15	0.23	26.76	56.25	1,757.90

17 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Balances with banks		
- on current accounts	5.36	2.38
- Fixed deposit with original maturity of less than 3 months	300.00	-
b. Cash on hand	2.01	1.56
	307.37	3.94

18 OTHER BANK BALANCES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Unpaid dividend accounts	9.71	13.09
	9.71	13.09

19 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Fixed assets held for sale (at lower of cost and net realisable value) (see note below)	1,879.37	4,026.67
Less: Provision for impairment	-	(122.24)
Total	1,879.37	3,904.43

Note:

It represent following:-

- (i) Land and buildings of gross book value ₹ 2,249.21 lacs (31 March, 2023: ₹ 2,503.48 lacs) and net book value ₹ 1,850.15 lacs (31 March, 2023 ₹ 2,226.67 lacs) located at Shimoga. The Company has developed its land at Shimoga as an Industrial Park after obtaining necessary approvals from the appropriate authorities and plotting has been done as per the approved plan. The Company has sold some of the plots and has received consideration on execution of sale deed for the respective plots and accordingly assets held for sale has been reduced by the amount of cost accounted on a proportionate basis. The Company has recognised profit on sale of such land aggregating to ₹ 302.54 Lacs (31 March 2023: ₹ 636.15 Lacs) under 'Other income', which is net of land development expenses.
- (ii) Land and buildings of gross book value ₹ Nil (31 March, 2023: ₹ 1,928.16 lacs) and net book value ₹ Nil (31 March, 2023 ₹ 1,800.00 lacs (net of impairment provision of 122.24 lacs)) located at Cuddalore. During the current year, the Company has sold its Cuddalore land to a vendor at a consideration value of ₹ 1,800 lacs and has also paid an amount of ₹ 141.66 lakhs for land development cost. This cost has been adjusted against "profit for sale on assets held for sale" shown under other income.
- (iii) Land having book value of ₹ 29.22 lacs located at Thonnakkal. The Company owns the land with Survey No. 489/13 admeasuring 1 (one) Acre situated at Thonnakkal, Thiruvananthapuram. As there was no commercial activity of the Company on the said land, it was proposed to sell the entire land as a single plot or in parts. Accordingly, it has been shown under assets held for sale in the current year (also refer note 6)

Management intends to divest these assets within the next 12 months at amounts equal to or exceeding the asset carrying values at the respective Balance Sheet dates.

20 EQUITY SHARE CAPITAL

	As at 31 March, 2024		As at 31 March, 2023	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Authorised				
Equity shares of ₹ 2 each	9,00,00,000	1,800.00	9,00,00,000	1,800.00
Preference shares of ₹ 100 each	30,00,000	3,000.00	30,00,000	3,000.00
	9,30,00,000	4,800.00	9,30,00,000	4,800.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 2 each	5,02,76,013	1,005.52	5,02,76,013	1,005.52
Total	5,02,76,013	1,005.52	5,02,76,013	1,005.52

a. Movement in share capital

	Year ended 31 March, 2024		Year ended 31 March, 2023	
Equity shares	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Balance as at the beginning of the year	5,02,76,013	1,005.52	5,02,76,013	1,005.52
Add: Increase during the year	-	-	-	-
Balance as at the end of the year	5,02,76,013	1,005.52	5,02,76,013	1,005.52

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors will be subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has neither issued any equity shares for consideration other than cash nor any bonus shares issued during the immediately preceding five financial years. Also there has been no buy back of shares either in the aforesaid period.

c. Shares held by holding Company

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
	No. of shares	No. of shares
Equity shares		
DBH Investment Capital India Private Limited (earlier known as Karun Carpets Private Limited)*	4,60,78,066	4,60,78,066
	4,60,78,066	4,60,78,066

* The name of the holding company i.e. Karun Carpets Private Limited has been changed to DBH Investment Capital India Private Limited with effect from 27th July, 2023.

d. Details of shareholders holding more than 5% shares in the Company

	As at 31 March, 2024		As at 31 March, 2023	
Name of shareholder	No. of shares	% holding	No. of shares	% holding
DBH Investment Capital India Private Limited (earlier known as Karun Carpets Private Limited)	4,60,78,066	91.65%	4,60,78,066	91.65%

e. Details of shares held by promoters at the end of the year

Promoters Name	31 March, 2024		31 March, 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year
1 DBH Investment Capital India Private Limited (earlier known as Karun Carpets Private Limited)	4,60,78,066	91.65%	4,60,78,066	91.65%	0.00%

Promoters Name	31 March, 2023		31 March, 2022		
	No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year
1 Karun Carpets Private Limited	4,60,78,066	91.65%	4,60,78,066	91.65%	0.00%

f. Summary of proposed dividend

(₹ in Lacs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Proposed dividends on Equity share		
Final dividend for the year ended on 31 March 2024: ₹ 2 per share (previous year ₹ Nil per share)	1,005.52	-

The Board of Directors have recommended a final dividend of 100 % (₹ 2 per Equity Share) for the financial year 2023-2024 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

21 OTHER EQUITY

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Capital Reserve	6.34	6.34
b. Capital Redemption Reserve	3,441.38	3,441.38
c. General Reserve	5,566.85	5,566.85
d. Retained earnings	5,665.42	5,315.02
e. Other comprehensive income	180.25	176.71
	14,860.24	14,506.30
Other equity consist of the following		
i. Capital Reserve		
Balance at the beginning of year	6.34	6.34
Addition during the year	-	-
	6.34	6.34

21 OTHER EQUITY (CONTD.)

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
ii. Capital Redemption Reserve		
Balance at the beginning of year	3,441.38	3,441.38
Addition during the year	-	-
	3,441.38	3,441.38
iii. General Reserve		
Balance at the beginning of year	5,566.85	5,566.85
Addition during the year	-	-
	5,566.85	5,566.85
iv. Retained earnings		
Balance at the beginning of year	5,315.02	5,514.02
Profit/(Loss) for the year	350.40	(199.00)
	5,665.42	5,315.02
v. Other comprehensive income		
Balance at the beginning of year	176.71	136.29
Add:		
- Re-measurement of defined benefit plans (net of tax)	3.54	40.42
	180.25	176.71

Notes:**i. Capital Redemption Reserve**

The Indian Companies Act, 2013 (the "Companies Act") requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to Shareholders of the Company as fully paid bonus shares. EICL Limited established this reserve pursuant to the redemption of preference shares issued in earlier years.

ii. Capital Reserve

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid.

iii. General Reserve

The Company had transferred a part of the net profit of the Company to general reserve in earlier years

iv. Retained earnings

Retained earnings are profits of the Company earned till date less transferred to other reserves and dividend paid during the year.

v. Other comprehensive income

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.

22 NON-CURRENT BORROWINGS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Term loans (secured)		
- From banks		
Axis Bank Limited (see note 'i' below)	-	162.75
	-	162.75
Less: Transferred to current maturities of long term borrowings	-	93.00
	-	69.75

Note:**i. Term loan (working capital term loan) from Axis Bank Limited****a. Terms of repayment**

The working capital term loan of ₹ 279 lacs was sanctioned by Axis Bank Limited during 2020-21, which was repayable in 36 equated monthly instalments starting from February 2022. Interest was to be paid separately as and when due. It has been fully repaid in the current financial year.

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
ii. April 2023 to March 2024	-	93.00
iii. April 2024 to March 2025	-	69.75
	-	162.75

b. **Rate of interest:** 1 year MCLR+1%. Effective interest rate is 8.45%

c. **Security**

Term loans from banks are secured by second pari passu charge by way of hypothecation on the entire current assets both present & future and second pari passu charge on the movable & immovable assets including factory land & building at Thonnakal unit of the company.

d. Current maturities of long term borrowings are disclosed under the head current borrowings.

23 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Deposits from vendors	0.71	0.71
b. Deposits from customers	0.30	0.30
	1.01	1.01

24 LEASE LIABILITIES (REFER NOTE 50)

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Lease liabilities - non current	80.94	-
	80.94	-
Lease liabilities - current	40.20	-
	40.20	-

25 PROVISIONS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Non-current		
a. Provision for employee benefits		
i. Compensated absences	31.37	22.33
b. Site restoration obligation (Refer Note I below)	2,197.30	2,171.86
	2,228.67	2,194.19

Note

- I Site restoration obligation with respect to mining land of clay business was recognised on 01 April 2016 in view of the requirement of Ind AS 16 - "Property, Plant and Equipment" read with Ind AS 37- "Provisions, Contingent Liabilities and Contingent Assets". The details are given below:

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Opening present value of obligation	2,171.86	2,184.08
Add : Finance charge during the year	123.87	118.94
Less : Expenses incurred during the year	(98.43)	(131.16)
New obligation created	-	-
Closing present value of obligation	2,197.30	2,171.86
Current		
a. Provision for employee benefits		
i. Compensated absences	115.51	120.92
	115.51	120.92

26 CURRENT BORROWINGS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Secured		
i. Cash credit account (note a and b)		
- Axis Bank Limited	134.92	1,666.20
- HDFC Bank Limited	194.98	693.23
ii. Current maturities of long-term debts	-	93.00
iii. Buyers Credit	-	414.62
	329.90	2,867.05

Notes:

- a. Cash credit facility and working capital demand loans along with bank guarantees and letter of credit facilities given by the banks are secured by hypothecation of finished goods, semi-finished goods, consumable stores and spares, raw material and book debts of the Company.
- b. Cash credit facility and working capital demand loans from the bank comprises of the following:
- (i) Cash credit facility/working capital demand loan of ₹ 2,000 lacs sanctioned by Axis Bank is repayable on demand and carries interest @ 3 month MCLR presently 9.20% p.a (2022-23 : 1 year MCLR + 0.65 % p.a).
 - ii. Cash credit facility ₹ 1,250 lacs from HDFC Bank is repayable on demand and carries interest @ 3 month T-bill + 2.34% presently 9.34% p.a (2022-23 : 1 year MCLR + 0.85% p.a).

27 TRADE PAYABLES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Total outstanding dues of micro enterprises and small enterprises (see note 'iii' below)	183.67	115.95
b. Total outstanding dues of other than micro enterprises and small enterprises	1,775.04	1,922.93
	1,958.71	2,038.88

Notes:

- The above amount of trade payables also includes amount payable to its related parties (refer note 51).
- The average credit period for purchase of certain goods and services are from 15 to 90 days. No interest is chargeable on trade payables.
- The disclosure of the amount outstanding to micro enterprises and small enterprises are as follows:
 - Amount payable to suppliers under MSMED (suppliers) as on 31 March
 - Principal 183.67 115.95
 - Interest - -
 - Payments made to supplier beyond the appointed day during the year
 - Principal - -
 - Interest - -
 - Amount of interest due and payable for delay in payment (which have been paid beyond the appointed day during the year) but without adding interest under MSMED - -
 - Amount of interest accrued and remaining unpaid as on 31 March - -
 - Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961 - -
 - Trade payables ageing

As at 31 March, 2024

Sl. No.	Particulars	Outstanding for the following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	183.67	-	-	-	183.67
(ii)	Others	1,383.44	46.84	27.25	317.51	1,775.04
	Total	1,567.11	46.84	27.25	317.51	1,958.71

As at 31 March, 2023

Sl. No.	Particulars	Outstanding for the following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	115.95	-	-	-	115.95
(ii)	Others	1,147.54	58.61	101.62	615.16	1,922.93
	Total	1,263.49	58.61	101.62	615.16	2,038.88

28 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Unpaid dividends	9.71	13.09
b. Capital creditors	16.52	26.23
	26.23	39.32

29 OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Advances from customers	6.00	16.30
b. Statutory dues (see note i)	76.38	60.50
c. Advance against assets classified as held for sale (see note ii)	508.00	1,290.00
d. Other payables	10.87	4.81
	601.25	1,371.61

Note

- Statutory dues includes GST payable, Provident fund payable, TDS, ESI etc
- Pertains to ₹ 508 lacs (31 March, 2023 ₹ 790 Lacs) received for sale of Shimoga land and Nil (31 March, 2023 ₹ 500 Lacs) received for sale of cuddalore land which is shown under assets held for sale (refer note 19)

30 REVENUE FROM OPERATIONS

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Sale of products (see note i and ii below)	14,151.10	11,245.66
Other operating revenues:		
- Scrap sales	27.06	17.80
	14,178.16	11,263.46
Note		
i. Reconciliation of gross revenue from contract with customers		
Gross revenue	14,244.06	11,536.04
Less: Discount	12.40	67.15
Less: Returns	80.56	223.23
Net Revenue from contract with customers	14,151.10	11,245.66
ii. Details of products sold		
- Clay products	14,151.10	11,244.16
- By-products and others	-	1.50
	14,151.10	11,245.66
iii. Disaggregated revenue information		
Revenue from sale of goods with customers disaggregated based on geography		
a. Domestic	12,811.46	9,976.27
b. Exports	1,339.64	1,269.39
	14,151.10	11,245.66

31 OTHER INCOME

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Interest income earned on financial assets that are not designated as fair value through profit or loss:		
i. Interest from banks on deposits	0.79	-
ii. Other interest	60.22	28.45
b. Profit on foreign exchange fluctuations (net)	2.09	36.15
c. Profit on sales of property, plant and equipment and non current assets held for sale	159.30	1,105.03
d. Liabilities / provisions no longer required written back	140.39	68.05
e. Miscellaneous income	19.14	12.67
	381.93	1,250.35

32 COST OF MATERIALS CONSUMED

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Inventory at the beginning of the year	602.15	171.17
Add: Purchases	1,949.50	2,353.20
Less: Inventory at the end of the year	353.36	602.15
Cost of raw material and components consumed	2,198.29	1,922.22

33 PURCHASES OF STOCK-IN-TRADE

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Purchase of traded goods	1,394.21	889.89
	1,394.21	889.89

34 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening inventories		
Finished goods		
- Manufactured	1,154.53	1,397.49
- Work in progress	21.75	18.25
	1,176.28	1,415.74
Closing inventories		
Finished goods		
- Manufactured	550.12	1,154.53
- Work in progress	31.21	21.75
	581.33	1,176.28
	594.95	239.46

35 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Salary, wages and bonus	1,951.21	1,897.26
b. Contribution to provident and other funds	84.79	88.35
c. Gratuity expense (see note i below)	27.15	38.08
d. Staff welfare expenses	220.95	181.77
	2,284.10	2,205.46

Notes:

- Gratuity expenses is netted off with income on trust fund amounting to ₹ 51.62 lacs (31 March, 2023 ₹ 59.17 lacs).
- Employee benefits expenses includes research and development expenses (also refer note 45).

36 FINANCE COSTS

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Interest on borrowings	236.94	461.12
b. Amortisation of site restoration reserve	123.87	118.94
c. Interest on lease obligation	0.89	6.04
	361.70	586.10

37 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Depreciation of property, plant and equipment	786.08	829.46
b. Amortisation of intangible assets	0.69	1.31
c. Depreciation of Right of use assets	4.24	61.17
	791.01	891.94

38 OTHER EXPENSES

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
A. Manufacturing expenses		
i. Consumption of stores and spare parts	156.70	174.64
ii. Power and fuel	3,367.26	3,431.02
iii. Repair and maintenance:		
- Plant and machinery	356.49	406.46
- Building	77.78	76.98
- Others	92.47	111.01
iv. Other manufacturing expenses	240.79	218.68
v. Royalty charges	132.74	120.20
Total (A)	4,424.23	4,538.99
B. Administration expenses		
i. Rent (refer note 50)	216.20	114.21
ii. Rates and taxes	197.85	45.63
iii. Insurance	34.90	38.47
iv. Director sitting fees	19.00	21.25
v. Office and other expenses (See note ii)	223.73	245.61
vi. Legal and professional	174.22	208.31
vii. Security service charges	155.28	165.48
viii. Payments to auditors (see note i)	27.50	23.81
ix. Travelling and conveyance	86.99	88.76
x. Charity and donation	10.10	11.04
xi. Provision for bad trade and other receivables, loans and advances	2.01	3.15
xii. Bank charges	20.88	16.95
xiii. Provision for impairment for assets held for sale	-	122.24
xiv. Corporate social responsibility (refer note 49)	17.32	60.79
Total (B)	1,185.98	1,165.70
c. Selling and distribution expenses		
i. Freight, forwarding and packing charges	369.18	280.87
ii. Sales commission	45.32	53.13
iii. Selling expenses	146.77	135.88
iv. Rebates and discount	41.84	35.26
Total (C)	603.11	505.14
Total (A + B + C)	6,213.32	6,209.83

38 OTHER EXPENSES (CONTD.)

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Notes:		
i. Payments to auditors (net of input credit)		
- Audit fees	23.00	21.00
- Tax audit fees	2.00	2.00
- Out of pocket expenses	2.50	0.81
	27.50	23.81

ii. Office and other expenses includes research and development expenses (refer note 43).

39 RATIOS

	Numerator	Denominator	Year ended 31 March, 2024	Year ended 31 March, 2023	Change %	Reason for variance if 25% change
(a) Current Ratio (in times)	Current Assets *	Current Liabilities	2.38	1.42	67.50%	Due to repayment of bank borrowings and sale of assets held for sale
(b) Debt Equity Ratio (in times)	Total Debt	Total Equity	0.02	0.19	(89.02%)	Due to repayment of bank borrowings
(c) Debt Service Coverage Ratio (in times)	Earnings before depreciation, finance costs and tax	Interest on long term debt + Principal repayment within next 12 months	7.91	1.89	318.88%	Due to repayment of term loan
(d) Return of Equity Ratio (%)	Net profit after tax – Preference dividend	Average shareholder's equity	0.02	(0.01)	(121.82%)	Due to increase in turnover and increase profitability
(e) Inventory Turnover Ratio (in days)	Cost of goods sold	Average inventory	121.14	152.11	(20.36%)	
(f) Trade Receivables Turnover Ratio (in days)	Revenue from operations	Average trade receivables	48.95	61.89	(20.92%)	
(g) Trade Payables Turnover Ratio (in days)	Total operating cost	Average trade payables	57.62	74.59	(22.76%)	
(h) Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	3.35	4.13	(18.93%)	
(i) Net Profit Ratio (%)	Net Profit	Net sales = Total sales - Sales return	2.50%	-1.41%	(77.32%)	Due to increase in turnover and increase profitability
(j) Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed	6.54%	0.88%	643.52%	Due to increase in turnover and decrease in borrowings
(k) Return on Investment (%)	Interest (Finance income)	Investments	0.00	0.00	0.00%	

*Current Assets include non-current assets classified as assets held for sale as mentioned in Note 19

40 INCOME TAXES

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Current tax		
For current year	-	-
	-	-
Income tax expense related to earlier year	(2.22)	(127.76)
	(2.22)	(127.76)
Deferred tax		
In respect of the current year	374.33	(104.34)
	374.33	(104.34)
Income tax expense recognised in the statement of profit and loss	374.33	(104.34)
Other comprehensive income section		
Income tax relating to items that will not be reclassified to profit or loss	-1.19	-13.59
	373.14	(117.93)
Reconciliation of tax expense and the accounting profit multiplied by prevailing income tax rate		
Profit/(Loss) before tax	722.51	(431.09)
Income tax rate	25.168%	25.168%
Calculated income tax expenses	182.00	(108.00)
Adjustment on account of carry forward business losses and unabsorbed depreciation	192.33	3.66
Income tax expense	374.33	(104.34)
Other comprehensive income section		
Income tax relating to items that will not be reclassified to profit or loss	-1.19	-13.59
	373.14	(117.93)

41 EARNINGS PER SHARE

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Basic earnings per share (₹)	0.70	(0.40)
b. Diluted earnings per share (₹)	0.70	(0.40)
Earnings per share are as follows:		
i. The earnings and weighted number of equity shares used in the calculation of basic earnings per share are as follows:		
Net profit attributable to the shareholders	350.40	(198.99)
Weighted average number of outstanding equity shares during the year	5,02,76,013	5,02,76,013
Basic earnings per share (₹)	0.70	(0.40)
Diluted earnings per share (₹)	0.70	(0.40)

42 COMMITMENTS AND CONTINGENCIES

- The estimated amount of contracts remaining to be executed on capital amounts and not provided for (net of advances) amount to ₹ 91.37 Lacs (as at 31 March 2023 ₹ Nil).
- Estimated amount of liability on export obligation remaining to be completed against EPCG scheme and Advance authorisations amounts to ₹ Nil (as at 31 March 2023 ₹ 82.04 Lacs) and ₹ 89.93 Lacs (as at 31 March 2023 ₹ 135.24 Lacs) respectively.
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

42.1 Litigations

- Demands aggregating to ₹ 1,073.70 lacs for the years 2000 to 2004 with respect to using of lubricating oil and transformer oil in the plant and machinery used for manufacture of excisable and as well as exempted goods and cenvat credit of service tax, which was subsequently quashed by the Central Excise and Service Tax Appellate Tribunal (CESTAT), referring the matter back for fresh assessment. The Commissioner, Central Excise, Panchkula instead of fresh adjudication, went into

appeal before the Hon'ble High Court at Chandigarh which was dismissed by the Hon'ble High Court. The Commissioner, Panchkula filed a Special Leave Petition before the Hon'ble Supreme Court of India, where the matter is pending for adjudication. Consequently amount deposited under protest amounting to ₹ 17.48 lacs have been considered good and recoverable and no provision for the same has been considered necessary. Further, till the time demands are received by the Company amounts of contingent liabilities, if any, is not ascertainable.

- b) With respect to classification of maize starch for excise purposes, the Commissioner, Excise raised a demand of ₹ 611.11 lacs, which was set aside by CESTAT. The Commissioner filed an appeal before the Hon'ble Supreme Court of India against the order of CESTAT, where the matter is pending for adjudication.
- II With respect to a dispute of lease charges of ₹ 1,204.60 lacs on the lease land at Veli, the Company approached the Hon'ble High Court of Kerala and the Hon'ble High Court has directed the Principal Secretary (Revenue) to make fresh assessment in this matter which is not yet finalized by the relevant authority. However, the Company has filed a review petition before the Secretary (Revenue), Government of Kerala to review the said order and requested to consider that
 - a. the lease rent fixation and the application for renewal of lease submitted by Company has to be considered under the Rules for Lease of Land for Industrial Purposes which has been overlooked or not considered in the said order.
 - b. the lease of the land provided to the Company be extended in accordance with the Rules for Lease of Land in Industrial Development Area and Development of Plots for Industrial Purposes. The Company is confident that the department will pass order in favour of the Company shortly.
- III The Company had received a show cause notice on April 9, 2015 from Directorate General of Central Excise Intelligence (DGCEI) dated March 31, 2015 on mis-classification of clay products for which the Company has represented and filed the reply with the authority and a favourable order was passed by the Commissioner of Central Excise and Customs, Trivandrum. Subsequently, the department has filed an appeal against the order of Commissioner, which is currently pending for hearing.
The Department has issued such show cause notices for the subsequent period also and the reply has been filed by the Company giving reference to the disposal of first show cause notice.
- IV The Company has received Order from Income-tax department pertaining to the assessment year 2018-19 demanding ₹ 775 lacs (including interest of ₹ 238 lacs) where Assessing Officer has disallowed certain expenditure and added some notional income without considering all the submissions of the Company. Hence, the Company has filed an Appeal before the Commissioner of Income-Tax (Appeals) against the said order and the Company is confident of getting a favourable order. Tax paid under protest amounts to ₹ 116.33 Lacs (as at 31 March 2022 ₹ 77.84 lacs)
- V The Company received Orders from Income-tax department pertaining to the assessment years 2015-16 and 2016-17 demanding ₹ 233 lacs and ₹ 297 lacs respectively. The Assessing Officer added certain income without fully considering the Company's submissions. Subsequent to the year end, the Company has filed appeals before the Commissioner of Income-Tax (Appeals) against the said orders by depositing the appeal amount and the Company is confident of getting a favourable order.

43 RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
- Employee benefit expenses	61.56	78.61
- Office and other expenses	1.58	1.10
	63.14	79.71

44 MINING OPERATIONS

The Company holds various mining leases over lands situated in Thonnakkal and Veiloor Villages of Trivandrum (Kerala) and other places. These mining leases were granted over a period of 1994 to 2008. Following the judgment of the Hon'ble High Court of Kerala, the mining activities in both Melthonnakkal and Veiloor Villages had been suspended. Post complying with the directions of the Hon'ble Court, the Company is following up for the Environment Clearance for Veiloor Villages mines apart from other mines before the mining authorities of Kerala which are at different stages of approvals. Besides, the Company has re-started mining at Melthonnakkal from October 2020 and also has got mining lease executed for Melthonnakkal (near AJ College Site) after all the necessary approvals. Thus, the Company has two mining leases which are operational presently.

Accordingly, the Company has resumed its mining operations at locations mentioned above and shall be able to do so at other mines on receipt of necessary approvals and also consequently achieve full level of production and improved profitability.

45 EMPLOYEE BENEFIT PLANS

a. Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. Employer's contribution to provident fund and employee's state insurance scheme recognised as expense in the Statement of Profit and Loss for the year are as under:

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Contribution to provident fund	84.79	88.35
Contribution to employees state insurance scheme	1.31	0.13
	86.10	88.48

b. Defined benefit plan**Gratuity**

The Company has a defined benefit gratuity plan. Employee who have completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme of gratuity is funded.

The company makes provision of such gratuity asset/liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

The fund is managed by a trust which is governed by the board of trustees. The board of trustees are responsible for the administration of the plan assets and for the definition of the investment strategy

The principal assumptions used for the purposes of the actuarial valuations were as follows:

(₹ in Lacs)

	Valuation as at	
	31 March, 2024	31 March, 2023
Expected return on plan assets	7.20%	7.46%
Discount rate (%)	7.20%	7.46%
Expected rate(s) of salary increase	6.50%	6.50%
Mortality rates inclusive of provision for disability	IALM 2012-14 Urban	IALM 2012-14 Urban
Retirement age (Years)	58, 63 and 70 years	58 and 62 years
Withdrawal rate (%) (Ages)	5.00%	5.00%

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Service cost:		
Current service cost	35.15	44.43
Net interest expenses/(income)	(8.00)	(6.36)
Components of defined benefit costs recognised in profit or loss	27.15	38.08
Remeasurement on the net defined benefit liability		
Return on plan assets, excluding interest income	5.75	9.23
Actuarial (gain)/loss from change in financial assumptions	10.67	(21.01)
Actuarial (gain)/loss from change in experience adjustment	(21.15)	(42.23)
Components of defined benefit costs recognised in other comprehensive income	(4.73)	(54.01)
Total	22.42	(15.93)

Notes:

- The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the Statement of profit and loss.
- The remeasurement of the net defined liability is included in other comprehensive income.
- The Gratuity scheme of the Company is funded.

The amount included in the balance sheet arising from the Company's obligation in respect of defined benefit plans is as follows:

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Present value of defined benefit asset		
Non-current	89.83	107.28
Current	-	-
	89.83	107.28

Movement in the present value of the defined benefit obligation are as follows:

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening defined benefit obligation	661.88	758.89
Current service cost	35.15	44.43
Interest cost	49.38	52.82
Remeasurement (gains)/losses:		
Return on plan assets, excluding interest income	-	-
Actuarial (gain)/loss from change in financial assumptions	10.67	(21.00)
Actuarial (gain)/loss from change in experience adjustment	(21.15)	(42.23)
Benefits paid	(89.04)	(131.03)
Closing defined benefit obligation	646.89	661.88

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes if the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Fair value of plan assets at the end of the period

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Fair value of plan assets at the beginning of the period	769.16	850.24
Interest income	57.38	59.17
Contribution	4.97	-
Benefit paid from the fund	(89.04)	(131.03)
Return on plan assets, excluding interest income	(5.75)	(9.22)
Closing fair value of plan assets	736.72	769.16
Amount recognised in the Balance sheet		
Present value of benefit obligation at the end of the period	(646.89)	(661.88)
Fair value of plan assets at the end of the period	736.72	769.16
Net (Liability)/Assets recognised in the balance sheet	89.83	107.28
Net interest cost for current period		
Opening defined benefit obligation	661.88	758.89
Fair value of plan assets at the beginning of the period	(769.16)	(850.24)
Net (Liability)/Assets at the beginning	107.28	91.35
Interest cost	49.38	52.82
(Interest income)	(57.38)	(59.17)
Net interest cost for current period	(8.00)	(6.35)
Expenses recognised in the Statement of Profit and Loss for current period		
Current service cost	35.15	44.43
Net interest cost for current period	(8.00)	(6.35)
Expenses recognised	27.15	38.08
Expenses recognised in other comprehensive income for current period		
Actuarial (gains)/losses on obligation for the period	(10.48)	(63.23)
Return on plan assets, excluding interest income	5.75	9.22
Net (income)/expenses for the period recognised in OCI	(4.73)	(54.01)

A. Sensitivity analysis:

If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would changes as: (₹ in Lacs)

	As at 31 March, 2024		As at 31 March, 2023	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(39.31)	44.31	(38.49)	43.32
Salary growth rate	44.18	(39.90)	43.31	(39.16)
Withdrawal rate	1.81	(1.99)	2.59	(2.85)

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

46 SEGMENT INFORMATION

The Company's strategic steering committee, consisting of board for corporate planning, examines the Company's performance on the basis of sales of goods. The Company engaged in the business of mining of clay (Kaolin) and manufacturing of processed clay. Hence the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.

- 47** The Company elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 effective from Financial Year 20-21

48 FINANCIAL INSTRUMENTS**i. Capital Management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) / Total 'equity' (as shown in the balance sheet).

The gearing ratio at end of the reporting period was as follows:

(₹ in Lacs)

	Note	As at 31 March, 2024	As at 31 March, 2023
Debt		329.90	2,936.80
Cash and bank balances		(307.37)	(3.94)
Net debt		22.53	2,932.86
Total Equity		15,865.76	15,511.82
Net debt to equity ratio (%)		0.14%	18.91%
ii. Categories of financial instruments			
Financial assets			
Measured at fair value through profit or loss	9	5.00	5.00
Measured at cost	9	50.00	50.00
Measured at amortised cost			
Financial assets			
a. Trade receivables	16	2,117.43	1,674.66
b. Cash and cash equivalents	17	307.37	3.94
c. Other bank balances	18	9.71	13.09
d. Loans	11	600.00	430.00
e. Financial assets			
Other financial assets			
a. Non current	10	255.66	250.85
b. Current	10	62.38	88.55
Financial liabilities			
a. Borrowings			
i. Long term borrowings	22	-	69.75
ii. Short term borrowings	26	329.90	2,867.05
b. Trade payables	27	1,958.71	2,038.88
c. Other financial liabilities other than current maturities			
Current	28	26.23	39.32
Non-current	23	1.01	1.01
d. Lease liabilities		121.14	-
Measured at fair value through other comprehensive income		-	-

The fair value of the financial assets and financial liabilities are equal to the carrying value of the financial instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of

the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For financial assets and liabilities included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Level wise disclosure of financial instruments

	As at 31 March, 2024	As at 31 March, 2023	Level
Other investment	5.00	5.00	Level III

iii. Financial risk management objectives

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. . It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Financial risk management

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

b. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

c. Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favorable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency.

The Company exposure to foreign currency risk are as follows:

(₹ in Lacs)

Particulars	Receivables - Trade Receivables	Payable - Trade Payables
As at 31 March, 2024		
USD	381.65	22.06
As at 31 March, 2023		
USD	212.33	78.88

Sensitivity analysis

(₹ in Lacs)

Particulars	Effect on profit before tax	
	31 March, 2024	31 March, 2023
USD sensitivity		
Increase by 5%	17.98	6.67
Decrease by 5%	(17.98)	(6.67)

(₹ in Lacs)

Particulars	Effect on equity	
	31 March, 2024	31 March, 2023
USD sensitivity		
Increase by 5%	13.45	4.99
Decrease by 5%	(13.45)	(4.99)

Sensitivity analysis is computed by changing the exchange rate only and holding all other variables constant.

d. Interest rate risk management

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

As at 31 March, 2024 and 31 March, 2023, financial liability of ₹ 329.90 lacs and ₹ 2936.80 lacs, respectively, was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹ 3.30 lacs and ₹ 29.36 lacs for the year ended 31 March, 2024 and 31 March, 2023, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. (Note: The impact is indicated on the profit/(loss) before tax basis).

e. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral,

where appropriate, as a means of mitigating the risk of financial loss from defaults.

Company's credit risk arises principally from the trade receivables, loans, cash and cash equivalents, derivatives and financial guarantees.

Trade receivables

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 2,117.42 lacs and ₹ 1,674.66 lacs as at 31 March 2024 and 31 March 2023 respectively. Credit risk has always been managed through monitoring the credit worthiness of customers in the normal course of business.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers

Particulars	Revenue in %	
	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Revenue from top customer	32.72%	29.87%
Revenue from top five customer	50.78%	44.28%

The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables which is based on historical experience.

Cash and cash equivalents, derivatives and financial guarantee

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to financial guarantees given to banks and other counterparties. The Company's maximum exposure in this respect is the maximum amount of the Company would have to pay if the guarantee is called upon. The Company's maximum exposure to the credit risk for the components of balance sheet as 31 March 2024 and 31 March 2023 is the carrying amounts mentioned in Note no. 15 except for financial guarantees

f. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. . The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Contractual maturities of financial liabilities				(₹ in Lacs)
	less than 1 year	1 to 5 year	more than 5 year	Total
As at 31 March, 2024				
Borrowings	329.90	-	-	329.90
Trade payables	1,958.71	-	-	1,958.71
Other financial liabilities	26.23	1.01	-	27.24
Lease liabilities	40.20	80.94	-	121.14
As at 31 March, 2023				
Borrowings	2,867.05	69.75	-	2,936.80
Trade payables	2,038.88	-	-	2,038.88
Other financial liabilities	39.32	1.01	-	40.33

The Company has sanctioned working capital credit limits amounting to ₹ 3,250 Lacs (As at 31 March, 2023 ₹ 3,250 Lacs)

49 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

- a. As per Section 135 of the Companies Act, 2013, the Company, meeting the applicability threshold, needs to spend at least 2% of average net profit for the immediately preceding three financial year on Corporate Social Responsibility ('CSR') activities. A CSR committee has been formed by the Company as per the Act.

(₹ in Lacs)

Detail of CSR Expenditure	For the year ended 31 March, 2024	For the year ended 31 March, 2023
a. Gross amount required to be spent by the Company during the year	-	-
b. Amount spent in cash during the year on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	17.32	22.82
c. Shortfall at the end of the year	-	-
d. Excess at the end of the year	-	-
e. Total of previous year shortfall	-	-
f. Amount available for set-off in succeeding financial year	-	-
g. Reason for shortfall	NA	NA
h. Nature of CSR activities	CSR activities are rain water harvesting, supply of water and promoting education to villagers	
g. Details of related party transactions in relation to CSR expenditure		

50 RIGHT TO USE ASSETS

- i. Carrying value of right to use assets at the end of reporting period (₹ in Lacs)

Particulars	31 March, 2024
Balance as at 31 March, 2022	85.93
Addition during the year	-
Depreciation during the year	61.17
Derecognised during the year	24.76
Balance as at 31 March, 2023	-
Addition during the year	120.25
Depreciation during the year	4.24
Derecognised during the year	-
Balance as at 31 March, 2024	116.01

- ii. Additions to right to use assets (₹ in Lacs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Right-of-use assets - Leases	120.25	-
	120.25	-

- iii. Right-to-use assets

At cost or deemed cost

Particulars	(₹ in Lacs)
Balance as at 01 April, 2022	232.28
Additions	-
Derecognition	24.76
Balance as at 31 March, 2023	207.52
Additions	120.25
Derecognition	-
Balance as at 31 March, 2024	327.77
Accumulated amortisation	
Balance as at 01 April, 2022	146.35
Charge for the year	61.17
Balance as at 31 March, 2023	207.52
Charge for the year	4.24
Balance as at 31 March, 2024	211.76

Particulars	(₹ in Lacs)
Net carrying amount	
At 31 March, 2023	-
At 31 March, 2024	116.01

The following is the summary of practical expedients elected on initial application

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application or low value leases
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023 (₹ in Lacs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of the year	-	93.77
Additions during the year	120.25	-
Deletion during the year	-	24.76
	120.25	69.01
Finance cost accrued during the year	0.89	6.04
Payment of lease liabilities	-	75.05
Balance at the end of the year	121.14	-

- Maturity analysis of lease liabilities:
The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis:

Particulars	As at 31 March, 2024	As at 31 March, 2023
Due within one year	40.20	-
Due later than one year and not later than five years	80.94	-
Due later than five years	-	-
Total	121.14	-

- Amounts recognised in profit or loss (₹ in Lacs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Interest on lease liabilities	0.89	6.04
Depreciation on right of use assets	4.24	61.17
Expenses relating to short-term and low value leases	216.20	114.21
(Income)/Expenses on de-recognised of lease	-	-
	221.33	181.42

- The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- Rental expense recorded for short-term and low value leases is recognised for the year ended March 31, 2024 ₹ 216.20 lacs (Previous year ₹ 114.21 lacs), the same have been recorded under the head 'Other expenses' in the financial statements.

51 RELATED PARTIES

a. List of related parties

i Holding company

DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)

ii Wholly owned subsidiary

Kaolin India Private Limited

iii. Enterprises over which shareholders or directors exercise significant influence

Premium Transmission Private Limited

DBH Consulting Limited

iv. Key management personnel

Mr. Karan Thapar – Chairman

Mr. Suresh Kumar Jain -Executive Director

Mr. Firdose Vandrevale - Director

Ms. Ritu Kishore Raizada - Director (w.e.f 08 May 2023)

Mr. P.H Kurian - Additional Director (w.e.f 06 February 2024)

Mr. T. Balakrishnan - Director (upto 08 May 2023)

Ms. Shivpriya Nanda - Director (upto 08 May 2023)

Mr. Ratheesh Vijay Kumar -Chief Financial Officer (w.e.f 08 August 2023)

Ms. Shalini Chawla - Company Secretary

Mr. Mahendra Kumar Gupta -Chief Financial Officer (upto 03 March 2023)

Mr. Bhagawandas Bhojwani -Chief Executive Officer (upto 26 September 2022)

Mr. Rakesh Bhartia - Director (upto 24 February 2023)

Mr. Vijay Dilbagh Rai - Director (upto 10 May 2022)

b. Transactions /balances outstanding with related parties										
Particulars	Holding Company		Wholly owned Subsidiary		Enterprises over which shareholders or directors exercise significant influence		Key management personnel		Total	
	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2024	Year ended 31 March, 2023
Transactions during the year										
Loans given	-	-	170.00	230.00	-	-	-	-	170.00	230.00
Kaolin India Private Limited	-	-	170.00	230.00	-	-	-	-	170.00	230.00
Loans received	-	500.00	-	-	-	-	-	-	-	500.00
DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)	-	500.00	-	-	-	-	-	-	-	500.00
Technical fees										
DBH Consulting Limited	-	-	-	-	25.54	23.81	-	-	25.54	23.81
Rent paid	21.24	21.24	-	-	25.54	23.81	-	-	21.24	21.24
DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)	21.24	21.24	-	-	-	-	-	-	21.24	21.24
Rent received	-	-	11.67	11.11	-	-	-	-	11.67	11.11
Kaolin India Private Limited	-	-	11.67	11.11	-	-	-	-	11.67	11.11
Interest paid	-	124.06	-	-	-	-	-	-	-	124.06
DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)	-	124.06	-	-	-	-	-	-	-	124.06
Interest received	-	-	52.79	26.42	-	-	-	-	52.79	26.42
Kaolin India Private Limited	-	-	52.79	26.42	-	-	-	-	52.79	26.42
Repayment of loans	-	1,500.00	-	-	-	-	-	-	-	1,500.00
DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)	-	1,500.00	-	-	-	-	-	-	-	1,500.00
Professional fees	-	-	-	-	-	-	-	-	-	-
Mr. Rakesh Bhartia	-	-	-	-	-	-	-	21.58	-	21.58
Directors sitting fees	-	-	-	-	-	-	14.45	21.25	14.45	21.25
Mr. Karan Thapar	-	-	-	-	-	-	2.55	2.55	2.55	2.55
Mr. Suresh Kumar Jain	-	-	-	-	-	-	-	1.20	-	1.20
Mr. T. Balakrishnan	-	-	-	-	-	-	1.35	4.15	1.35	4.15
Mr. Vijay Dilbagh Rai	-	-	-	-	-	-	-	1.50	-	1.50
Ms. Shivpriya Nanda	-	-	-	-	-	-	1.15	4.45	1.15	4.45
Mr. Firdose Vandrevala	-	-	-	-	-	-	4.70	3.60	4.70	3.60
Mr. Rakesh Bhartia	-	-	-	-	-	-	-	3.80	-	3.80
Ms. Ritu Kishore Raizada	-	-	-	-	-	-	3.70	-	3.70	-
Mr. P.H.Kurian	-	-	-	-	-	-	1.00	-	1.00	-
Purchase of materials	-	-	859.72	668.26	-	-	-	-	859.72	668.26
Kaolin India Private Limited	-	-	859.72	668.26	-	-	-	-	859.72	668.26
Sale of property, plant and equipment	-	-	2.31	11.02	-	-	-	-	2.31	11.02
Kaolin India Private Limited	-	-	2.31	11.02	-	-	-	-	2.31	11.02
Sale of materials	-	-	13.62	-	-	-	-	-	13.62	-
Kaolin India Private Limited	-	-	13.62	-	-	-	-	-	13.62	-
Advance for supply of materials	-	-	100.90	-	-	-	-	-	100.90	-
Kaolin India Private Limited	-	-	100.90	-	-	-	-	-	100.90	-
Managerial remuneration	-	-	-	-	-	-	158.40	225.08	158.40	225.08
Mr. Suresh Kumar Jain	-	-	-	-	-	-	119.64	-	119.64	-
Mr. Ratheesh Vijay Kumar	-	-	-	-	-	-	13.08	-	13.08	-
Ms. Shalini Chawla	-	-	-	-	-	-	25.68	25.40	25.68	25.40
Mr. Bhagawan Das Bhojwani	-	-	-	-	-	-	-	71.79	-	71.79
Mr. Mahendra Kumar Gupta	-	-	-	-	-	-	-	127.89	-	127.89

(₹ in Lacs)

Particulars	Holding Company		Wholly owned Subsidiary		Enterprises over which shareholders or directors exercise significant influence		Total	
	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024	As at 31 March, 2023	As at 31 March, 2024	As at 31 March, 2023
Outstanding balances								
Security deposit payable	-	-	0.85	0.85	-	-	0.85	0.85
Kaolin India Private Limited	-	-	0.85	0.85	-	-	0.85	0.85
Unsecured loan receivable	-	-	600.00	430.00	-	-	600.00	430.00
Kaolin India Private Limited	-	-	600.00	430.00	-	-	600.00	430.00
Payable	-	-	-	77.61	-	-	-	77.61
Kaolin India Private Limited	-	-	-	77.61	-	-	-	77.61
Advance for supply of materials	-	-	100.90	-	-	-	100.90	-
Kaolin India Private Limited	-	-	100.90	-	-	-	100.90	-
Receivable	2.00	2.00	5.90	4.30	-	-	7.90	6.30
Kaolin India Private Limited	-	-	5.90	4.30	-	-	5.90	4.30
DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)	2.00	2.00	-	-	-	-	2.00	2.00

52 OTHER STATUTORY INFORMATION

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 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 to or on behalf of the Ultimate Beneficiaries
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - 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,
- The Company have not any such transaction which is 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, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

53 The Company, has used accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility except that no audit trail enabled at the database level to log any direct data changes. Further, the audit trail facility (to the extent mentioned above) has been operating throughout the year for all relevant transactions recorded in the software. Further, we did not come across any instance of audit trail feature (to the extent mentioned above) being tampered with.

54 The Board of Directors have recommended a final dividend of 100 % (₹ 2 per Equity Share) for the financial year 2023-2024 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

55 EVENTS AFTER THE REPORTING PERIOD

There are no event observed after the reported period which have an impact on the Company's operation.

56 Previous period figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

57 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved for issue by Board of Directors on 06 May, 2024.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Bhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: 06 May, 2024

For and on behalf of the Board of Directors of EICL Limited

Sd/-
Suresh Kumar Jain
Executive Director
DIN: 00003500
Sd/-
Ratheesh Vijay Kumar
Chief Financial Officer

Place: Gurugram
Date: 06 May, 2024

Sd/-
Firdose Vandrevala
Director
DIN: 00956609
Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

INDEPENDENT AUDITOR'S REPORT

To the Members of EICL Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **EICL Limited** ("the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2024, and 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 then ended, and notes to the consolidated financial statements, including a summary of material accounting policies ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements of the subsidiary referred to in the Other Matters section below the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at 31 March 2024, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and other auditor in terms of their reports referred to in sub-para (a) and (b) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 43 to the accompanying consolidated financial statements, relating to filing of application with the regulatory authorities for securing environment clearances for their mining land parcels. The Holding Company has received approvals for two mining leases which are operational presently and is awaiting to receive approvals for other locations. The classification of underlying land as property, plant and equipment, conclusion relating to non-impairment of plant and machinery and measurement of site restoration obligation is dependent on such clearances. Our opinion is not modified in this respect of this matter.

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

The Holding Company's Board of Directors is responsible for the

preparation of the other information. The other information obtained at the date of this auditor's report comprises the Director's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is 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 Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities 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 financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the 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.

Other Matters

- a) We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of ₹ 1,663.33 lacs as at 31 March 2024, total revenues of ₹ 1,902.60 lacs and net cash inflows amounting to ₹ 3.53 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditor.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.
2. As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'Other Matters' paragraph, 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 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 and the reports of the other auditor, except for the matter stated in the paragraph (h)(vi) below on reporting under Rule 11(g).
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other

Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group, incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (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 Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 41.1 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary incorporated in India.
 - iv. (a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiary, that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding

Company or any such subsidiary, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiary, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The final dividend proposed for the year by the Holding Company is in compliance with Section 123 of the Act.
- vi. Based on our examination which included test checks and that performed by the respective auditors of the subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and its subsidiary, have used an accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility, except that no audit trail had been enabled at the database level to log any direct data changes. The audit trail facility (to the extent mentioned above) has been operating throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature (to the extent mentioned above) being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Holding Company and its subsidiary, which are companies incorporated in India, only with effect from 01 April 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended 31 March 2024.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Bhaskar Sen
Partner
Membership No.: 096985
UDIN: 24096985BKBWFH3941

Place: Gurugram
Date: 06 May 2024

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **EICL Limited** on the consolidated financial statements as of and for the year ended 31 March 2024)

Independent Auditor's report on the Internal Financial Controls with reference to 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 company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of EICL Limited (hereinafter referred to as the "Holding Company") and its subsidiary, 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 Company and its subsidiary, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding

Company and its subsidiary as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company and its subsidiary, as aforesaid.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject

to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls with reference to financial statements insofar as it relates to the subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Bhaskar Sen
Partner
Membership No.: 096985
UDIN: 24096985BKBWFH3941

Place: Gurugram
Date: 06 May 2024

CONSOLIDATED Balance Sheet as at 31 March, 2024

(₹ in Lacs)

	Note No.	As at 31 March, 2024	As at 31 March, 2023
Assets			
1 Non-current assets			
a. Property, plant and equipment	7	13,717.78	14,305.57
b. Capital work in progress	7	68.54	52.64
c. Other intangible assets	8	1.43	1.96
d. Right to use assets	9	118.62	2.61
e. Financial assets			
i. Investments	10	5.00	5.00
ii. Other financial assets	11	268.33	264.01
f. Deferred tax assets (net)	15	623.03	1,003.98
g. Other non current assets	12	189.44	326.66
		14,992.17	15,962.43
2 Current assets			
a. Inventories	14	2,174.41	2,897.02
b. Financial assets			
i. Trade receivables	16	2,182.98	1,814.47
ii. Cash and cash equivalents	17	311.43	4.48
iii. Other bank balances	18	9.71	13.09
iv. Other financial assets	11	57.05	84.25
c. Current tax assets (Net)	13	74.09	50.29
d. Other current assets	12	460.49	510.80
		5,270.16	5,374.40
Non-current assets classified as held for sale	19	1,879.37	3,904.43
Total assets		22,141.70	25,241.26
Equity and liabilities			
1 Equity			
a. Equity share capital	20	1,005.52	1,005.52
b. Other equity	21	14,476.20	14,105.61
Total equity		15,481.72	15,111.13
2 Liabilities			
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	22	900.00	969.75
ii. Lease liabilities	24	80.94	-
ii. Other financial liabilities	23	1.01	1.01
b. Provisions	25	2,233.33	2,200.64
		3,215.28	3,171.40
Current liabilities			
a. Financial liabilities			
i. Borrowings	26	485.47	3,076.15
ii. Lease liabilities	24	40.20	-
iii. Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	27	351.78	425.83
- Total outstanding dues of other than micro enterprises and small enterprises	27	1,816.00	1,912.80
iv. Other financial liabilities	28	30.76	44.60
b. Other current liabilities	29	603.10	1,377.08
c. Provisions	25	117.39	122.27
		3,444.70	6,958.73
Total liabilities		6,659.98	10,130.13
Total equity and liabilities		22,141.70	25,241.26

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Bhaskar Sen
Partner
Membership No.: 096985

For and on behalf of the Board of Directors of EICL Limited

Sd/-
Suresh Kumar Jain
Executive Director
DIN: 00003500

Sd/-
Ratheesh Vijay Kumar
Chief Financial Officer

Place: Gurugram
Date: 06 May, 2024

Sd/-
Firdose Vandrevala
Director
DIN: 00956609

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 06 May, 2024

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

(₹ in Lacs)

	Note No.	Year ended 31 March, 2024	Year ended 31 March, 2023
I Revenue from operations	30	15,205.12	12,276.84
II Other income	31	354.16	1,213.38
III Total income (I + II)		15,559.28	13,490.22
IV Expenses			
Cost of materials consumed	32	3,497.07	3,077.79
Purchases of stock-in-trade	33	534.49	221.63
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	452.38	244.38
Employee benefits expense	35	2,501.98	2,443.45
Finance costs	36	382.31	609.46
Depreciation and amortisation expense	37	845.01	942.65
Other expenses	38	6,601.45	6,554.93
Total expenses (IV)		14,814.69	14,094.29
V Profit / (Loss) before tax (III-IV)		744.59	(604.07)
VI Tax expense	39		
Current tax		-	-
Income tax expense related to earlier period		(2.22)	(127.76)
Deferred tax		379.76	(134.02)
		377.54	(261.78)
VII Profit/ (Loss) for the period (V-VI)		367.05	(342.29)
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
i. Re-measurement of defined benefit plans		4.73	54.01
ii. Income tax relating to items that will not be reclassified to profit or loss		(1.19)	(13.59)
Other comprehensive income for the period		3.54	40.42
IX Total comprehensive income for the period (VII+VIII)		370.59	(301.87)
X Profit for the year attributable to: Shareholders of the Company		367.05	(342.29)
		367.05	(342.29)
XI Total comprehensive income for the year attributable to Shareholders of the Company		370.59	(301.87)
		370.59	(301.87)
XII Earnings per equity share	40		
Equity shares of face value ₹ 2 each			
Basic (₹ per share)		0.73	(0.68)
Diluted (₹ per share)		0.73	(0.68)
See accompanying notes forming part of the Consolidated Financial Statements			

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Sd/-

Bhaskar Sen

Partner

Membership No.: 096985

For and on behalf of the Board of Directors of EICL Limited

Sd/-

Suresh Kumar Jain

Executive Director

DIN: 00003500

Sd/-

Ratheesh Vijay Kumar

Chief Financial Officer

Sd/-

Firdose Vandrevale

Director

DIN: 00956609

Sd/-

Shalini Chawla

Company Secretary

Membership No. 22060

Place: Gurugram

Date: 06 May, 2024

Place: Gurugram

Date: 06 May, 2024

CONSOLIDATED Statement of Changes in Equity for the year ended 31 March, 2024**A. Equity share capital**

	No. of shares	(₹ in Lacs)
Equity shares of ₹ 2 each issued, subscribed and fully paid		
Balance as at 31 March, 2022	5,02,76,013	1,005.52
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April, 2022	5,02,76,013	1,005.52
Issue of equity share capital	-	-
Balance as at 31 March, 2023	5,02,76,013	1,005.52
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at 1 April, 2023	5,02,76,013	1,005.52
Issue of equity share capital	-	-
Balance as at 31 March, 2024	5,02,76,013	1,005.52

B. Other equity

	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained earnings	Other comprehensive income	Total
Balance as at 31 March, 2022	6.34	3,441.38	5,566.85	5,256.62	136.29	14,407.48
Changes in accounting policy or prior period errors						
Restated balance at 1 April, 2022	6.34	3,441.38	5,566.85	5,256.62	136.29	14,407.48
Loss for the year	-	-	-	(342.29)	-	(342.29)
Other comprehensive income for the year, net of income tax	-	-	-	-	40.42	40.42
Balance as at 31 March, 2023	6.34	3,441.38	5,566.85	4,914.33	176.71	14,105.61
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at 1 April, 2023	6.34	3,441.38	5,566.85	4,914.33	176.71	14,105.61
Profit for the year	-	-	-	367.05	-	367.05
Other comprehensive income for the year, net of income tax	-	-	-	-	3.54	3.54
Balance as at 31 March, 2024	6.34	3,441.38	5,566.85	5,281.38	180.25	14,476.20

In terms of our report attached

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Sd/-

Bhaskar Sen

Partner

Membership No.: 096985

Place: Gurugram

Date: 06 May, 2024

For and on behalf of the Board of Directors of EICL Limited

Sd/-

Suresh Kumar Jain

Executive Director

DIN: 00003500

Sd/-

Ratheesh Vijay Kumar

Chief Financial Officer

Place: Gurugram

Date: 06 May, 2024

Sd/-

Firdose Vandrevale

Director

DIN: 00956609

Sd/-

Shalini Chawla

Company Secretary

Membership No. 22060

CONSOLIDATED Statement of Cash Flows for the year ended 31 March, 2024

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
A. Cash flow from operating activities		
Profit/(Loss) before tax	744.59	(604.07)
Adjustments for :		
Profit on sale of assets held for sale	(106.95)	(1,103.86)
Depreciation and amortisation expense	791.01	942.65
Provision for bad trade and other receivables, loans and advances	2.01	3.15
Interest on borrowings	257.55	510.90
Provision for impairment	-	122.24
Interest from banks on deposits	(8.32)	-
Loss/(profit) on sale of property, plant and equipment	8.91	(1.17)
Unrealised foreign exchange (gain)/loss	(4.36)	4.83
	1,684.44	(125.33)
Changes in working capital		
Adjustments for (increase) / decrease in operating assets:		
Inventories	722.61	(169.65)
Trade receivables	(288.55)	390.04
Other current financial assets	17.14	(24.98)
Other current assets	(47.21)	126.73
Other non-current financial assets	(5.17)	41.03
Other non current assets	168.25	9.66
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(246.61)	(588.54)
Other financial liabilities	(2.49)	(100.26)
Provisions	32.54	12.00
Other current liabilities	109.77	17.30
Cash generated from operating activities	2,144.72	(412.00)
Income taxes refund (net)	(21.58)	(60.05)
Net cash generated from/(used in) operating activities	2,123.14	(472.05)
B. Cash flow from investing activities		
Capital expenditure on property, plant and equipment, including capital advances	(344.38)	(161.01)
Capital expenditure on intangible assets	(0.16)	(1.48)
Sale proceeds of property, plant and equipment	0.10	16.63
Sale proceeds of asset held for sale	1,433.33	1,484.71
Advance received against asset held for sale	-	890.00
Interest income on bank deposits	11.92	8.85
Net cash generated from/(used in) investing activities	1,100.81	2,237.70
C. Cash flows from financing activities		
Proceeds from/ (repayment of) borrowings		
- Receipts	-	-
- Repayments	(216.28)	(784.25)
Proceeds from/ (repayment of) cash credits/working capital demand loan (net)	(2,444.15)	562.47
Repayment of unsecured loan	-	(1,000.00)
Interest paid	(256.57)	(547.94)
Net cash generated from/(used in) financing activities	(2,917.00)	(1,769.72)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	306.95	(4.06)
Cash and cash equivalents at the beginning of the year	4.48	8.54
Cash and cash equivalents at the end of year	311.43	4.48

- 1) The Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on 'Statement of Cash Flows'.
2) Figures in brackets indicate cash outflow.

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **S.N. Dhawan & CO LLP**
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Bhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: 06 May, 2024

For and on behalf of the Board of Directors of EICL Limited

Sd/-
Suresh Kumar Jain
Executive Director
DIN: 00003500

Sd/-
Ratheesh Vijay Kumar
Chief Financial Officer

Place: Gurugram
Date: 06 May, 2024

Sd/-
Firdose Vandrevala
Director
DIN: 00956609

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

EICL Limited ('the Holding Company'), a Company incorporated in India in 1963, under the Companies Act 1956, was part of the erstwhile Thapar Group. The registered office of the Company is at TC-79/4, Veli Thiruvananthapuram – 695 021, Kerala. The Company is engaged in the business of mining of clay (Kaolin) and manufacturing of processed clay.

2 Statement of compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013

Accordingly, the Group have prepared these consolidated financial statements which comprise the Balance Sheet as at 31 March, 2024, the Statement of Profit and Loss for the year ended 31 March 2024, the Statement of Cash Flows for the year ended 31 March 2024 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements').

These consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

3 Basis of preparation and presentation

Consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for

- Financial instruments – measured at fair value;
- Assets held for sale – measured at lower of fair value less cost of sale;
- Plan assets under defined benefit plans – measured at fair value
- In addition, certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle. Based on nature of operations, the Company has considered an operating cycle of 12 months.

The consolidated financial statements are presented in Indian Rupee, which is the functional currency of the Company and all values are rounded to the nearest lakhs (₹/00000), except when otherwise indicated.

Group information

The consolidated financial statements include following subsidiary:

Name of the Company	: Kaolin India Private Limited
Percentage of ownership	: 100%

Effective date of holding w.e.f. June 3, 2020 prior to that share held by Karun Carpets Private Limited, the entity fall under common control

4 Basis of consolidation

The consolidated financial statements relates to EICL Limited ('the Company') and its subsidiaries. Subsidiaries are entities that are controlled by the Company. Control is achieved when the Company:

- Has power over the investee
- Is expected, or has right, to variable returns from its involvement with the investee;
- Has the ability to use its power to affect the returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

Generally, majority of voting rights results in control. When the Company has less than majority of voting rights of an investee, the Company considers all relevant facts and circumstances assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee, including:

- The size of the Company's holdings of voting rights relative to the size and dispersion of holdings of other vote holders;
- Potential voting rights held by the Company;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Consolidation procedure:

- The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances, intra-

group transactions and unrealised profits on intra-group transactions.

- The excess of cost to the Group of its investments in the subsidiaries over its share of equity of the subsidiaries, at the dates on which the investments in the subsidiaries were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary and such amounts are not set off between different entities.
- Non-controlling interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the non-controlling shareholders at the date on which investments in the subsidiaries were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit / loss after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

5 Use of estimates

The preparation of these Consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the Consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the Consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

The areas involving critical estimates or judgments are:

- Decommissioning and restoration provision
- Fair value of unlisted equity securities
- Determination of useful life of property, plant and equipment and intangible assets
- Measurement of defined benefit obligations – Key actuarial assumptions
- Loss allowance for expected credit losses
- Recognition of deferred tax assets / liabilities
- Impairment of financial assets
- The net realisable value of an item of inventory

Estimates and judgments are regularly revisited. Estimates are based on historical experience and other factors, including

futuristic reasonable information that may have a financial impact on the Group.

6 Material Accounting Policy Information

6.1 Revenue recognition

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold is net of variable consideration on account of discounts offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of goods

Revenue from the sale of products is recognised when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

6.2 Interest income

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

6.3 Leases

As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of building and machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of building and machinery and equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

6.4 Foreign currencies

The functional currency of the Group is Indian rupee (₹).

Income and expenses in foreign currencies are recorded

at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

6.5 Employee benefits

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

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries including incentive and bonus, annual leave and sick leave (leave comprises compensated absences) in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. The casual leave, if not availed are lapsed at the end of the year and are not accumulated for future period.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of

the benefits expected to be paid in exchange for the related service.

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

6.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also

recognised in other comprehensive income or directly in equity respectively.

6.7 Property plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred. Major shut down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

Assets costing 5,000 and below are fully depreciated in the year of acquisition.

Subsequent expenditure and componentisation

Parts of an item of property, plant and equipment having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Decommissioning costs

Decommissioning cost includes cost of restoration. Provision for decommissioning costs is recognized when the Group have a legal or constructive obligation to plug and abandon a site, dismantle and remove a facility or an item of Property, Plant and Equipment and to restore the site on which it is located. The full eventual estimated provision towards costs relating to dismantling, abandoning and restoring sites and other facilities are recognized in respective assets when the site is complete / facilities or Property, Plant and Equipment are installed.

The amount recognised is the present value of the estimated future expenditure determined using existing technology at current prices and escalated using appropriate inflation rate till the expected date of decommissioning and discounted up to the reporting date using the appropriate risk-free discount rate. An amount equivalent to the decommissioning provision is recognized along with the cost of site or Property, Plant and Equipment.

Depreciation and useful life

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc

Depreciation is computed on Straight-Line Method ('SLM') based on useful lives, determined based on internal technical evaluation as follows:

Type of Assets	Method	Useful lives estimated by the management
Factory and other buildings	SLM	3- 60 years
Plant and equipment	SLM	10- 25 years
Furniture and fixtures	SLM	10 years
Office equipment	SLM	5 years
Vehicle and cycles	SLM	8 years

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the Statement of Profit and Loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of office equipment and computer over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that

these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

6.8 Intangible assets

The Group have elected to continue with the carrying value of all of its Intangible assets as at the transition date, viz., 1 April, 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible assets and intangible assets under development are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any).

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses.

Derecognition of intangible assets.

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

Useful lives of intangible assets.

Estimated useful lives of the intangible assets are as follows:

Computer software: 5 years

The amortisation period and method are reviewed at each year end.

6.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any

such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

6.10 Inventories

Inventories, including stores and spare parts (other than stores and spares accounted for as Property, Plant and Equipment), raw materials (including clay matrix-mined and purchased) are valued at weighted average cost. Work in progress and finished goods, are valued at lower of standard cost and net realisable value. Cost includes direct expenses and is determined on the basis of weighted average method.

Total mining expenses are considered as raw material cost for clay matrix – mined.

In respect of finished goods and work in progress, cost includes raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition based on normal operating capacity.

6.11 Non-current assets or disposal held for sale and discontinued operations

Non-current assets or disposal held for sale

Non-current assets or disposal groups are classified as

held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Such assets or disposal groups are classified only when both the conditions are satisfied –

1. The sale is highly probable, and
2. The asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Noncurrent assets or disposal group are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Upon classification, non-current assets or disposal group held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets which are subject to depreciation are not depreciated or amortized once those classified as held for sale.

Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

6.12 Provisions

Provisions are recognised when the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

6.13 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

6.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

6.15 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

6.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter

period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group have not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates interest earned on the financial asset and is included in the 'Other income' line item.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected

credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that

is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

6.17 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of

the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

6.18 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The

weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees

6.19 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**7 PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lacs)

	Free hold land	Factory and other buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles and cycles	Total
Cost or deemed cost							
Balance as at 31 March, 2022	7,022.40	2,419.36	8,016.37	72.07	66.23	134.08	17,730.50
Additions	-	34.77	12.52	5.50	4.33	8.37	65.49
Disposals	2.75	-	-	5.05	57.63	35.20	100.63
Balance as on 31 March, 2023	7,019.65	2,454.13	8,028.89	72.52	12.93	107.25	17,695.36
Additions	-	63.18	210.38	5.81	11.13	-	290.50
Disposals	0.67	14.24	8.51	0.20	2.83	-	26.45
Transferred to assets held for sale (refer note iv)	29.22	-	-	-	-	-	29.22
Balance as on 31 March, 2024	6,989.76	2,503.07	8,230.76	78.13	21.23	107.25	17,930.19
Accumulated Depreciation							
Balance as at 31 March, 2022	48.30	436.30	1,971.69	22.24	52.41	63.85	2,594.79
Additions	28.57	156.04	660.46	15.83	6.87	12.40	880.17
Disposals	0.21	-	-	1.14	56.95	26.87	85.17
Balance as on 31 March, 2023	76.66	592.34	2,632.15	36.93	2.33	49.38	3,389.79
Depreciation expense	28.56	156.61	625.73	12.28	7.58	9.32	840.08
Elimination on disposals of assets	-	13.27	1.27	0.20	2.72	-	17.46
Balance as on 31 March, 2024	105.22	735.68	3,256.61	49.01	7.19	58.70	4,212.41
Net carrying amount							
Balance as on 31 March, 2023	6,942.99	1,861.79	5,396.74	35.58	10.60	57.87	14,305.57
Balance as on 31 March, 2024	6,884.54	1,767.39	4,974.15	29.12	14.04	48.55	13,717.78

Notes:

- Additions to plant and machinery include additions to research and development assets amounting to ₹ 4.76 lacs (31 March, 2023 Nil) and depreciation charge for the year includes ₹ 43.69 lacs (31 March, 2023 ₹ 45.30 lacs) on account of research and development assets.
- Information of assets pledged as security, refer note 22
- a. CWIP ageing schedule

As at 31 March, 2024

Sl. No.	CWIP	Amount of CWIP for a period of				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Projects in progress	28.25	-	-	-	28.25
(ii)	Projects temporarily suspended	-	-	-	40.29	40.29
Total		28.25	-	-	40.29	68.54

As at 31 March, 2023

Sl. No.	CWIP	Amount of CWIP for a period of				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Projects in progress	12.35	-	-	-	12.35
(ii)	Projects temporarily suspended	-	-	-	40.29	40.29
Total		12.35	-	-	40.29	52.64

iii. b. Details of projects where activity has been suspended

Sl. No.	CWIP	Amount of CWIP for a period of				Total
		< 1 year	1-2 years	2-3 years	More than 3 years	
(i)	Filter press replacement	-	-	-	8.11	8.11
(ii)	Nozzle Centrifuge	-	-	-	30.73	30.73
(iii)	LT Cable replacement	-	-	-	0.41	0.41
(iv)	Powder Silo	-	-	-	1.04	1.04
Total		-	-	-	40.29	40.29

- iv. The Company owns the land with Survey No. 489/13 admeasuring 1 (one) Acre situated at Thonnakkal, Thiruvananthapuram. As there was no commercial activity of the Company on the said land, it was proposed to sell the entire land as a single plot or in parts.

8 OTHER INTANGIBLE ASSETS

(₹ in Lacs)

	Computer software	Total
Cost or deemed cost		
Balance as at 31 March, 2022	12.83	12.83
Additions	1.48	1.48
Disposals	-	-
Balance as on 31 March, 2023	14.31	14.31
Additions	0.16	0.16
Disposals	-	-
Balance as on 31 March, 2024	14.47	14.47
Amortisation		
Balance as at 31 March, 2022	11.04	11.04
Amortisation expense	1.31	1.31
Disposals	-	-
Balance as on 31 March, 2023	12.35	12.35
Amortisation expense	0.69	0.69
Disposals	-	-
Balance as on 31 March, 2024	13.04	13.04
Net carrying amount		
Balance as on 31 March, 2023	1.96	1.96
Balance as on 31 March, 2024	1.43	1.43

9 RIGHT TO USE ASSETS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Right to use assets (refer note "49")*	118.62	2.61
	118.62	2.61

*Includes leasehold improvements of ₹ 2.61 lacs (31 March, 2023: ₹ 2.61 lacs)

10 INVESTMENTS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Unquoted (Carried at fair value)		
a. Investment in equity instruments		
- Kerala Enviro Infrastructures Limited {50,000 (31 March, 2023: 50,000) equity shares carrying face value of ₹ 10 each fully paid}	5.00	5.00
	5.00	5.00

11 OTHER FINANCIAL ASSET

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
I. Non-current		
a. Security deposits	131.24	129.93
b. Duty / taxes paid under protest recoverable (also refer note 41.1)	133.81	133.81
c. Fixed deposits*	3.28	0.27
	268.33	264.01

Note

*Lien as margin money with banks for issuance of credit card and bank guarantee amounting to ₹ 3 lacs and ₹ 0.28 lacs respectively.

II. Current

a. Security deposits	51.76	47.78
b. Security deposits to related parties	2.00	2.00
c. Accrued interest on bank deposits	0.78	-
d. Accrued interest on other deposits	1.94	6.42
e. Other receivables	0.57	28.05
	57.05	84.25

12 OTHER ASSETS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
I. Non-current		
a. Advances for purchase of property, plant and equipment	32.35	1.32
b. Prepayments	15.69	17.88
c. Balances with government authorities	51.57	200.18
d. Plan asset over present value of gratuity obligation (also refer note 44)	89.83	107.28
	189.44	326.66
II. Current		
a. Advances to suppliers	17.96	103.38
b. Advances to employees	25.48	36.75
c. Prepayments	134.45	39.00
d. Balances with government authorities	190.44	283.57
e. Other advances	92.16	48.10
	460.49	510.80

13 CURRENT TAX ASSETS (NET)

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Advance taxes paid including tax deducted at source(net of provision for tax)	74.09	50.29
	74.09	50.29

14 INVENTORIES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
(lower of cost and net realisable value)		
a. Raw materials	374.48	622.83
b. Stores and spares	831.69	853.57
c. Work in progress (see note "I" below)	298.06	191.90
d. Finished goods (see note "II" below)	670.18	1,228.72
	2,174.41	2,897.02

Note:

- I Includes by-products and others of ₹ 0.01 lacs (31 March, 2023 ₹ 0.01 lacs)
- II Includes by-products of ₹ 35.34 lacs (31 March, 2023 ₹ 35.35 lacs) and traded goods of clay products of ₹ 48.01 lacs (31, March 2023 ₹ 25.88 lacs).

15 DEFERRED TAX ASSETS (NET)

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Deferred tax assets	623.03	1,003.98

(₹ in Lacs)

	Opening Balance	Recognised in Profit or loss [(Charge)/ income]	Recognised in other comprehensive Income	Closing balance
2023-24				
Deferred tax (liabilities) / assets in relation to :				
Property, plant and equipment	(1,038.37)	35.86	-	(1,002.51)
Preliminary expenses	0.11	-		0.11
Employee benefit obligation	25.52	6.50	(1.19)	30.83
Tax impact of expenses chargeable in the financial statements but allowable under the Income Tax Act, 1961 in future years	21.25	0.51	-	21.76
Site restoration on land	546.61	6.40	-	553.01
Lease obligation	-	1.29	-	1.29
Business loss and unabsorbed depreciationsee note below)	1,448.86	(430.32)	-	1,018.54
	1,003.98	(379.76)	(1.19)	623.03

2022-23

Deferred tax (liabilities) / assets in relation to :				
Property, plant and equipment	(1,097.68)	59.31	-	(1,038.37)
Preliminary expenses	0.11	-	-	0.11
Employee benefit obligation	38.36	0.75	(13.59)	25.52
Tax impact of expenses chargeable in the financial statements but not allowable under the Income Tax Act, 1961 in future years	25.85	(4.60)	-	21.25
Site restoration on land	502.64	43.97	-	546.61
Lease obligation	4.94	(4.94)	-	-
Business loss and unabsorbed depreciationsee note below)	1,409.33	39.53	-	1,448.86
	883.55	134.02	(13.59)	1,003.98

Note:

The Group has elected to exercise the option permitted under Section 115BAA/115BAB of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

16 TRADE RECEIVABLES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Secured, considered good	78.95	70.59
b. Unsecured, considered good	2,104.03	1,743.88
c. Unsecured, considered doubtful	85.25	83.24
Less: Allowances for doubtful debts (expected credit loss allowances)	(85.25)	(83.24)
Total	2,182.98	1,814.47

Notes:

- The above amount of trade receivables also includes amount receivable from its related parties (refer note 50).
- The average credit period on sale of goods is 30 days to 60 days. No interest is charged on overdue trade receivables.
- Trade receivables ageing schedule

As at 31 March, 2024

Particulars	Outstanding for the 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	2,181.42	1.56	-	-	-	2,182.98
(ii) Undisputed trade receivables - credit impaired	-	-	2.72	0.11	82.42	85.25
Total	2,181.42	1.56	2.72	0.11	82.42	2,268.23

As at 31 March, 2023

Particulars	Outstanding for the 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	1,810.32	4.15	-	-	-	1,814.47
(ii) Undisputed trade receivables - credit impaired	-	-	0.23	26.76	56.25	83.24
Total	1,810.32	4.15	0.23	26.76	56.25	1,897.71

17 CASH AND CASH EQUIVALENTS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Balances with banks		
- on current accounts	5.72	2.92
- Fixed deposit with original maturity of less than 3 months	303.70	-
b. Cash on hand	2.01	1.56
	311.43	4.48

18 OTHER BANK BALANCES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Unpaid dividend accounts	9.71	13.09
	9.71	13.09

19 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Fixed assets held for sale (at lower of cost and net realisable value) (see note below)	1,879.37	4,026.67
Less: Provision for impairment	-	(122.24)
	1,879.37	3,904.43

Note

It represent following:-

- Land and buildings of gross book value ₹ 2,249.21 lacs (31 March, 2023: ₹ 2,503.48 lacs) and net book value ₹ 1,850.15 lacs (31 March, 2023 ₹ 2,226.67 lacs) located at Shimoga. The Company has developed its land at Shimoga as an Industrial Park after obtaining necessary approvals from the appropriate authorities and plotting has been done as per the approved plan. The Company has sold some of the plots and has received consideration on execution of sale deed for the respective plots and accordingly assets held for sale has been reduced by the amount of cost accounted on a proportionate basis. The Company has recognised profit on sale of such land aggregating to ₹ 302.54 Lacs (31 March 2023: ₹ 636.15 Lacs) under 'Other income', which is net of land development expenses.
- Land and buildings of gross book value ₹ Nil (31 March, 2023: ₹ 1,928.16 lacs) and net book value ₹ Nil (31 March, 2023 ₹ 1,800.00 lacs (net of impairment provision of ₹ 122.24 lacs)) located at Cuddalore. During the current year, the Company has sold its Cuddalore land to a vendor at a consideration value of ₹ 1,800 lacs and has also paid an amount of ₹ 141.66 lakhs for land

development cost. This cost has been adjusted against “profit for sale on assets held for sale” shown under other income.

- (iii) Land having book value of ₹ 29.22 lacs located at Thonnakkal. The Company owns the land with Survey No. 489/13 admeasuring 1 (one) Acre situated at Thonnakkal, Thiruvananthapuram. As there was no commercial activity of the Company on the said land, it was proposed to sell the entire land as a single plot or in parts. Accordingly, it has been shown under assets held for sale in the current year (also refer note 7)

Management intends to divest these assets within the next 12 months at amounts equal to or exceeding the asset carrying values at the respective Balance Sheet dates.

20 EQUITY SHARE CAPITAL

	As at 31 March, 2024		As at 31 March, 2023	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Authorised				
Equity shares of ₹ 2 each	9,00,00,000	1,800.00	9,00,00,000	1,800.00
Preference shares of ₹ 100 each	30,00,000	3,000.00	30,00,000	3,000.00
	9,30,00,000	4,800.00	9,30,00,000	4,800.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 2 each	5,02,76,013	1,005.52	5,02,76,013	1,005.52
Total	5,02,76,013	1,005.52	5,02,76,013	1,005.52

a. Movement in share capital

	Year ended 31 March, 2024		Year ended 31 March, 2023	
	No. of shares	(₹ in Lacs)	No. of shares	(₹ in Lacs)
Equity shares				
Balance as at the beginning of the year	5,02,76,013	1,005.52	5,02,76,013	1,005.52
Add: Increase during the year	-	-	-	-
Balance as at the end of the year	5,02,76,013	1,005.52	5,02,76,013	1,005.52

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors will be subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has neither issued any equity shares for consideration other than cash nor any bonus shares issued during the immediately preceding five financial years. Also there has been no buy back of shares either in the aforesaid period.

c. Shares held by holding Company

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
	No. of shares	No. of shares
Equity shares		
DBH Investment Capital India Private Limited (earlier known as Karun Carpets Private Limited)*	4,60,78,066	4,60,78,066
	4,60,78,066	4,60,78,066

* The name of the holding company i.e. Karun Carpets Private Limited has been changed to DBH Investment Capital India Private Limited with effect from 27th July, 2023.

d. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 March, 2024		As at 31 March, 2023	
	No. of shares	% holding	No. of shares	% holding
DBH Investment Capital India Private Limited (earlier known as Karun Carpets Private Limited)	4,60,78,066	91.65%	4,60,78,066	91.65%

e. Details of shares held by promoters at the end of the year

Promoters Name	31 March, 2024		31 March, 2023		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
1 DBH Investment Capital India Private Limited (earlier known as Karun Carpets Private Limited)	4,60,78,066	91.65%	4,60,78,066	91.65%	0.00%

Promoters Name	31 March, 2023		31 March, 2022		% Change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
1 Karun Carpets Private Limited	4,60,78,066	91.65%	4,60,78,066	91.65%	0.00%

f. Summary of proposed dividend

(₹ in Lacs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Proposed dividends on Equity share		
Final dividend for the year ended on 31 March 2024: ₹ 2 per share (previous year ₹ Nil per share)	1,005.52	-

The Board of Directors have recommended a final dividend of 100 % (₹ 2 per Equity Share) for the financial year 2023-2024 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Holding Company.

21 OTHER EQUITY

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Capital Reserve	6.34	6.34
b. Capital Redemption Reserve	3,441.38	3,441.38
c. General Reserve	5,566.85	5,566.85
d. Retained earnings	5,281.38	4,914.33
e. Other comprehensive income	180.25	176.71
	14,476.20	14,105.61
Other equity consist of the following		
i. Capital Reserve		
Balance at the beginning of year	6.34	6.34
Addition during the year	-	-
	6.34	6.34
ii. Capital Redemption Reserve		
Balance at the beginning of year	3,441.38	3,441.38
Addition during the year	-	-
	3,441.38	3,441.38
iii. General Reserve		
Balance at the beginning of year	5,566.85	5,566.85
Addition during the year	-	-
	5,566.85	5,566.85
iv. Retained earnings		
Balance at the beginning of year	4,914.33	5,256.63
Loss for the year	367.05	(342.29)
	5,281.38	4,914.34
v. Other comprehensive income		
Balance at the beginning of year	176.71	136.29
Add:		
- Re-measurement of defined benefit plans (net of tax)	3.54	40.42
	180.25	176.71

Notes:**i. Capital Redemption Reserve**

The Indian Companies Act, 2013 (the "Companies Act") requires that where a Company purchases its own shares out of free

reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Group, in paying up unissued shares of the Company to be issued to Shareholders of the Group as fully paid bonus shares. The Group established this reserve pursuant to the redemption of preference shares issued in earlier year.

ii. **Capital Reserve**

The capital reserve represents the excess of the identifiable assets and liabilities over the consideration paid.

iii. **General Reserve**

The Group had transferred a part of the net profit of the group to general reserve in earlier year.

iv. **Retained earnings**

Retained earnings are profits of the Group earned till date less transferred to other reserves and dividend paid during the year.

v. **Other comprehensive income**

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.

22 NON-CURRENT BORROWINGS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Term loans (secured)		
- From banks		
Axis Bank Limited (see note 'i' below)	-	162.75
	-	162.75
Less: Transferred to current maturities of long term borrowings	-	93.00
	-	69.75
b. Preference Shares		
Optionally Convertible Cumulative Redeemable Preference shares of ₹ 100/- each (see note 'iii' below)	900.00	900.00
	900.00	900.00
Total	900.00	969.75

Note:

i. **Term loan (working capital term loan) from Axis Bank Limited**

a. **Terms of repayment**

The working capital term loan of ₹ 279 lacs was sanctioned by Axis Bank Limited during 2020-21, which is repayable in 36 equated monthly instalments starting from February 2022. Interest to be paid separately as and when due. It has been fully repaid in the current financial year.

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
i. April 2023 to March 2024	-	93.00
i. April 2024 to March 2025	-	69.75
	-	162.75

b. **Rate of interest:** 1 year MCLR+1%. Effective interest rate is 8.45%

c. **Security**

Term loans from banks are secured by second pari passu charge by way of hypothecation on the entire current assets both present & future and second pari passu charge on the movable & immovable assets including factory land & building at Thonnakal unit of the company.

d. Current maturities of long term borrowings are disclosed under the head current borrowings

ii. **Terms of 13% optionally convertible cumulative redeemable preference shares ('OCRPS')**

a. Dividend rate: 13% fixed out of the profit of the Company

b. Conversion of the OCRPS:

- At any time after the 1 year anniversary but not later than 4 years anniversary from the date of issuance and allotment of the OCRPS, the OCRPS can be converted (in whole but not in part) into Equity Shares, at the option of the Company; or

- At any time after the 4 years anniversary but not later than 20 years anniversary from the date of issuance and allotment of the OCRPS, the OCRPS can be converted (in whole but not in part) into Equity Shares, at the option of the Company or OCRPS holder; or
 - The number of Equity Shares which will be issued upon conversion of the OCRPS will be determined based on the Subscription Price i.e. higher of fair market value and face value.
 - The Equity Shares issued and allotted upon conversion of the OCRPS will rank pari passu and shall have the same rights as the Equity Shares.
- c. Redemption of the OCRPS:
The OCRPS will be redeemable (in whole or in parts not more than 3 instalments) at the earlier of:
- (a) the 20 years anniversary of the date of issuance and allotment of the OCRPS or
 - (b) any time at the option of the Company before exercise of conversion option by the Company or the OCRPS holder in accordance with paragraph (ii) above.
- d. The OCRPS can be transferred within the group Companies at its fair valuation.
Considering the operations stage of the Company and the Holding Company management have decided for the waiver of Dividend for the year ended 31 March 2024 and 31 March 2023.

23 OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Deposits from vendors	0.71	0.71
b. Deposits from customers	0.30	0.30
	1.01	1.01

24 LEASE LIABILITIES (REFER NOTE 49)

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Lease liabilities - non current	80.94	-
	80.94	-
Lease liabilities - current	40.20	-
	40.20	-

25 PROVISIONS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Non-current		
a. Provision for employee benefits		
i. Compensated absences	36.03	28.78
b. Site restoration obligation (Refer Note I below)	2,197.30	2,171.86
	2,233.33	2,200.64

Note

- I Site restoration obligation with respect to mining land of clay business was recognised on 01 April 2016 in view of the requirement of Ind AS 16 - "Property, Plant and Equipment" read with Ind AS 37- "Provisions, Contingent Liabilities and Contingent Assets". The details are given below:

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Opening present value of obligation	2,171.86	2,184.08
Add : Finance charge during the year	123.87	118.94
Less : Expenses incurred during the year	(98.43)	(131.16)
New obligation created	-	-
Closing present value of obligation	2,197.30	2,171.86
Current		
a. Provision for employee benefits		
i. Compensated absences	117.39	122.27
	117.39	122.27

26 CURRENT BORROWINGS

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Secured		
i. Cash credit account (note a and b)		
- Axis Bank Limited	290.49	1,875.30
- HDFC Bank Limited	194.98	693.23
ii. Current maturities of long-term debts	-	93.00
iii. Buyers credit	-	414.62
	485.47	3,076.15

Notes:

- a. Cash credit facility and working capital demand loans along with bank guarantees and letter of credit facilities given by the banks are secured by hypothecation of finished goods, semi-finished goods, consumable stores and spares, raw material and book debts of the Company.
- b. Cash credit facility and working capital demand loans from the bank comprises of the following:
- (i) Cash credit facility/working capital demand loan of ₹ 2,000 lacs sanctioned by Axis Bank is repayable on demand and carries interest @ 3 month MCLR presently 9.20% p.a (2022-23 : 1 year MCLR + 0.65 % p.a).
 - ii. Cash credit facility ₹ 1,250 lacs from HDFC Bank is repayable on demand and carries interest @ 3 month MCLR presently 9.34% p.a (2022-23 : 1 year MCLR + 0.85% p.a).

27 TRADE PAYABLES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Total outstanding dues of micro enterprises and small enterprises (see note 'iii' below)	351.78	425.83
b. Total outstanding dues of other than micro enterprises and small enterprises	1,816.00	1,912.80
	2,167.78	2,338.63

Notes:

- The above amount of trade payables also includes amount payable to its related parties (refer note 50).
- The average credit period for purchase of certain goods and services are from 15 to 90 days. No interest is chargeable on trade payables.
- The disclosure of the amount outstanding to micro enterprises and small enterprises are as follows:
 - Amount payable to suppliers under MSMED (suppliers) as on 31 March
 - Principal 351.78 425.83
 - Interest - -
 - Payments made to supplier beyond the appointed day during the year
 - Principal - -
 - Interest - -
 - Amount of interest due and payable for delay in payment (which have been paid beyond the appointed day during the year) but without adding interest under MSMED - -
 - Amount of interest accrued and remaining unpaid as on 31 March - -
 - Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961 - -
- Trade payables ageing

As at 31 March, 2024

Sl. No.	Particulars	Outstanding for the following periods from due date of payment				
		> 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	MSME	351.78	-	-	-	351.78
(ii)	Others	1,424.40	46.84	27.25	317.51	1,816.00
	Total	1,776.18	46.84	27.25	317.51	2,167.78

As at 31 March, 2023

Sl. No.	Particulars	Outstanding for the following periods from due date of payment				Total
		> 1 year	1-2 years	2-3 years	More than 3 years	
(i)	MSME	425.83	-	-	-	425.83
(ii)	Others	1,137.42	58.61	101.62	615.15	1,912.80
	Total	1,563.25	58.61	101.62	615.15	2,338.63

28 OTHER FINANCIAL LIABILITIES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Unpaid dividends	9.71	13.09
b. Payable for purchase of property, plant and equipment	21.05	28.22
c. Interest accrued but not due on borrowings	-	3.29
	30.76	44.60

29 OTHER CURRENT LIABILITIES

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
a. Advances from customers	5.13	17.96
b. Statutory dues (see note i)	79.10	64.31
c. Advance against assets classified as held for sale (see note ii)	508.00	1,290.00
d. Other payables	10.87	4.81
	603.10	1,377.08

Note

- Statutory dues includes GST payable, Provident fund payable, TDS, ESI etc
- Pertains to ₹ 508 lacs (31 March, 2023 ₹ 790 Lacs) received for sale of Shimoga land and Nil (31 March, 2023 ₹ 500 Lacs) received for sale of cuddalore land which is shown under assets held for sale (refer note 19)

30 REVENUE FROM OPERATIONS

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Sale of products (see note i and ii below)	15,180.82	12,257.25
Other operating revenues:		
- Scrap sales	24.30	19.59
	15,205.12	12,276.84
Notes		
i. Reconciliation of gross revenue from contract with customers		
- Gross Revenue	15,280.19	12,554.73
- Less: Discount	18.81	74.25
- Less: Returns	80.56	223.23
Net Revenue from contract with customers	15,180.82	12,257.25
ii. Details of products sold		
- Clay products	15,180.82	12,255.75
- By-products and others	-	1.50
	15,180.82	12,257.25
iii. Disaggregated revenue information		
Revenue from sale of goods with customers disaggregated based on geography		
a. Domestic	13,841.18	10,987.86
b. Exports	1,339.64	1,269.39
	15,180.82	12,257.25

31 OTHER INCOME

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Interest income earned on financial assets that are not designated as fair value through profit or loss:		
i. Interest from banks on deposits	0.89	-
ii. Other Interest	7.95	2.57
b. Profit on foreign exchange fluctuations (net)	2.09	36.15
c. Profit on sales of property, plant and equipment and non current assets held for sale	159.30	1,105.05
d. Liabilities / provisions no longer required written back	140.39	68.05
e. Miscellaneous income	43.54	1.56
	354.16	1,213.38

32 COST OF MATERIALS CONSUMED

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Inventory at the beginning of the year	622.83	207.60
Add: Purchases	3,248.72	3,493.02
Less: Inventory at the end of the year	374.48	622.83
Cost of raw material and components consumed	3,497.07	3,077.79

33 PURCHASES OF STOCK-IN-TRADE

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Purchase of traded goods	534.49	221.63
	534.49	221.63

34 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening inventories		
Finished goods		
- Manufactured	1,228.72	1,493.80
- Work in progress	191.90	171.20
	1,420.62	1,665.00
Closing inventories		
Finished goods		
- Manufactured	670.18	1,228.72
- Work in progress	298.06	191.90
	968.24	1,420.62
	452.38	244.38

35 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Salary, wages and bonus	2,147.90	2,118.16
b. Contribution to provident and other funds	91.05	94.62
c. Gratuity expense (see note below)	27.26	40.86
d. Staff welfare expenses	235.77	189.81
	2,501.98	2,443.45

Note

- Gratuity expenses is netted off with income on trust fund amounting to ₹ 51.62 lacs (31 March, 2023 ₹ 59.17 lacs).
- Employee benefits expenses includes research and development expenses (also refer note 42).

36 FINANCE COSTS

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Interest costs		
a. Interest on borrowings	257.55	484.48
b. Amortisation of site restoration reserve	123.87	118.94
c. Interest on lease obligation	0.89	6.04
	382.31	609.46

37 DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Depreciation of property, plant and equipment	840.08	880.17
b. Amortisation of intangible assets	0.69	1.31
c. Depreciation of Right of use assets	4.24	61.17
	845.01	942.65

38 OTHER EXPENSES

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
A. Manufacturing expenses		
i. Consumption of stores and spare parts	195.17	195.39
ii. Power and fuel	3,558.57	3,603.69
iii. Repair and maintenance:		
- Plant and machinery	361.09	415.46
- Building	79.04	77.87
- Others	134.74	152.71
iv. Other manufacturing expenses	258.68	248.59
v. Royalty charges	132.74	120.20
Total (A)	4,720.03	4,813.91
B. Administration expenses		
i. Rent (refer note 49)	218.93	118.34
ii. Rates and taxes	198.53	45.77
iii. Insurance	36.86	41.71
iv. Director sitting fees	20.54	21.34
v. Office and other expenses (See note ii)	234.50	253.81
vi. Legal and professional	184.79	215.84
vii. Security service charges	164.52	176.97
viii. Payments to auditors (see note i)	28.98	25.33
ix. Travelling and conveyance	101.14	106.68
x. Charity and donation	10.10	11.04
xi. Provision for bad trade and other receivables, loans and advances	2.01	3.15
xii. Bank charges	21.59	17.80
xiii. Fixed Assets Impairment loss provision	-	122.24
xiv. Loss on fixed assets sold/ scrapped/ written off	7.26	-
xv. Corporate social responsibility (refer note 48)	17.32	60.79
Total (B)	1,247.07	1,220.81
c. Selling and distribution expenses		
i. Freight, forwarding and packing charges	379.95	281.87
ii. Sales commission	55.35	63.18
iii. Selling expenses	146.77	135.88
iv. Rebates and discount	52.28	39.28
Total (C)	634.35	520.21
Total (A + B + C)	6,601.45	6,554.93

38 OTHER EXPENSES (CONTD.)

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Note:		
i. Payments to auditors (net of input credit)		
- Audit fees	24.19	21.75
- Tax audit fees	2.10	2.20
- Other services	0.19	0.57
- Out of pocket expenses	2.50	0.81
	28.98	25.33

ii. Office and other expenses includes research and development expenses (note 42).

39 INCOME TAXES

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Current tax		
For current year	-	-
	-	-
Income tax expense related to earlier year	(2.22)	(127.76)
	(2.22)	(127.76)
Deferred tax		
In respect of the current year	379.76	(134.02)
	379.76	(134.02)
Income tax expense recognised in the statement of profit and loss	377.54	(261.78)
Other comprehensive income section		
Income tax relating to items that will not be reclassified to profit or loss	1.19	13.59
	378.73	(248.19)
Reconciliation of tax expense and the accounting profit multiplied by prevailing income tax rate		
Profit before tax	744.59	(604.07)
Income tax rate	25.168%	25.168%
Calculated income tax expenses	187.00	(152.00)
Adjustment on account of carry forward business losses and unabsorbed depreciation	190.54	(109.78)
Income tax expense	377.54	(261.78)
Other comprehensive income section		
Income tax relating to items that will not be reclassified to profit or loss	1.19	13.59
	378.73	(248.19)

40 EARNINGS PER SHARE

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
a. Basic earnings per share (₹)	0.73	(0.68)
b. Diluted earnings per share (₹)	0.73	(0.68)

Earnings per share are as follows:

i. The earnings and weighted number of equity shares used in the calculation of basic earnings per share are as follows:		
Net profit attributable to the shareholders	367.05	(342.29)
Weighted average number of outstanding equity shares during the year	5,02,76,013	5,02,76,013
Basic earnings per share (₹)	0.73	(0.68)
Diluted earnings per share (₹)	0.73	(0.68)

41 COMMITMENTS AND CONTINGENCIES

- a. The estimated amount of contracts remaining to be executed on capital amounts and not provided for (net of advances) amount to ₹ 102.85 Lacs (as at 31 March 2023 ₹ 42.66 Lacs).

- b. Estimated amount of liability on export obligation remaining to be completed against EPCG scheme and Advance authorisations amounts to ₹ Nil (as at 31 March 2023 ₹ 82.04 Lacs) and 89.93 Lacs (as at 31 March 2023 ₹ 135.24 Lacs) respectively.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

41.1 Litigations

Note

- I a) Demands aggregating to ₹ 1,073.70 lacs for the year 2000 to 2004 with respect to using of lubricating oil and transformer oil in the plant and machinery used for manufacture of excisable and as well as exempted goods and cenvat credit of service tax, which was subsequently quashed by the Central Excise and Service Tax Appellate Tribunal (CESTAT), referring the matter back for fresh assessment. The Commissioner, Central Excise, Panchkula instead of fresh adjudication, went into appeal before the Hon'ble High Court at Chandigarh which was dismissed by the Hon'ble High Court. The Commissioner, Panchkula filed a Special Leave Petition before the Hon'ble Supreme Court of India, where the matter is pending for adjudication. Consequently amount deposited under protest amounting to ₹ 17.48 lacs have been considered good and recoverable and no provision for the same has been considered necessary. Further, till the time demands are received by the Company amounts of contingent liabilities, if any, is not ascertainable.
- b) With respect to classification of maize starch for excise purposes, the Commissioner, Excise raised a demand of ₹ 611.11 lacs, which was set aside by CESTAT. The Commissioner filed an appeal before the Hon'ble Supreme Court of India against the order of CESTAT, where the matter is pending for adjudication.
- II With respect to a dispute of lease charges of ₹ 1,204.60 lacs on the lease land at Veli, the Company approached the Hon'ble High Court of Kerala and the Hon'ble High Court has directed the Principal Secretary (Revenue) to make fresh assessment in this matter which is not yet finalized by the relevant authority. However, the Company has filed a review petition before the Secretary (Revenue), Government of Kerala to review the said order and requested to consider that
 - a. the lease rent fixation and the application for renewal of lease submitted by Company has to be considered under the Rules for Lease of Land for Industrial Purposes which has been overlooked or not considered in the said order.
 - b. the lease of the land provided to the Company be extended in accordance with the Rules for Lease of Land in Industrial Development Area and Development of Plots for Industrial Purposes. The Company is confident that the department will pass order in favour of the Company shortly.
- III The Company had received a show cause notice on April 9, 2015 from Directorate General of Central Excise Intelligence (DGCEI) dated March 31, 2015 on mis-classification of clay products for which the Company has represented and filed the reply with the authority and a favourable order was passed by the Commissioner of Central Excise and Customs, Trivandrum. Subsequently, the department has filed an appeal against the order of Commissioner, which is currently pending for hearing.
The Department has issued such show cause notices for the subsequent period also and the reply has been filed by the Company giving reference to the disposal of first show cause notice.
- IV The Company has received Order from Income-tax department pertaining to the assessment year 2018-19 demanding ₹ 775 lacs (including interest of ₹ 238 lacs) where Assessing Officer has disallowed certain expenditure and added some notional income without considering all the submissions of the Company. Hence, the Company has filed an Appeal before the Commissioner of Income-Tax (Appeals) against the said order and the Company is confident of getting a favourable order. Tax paid under protest amounts to ₹ 116.32 Lacs (as at 31 March 2022 ₹ 77.84 lacs)
- V The Company has received Orders from Income-tax department pertaining to the assessment years 2015-16 and 2016-17 demanding ₹ 233 lacs and ₹ 297 lacs. The Assessing Officer added certain income without fully considering the Company's submissions. Subsequent to the year end, the Company has filed appeals before the Commissioner of Income-Tax (Appeals) against the said orders by depositing the appeal amount and the Company is confident of getting a favourable order.

42 RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
- Employee benefit expenses	61.56	78.61
- Office and other expenses	1.58	1.10
	63.14	79.71

43 MINING OPERATIONS

The Group holds various mining leases over lands situated in Melthonnakkal and Veiloor Villages of Trivandrum (Kerala) and other places. These mining leases were granted over a period of 1994 to 2008. Following the judgment of the Hon'ble High Court of Kerala, the mining activities in both Melthonnakkal and Veiloor Villages had been suspended. Post complying with the directions of the Hon'ble Court, the Company is following up for the Environment Clearance for Veiloor Villages mines apart from other mines before

the mining authorities of Kerala which are at different stages of approvals. Besides, the Group has re-started mining at Melthonnakkal from October 2020 and also has got mining lease executed for Melthonnakkal (near AJ College Site) after all the necessary approvals. Thus, the Group has two mining leases which are operational presently.

Accordingly, the Group has resumed its mining operations at locations mentioned above and shall be able to do so at other mines on receipt of necessary approvals and also consequently achieve full level of production and improved profitability.

44 EMPLOYEE BENEFIT PLANS

a. Defined contribution plans

The Group makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. Employer's contribution to provident fund and employee's state insurance scheme recognised as expense in the Statement of Profit and Loss for the year are as under:

	(₹ in Lacs)	
	Year ended 31 March, 2024	Year ended 31 March, 2023
Contribution to provident fund	91.05	94.62
Contribution to employees state insurance scheme	1.31	0.13
	92.36	94.75

b. Defined benefit plan

Gratuity

The Holding Company has a defined benefit gratuity plan. Employee who have completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme of gratuity is funded. The company makes provision of such gratuity asset/liability in the books of account on the basis of actuarial valuation as per projected unit credit method.

The fund is managed by a trust which is governed by the board of trustees. The board of trustees are responsible for the administration of the plan assets and for the definition of the investment strategy

The principal assumptions used for the purposes of the actuarial valuations were as follows: (₹ in Lacs)

	Valuation as at	
	31 March, 2024	31 March, 2023
Expected return on plan assets	7.20%	7.46%
Discount rate (%)	7.20%	7.46%
Expected rate(s) of salary increase	6.50%	6.50%
Mortality rates inclusive of provision for disability	IALM 2012-14 Urban	IALM 2012-14 Urban
Retirement age (Years)	58	58
Withdrawal rate (%) (Ages)	5.00%	5.00%

	(₹ in Lacs)	
	Year ended 31 March, 2024	Year ended 31 March, 2023
Service cost:		
Current service cost	35.15	44.43
Net interest expenses/(income)	(8.00)	(6.36)
Components of defined benefit costs recognised in profit or loss	27.15	38.08
Remeasurement on the net defined benefit liability		
Return on plan assets, excluding interest income	5.75	9.23
Actuarial (gain)/loss from change in financial assumptions	10.67	(21.01)
Actuarial (gain)/loss from change in experience adjustment	(21.15)	(42.23)
Components of defined benefit costs recognised in other comprehensive income	(4.73)	(54.01)
Total	22.42	(15.93)

Notes:

- The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the Statement of profit and loss.

- ii. The remeasurement of the net defined liability is included in other comprehensive income.
- iii. The Gratuity scheme of the Holding company is funded.

The amount included in the balance sheet arising from the Group's obligation in respect of defined benefit plans is as follows:

(₹ in Lacs)

	As at 31 March, 2024	As at 31 March, 2023
Present value of defined benefit asset		
Non-current	89.83	107.28
Current	-	-
	89.83	107.28

Movement in the present value of the defined benefit obligation are as follows:

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Opening defined benefit obligation	661.88	758.89
Current service cost	35.15	44.43
Interest cost	49.38	52.82
Remeasurement (gains)/losses:		
Return on plan assets, excluding interest income	-	-
Actuarial (gain)/loss from change in financial assumptions	10.67	(21.00)
Actuarial (gain)/loss from change in experience adjustment	(21.15)	(42.23)
Benefits paid	(89.04)	(131.03)
Closing defined benefit obligation	646.89	661.88

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Fair value of plan assets at the end of the period

(₹ in Lacs)

	Year ended 31 March, 2024	Year ended 31 March, 2023
Fair value of plan assets at the beginning of the period	769.16	850.24
Interest income	57.38	59.17
Assets transfer out/Divestments	4.97	-
Benefit paid from the fund	(89.04)	(131.03)
Return on plan assets, excluding interest income	(5.75)	(9.22)
Closing fair value of plan assets	736.72	769.16
Amount recognised in the Balance sheet		
Present value of benefit obligation at the end of the period	(646.89)	(661.88)
Fair value of plan assets at the end of the period	736.72	769.16
Net (Liability)/Assets recognised in the balance sheet	89.83	107.28
Net interest cost for current period		
Opening defined benefit obligation	661.88	758.89
Fair value of plan assets at the beginning of the period	(769.16)	(850.24)
Net (Liability)/Assets at the beginning	107.28	91.35
Interest cost	49.38	52.82
(Interest income)	(57.38)	(59.17)
Net interest cost for current period	(8.00)	(6.35)
Expenses recognised in the Statement of Profit and Loss for current period		
Current service cost	35.15	44.43
Net interest cost for current period	(8.00)	(6.35)
Expenses recognised	27.15	38.08
Expenses recognised in other comprehensive income for current period		
Actuarial (gains)/losses on obligation for the period	(10.48)	(63.23)
Return on plan assets, excluding interest income	5.75	9.22
Net (income)/expenses for the period recognised in OCI	(4.73)	(54.01)

A. Sensitivity analysis:

If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would change as:

	As at 31 March, 2024		As at 31 March, 2023	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Discount rate	(39.31)	44.41	(38.48)	43.32
Salary growth rate	44.18	(39.90)	43.30	(39.16)
Withdrawal rate	1.81	(1.99)	2.59	(2.85)

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

There is no provision made for gratuity, as the subsidiary Kaolin India Private Limited have no policy for the same.

45 SEGMENT INFORMATION

The Group's strategic steering committee, consisting of the board for corporate planning, examines the Group's performance on the basis of sales of goods. The Group engaged in the business of mining of clay (Kaolin) and manufacturing of processed clay. Hence the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.

- 46** The Company elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 effective from Financial Year 20-21

47 FINANCIAL INSTRUMENTS**i. Capital Management**

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) / Total 'equity' (as shown in the balance sheet).

The gearing ratio at end of the reporting period was as follows:

(₹ in Lacs)

	Note	As at 31 March, 2024	As at 31 March, 2023
Debt		1,385.47	4,045.90
Cash and bank balances		(311.43)	(4.48)
Net debt		1,074.04	4,041.42
Total Equity		15,481.72	15,111.13
Net debt to equity ratio (%)		6.94%	26.74%
ii. Categories of financial instruments			
Financial assets			
Measured at fair value through profit or loss	10	5.00	5.00
Measured at amortised cost			
Financial assets			
a. Trade receivables	16	2,182.98	1,814.47
b. Cash and cash equivalents	17	311.43	4.48
c. Other bank balances	18	9.71	13.09
d. Financial assets			
Other financial assets			
a. Non current	11	268.33	264.01
b. Current	11	57.05	84.25

(₹ in Lacs)

	Note	As at 31 March, 2024	As at 31 March, 2023
Financial liabilities			
a. Borrowings			
i. Long term borrowings	22	900.00	969.75
ii. Short term borrowings	26	485.47	3,076.15
b. Trade payables	27	2,167.78	2,338.63
c. Other financial liabilities other than current maturities			
Current	28	30.76	44.60
Non-current	23	1.01	1.01
Measured at fair value through other comprehensive income		-	-

The fair value of the financial assets and financial liabilities are equal to the carrying value of the financial instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For financial assets and liabilities included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Level wise disclosure of financial instruments

	As at 31 March, 2024	As at 31 March, 2023	Level
Other investment	5.00	5.00	Level III

iii. Financial risk management objectives

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. . It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

a. Financial risk management

The Holding Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management

framework in relation to the risk faced by the Group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk; and
- Liquidity risk

b. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

c. Foreign currency risk management

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports, primarily in relation to raw materials. The Group is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency.

The Group exposes to foreign currency risk are as follows:

(₹ in Lacs)

Particulars	Receivables - Trade Receivables	Payable - Trade Payables
As at 31 March, 2024		
USD	381.65	22.06
As at 31 March, 2023		
USD	212.33	78.88

Sensitivity analysis

(₹ in Lacs)

Particulars	Effect on profit before tax	
	31 March, 2024	31 March, 2023
USD sensitivity		
Increase by 5%	17.98	6.67
Decrease by 5%	(17.98)	(6.67)

(₹ in Lacs)

Particulars	Effect on equity	
	31 March, 2024	31 March, 2023
USD sensitivity		
Increase by 5%	13.45	4.99
Decrease by 5%	(13.45)	(4.99)

Sensitivity analysis is computed by changing the exchange rate only and holding all other variables constant.

d Interest rate risk management

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations. The Group also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

As at 31 March, 2024 and 31 March, 2023, financial liability of ₹ 485.47 Lacs and ₹ 3,145.90 Lacs, respectively, was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in

decrease/increase in profit/(loss) before tax of ₹ 4.85 Lacs and ₹ 31.45 Lacs for the year ended 31 March, 2024 and 31 March, 2023, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

e Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's credit risk arises principally from the trade receivables, loans, cash and cash equivalents, derivatives and financial guarantees.

Trade receivables

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 2,182.93 lacs and ₹ 1,814.47 lacs as at 31 March 2024 and 31 March 2023 respectively. Credit risk has always been managed through monitoring the credit worthiness of customers in the normal course of business.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers

Particulars	Revenue in %	
	For the year ended 31 March, 2024	For the year ended 31 March, 2023
Revenue from top customer	32.72%	29.87%
Revenue from top five customer	50.78%	44.28%

The Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables which is based on historical experience.

Cash and cash equivalents, derivatives and financial guarantee

Credit risks from balances with banks and financial institutions are managed in accordance with the Group policy. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks and other counterparties. The Group's maximum exposure in this respect is the maximum amount of the Group would have to pay if the guarantee is called upon. The Group's maximum exposure to the credit risk for the components of balance sheet as 31 March 2024 and 31 March 2023 is the carrying amounts mentioned in Note no. 14 except for financial guarantees .

f. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Contractual maturities of financial liabilities (₹ in Lacs)

	less than 1 year	1 to 5 year	more than 5 year	Total
As at 31 March 2024				
Borrowings	485.47	900.00	-	1,385.47
Trade payables	2,167.78	-	-	2,167.78
Other financial liabilities	30.76	1.01	-	31.77
As at 31 March 2023				
Borrowings	3,076.15	969.75	-	4,045.90
Trade payables	2,338.63	-	-	2,338.63
Other financial liabilities	44.60	1.01	-	45.61

The Group has sanctioned working capital credit limit amounting to ₹ 3,850 Lacs (As at 31 March, 2023 ₹ 3,850 Lacs)

48 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

As per Section 135 of the Companies Act, 2013, the Group, meeting the applicability threshold, needs to spend at least 2% of average net profit for the immediately preceding three financial year on Corporate Social Responsibility ('CSR') activities. A CSR committee has been formed by the Holding Company as per the Act.

	(₹ in Lacs)	
Detail of CSR Expenditure	For the year ended 31 March, 2024	For the year ended 31 March, 2023
a. Gross Amount required to be spent by the Group during the year	-	-
b. Amount spent in cash during the year on:		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	17.32	37.64
c. Shortfall at the end of the year	-	-
d. Excess at the end of the year	17.32	37.64
e. Total of previous year shortfall	-	-
f. Amount available for set-off in succeeding financial year	17.32	37.64
g. Reason for shortfall	NA	NA
h. Nature of CSR activities	CSR activities are rain water harvesting, supply of water and promoting education to villagers	
i. Details of related party transactions in relation to CSR expenditure		

49 RIGHT TO USE ASSETS

i. Carrying value of right to use assets at the end of reporting period (₹ in Lacs)

Particulars	As at 31 March, 2024
Balance as at 31 March, 2022	85.93
Addition during the year	-
Depreciation during the year	61.17
Derecognised during the year	24.76
Balance as at 31 March, 2023	-
Addition during the year	120.25
Depreciation during the year	4.24
Derecognised during the year	-
Balance as at 31 March, 2024	116.01

ii. Additions to right to use assets

(₹ in Lacs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Right-of-use assets - Leases	120.25	-
	120.25	-

iii. Right-to-use assets

At cost or deemed cost

Particulars	(₹ in Lacs)
Balance as at 01 April, 2022	232.28
Additions	-
Derecognition	24.76
Balance as at 31 March, 2023	207.52
Additions	120.25
Derecognition	-
Balance as at 31 March, 2024	327.77
Accumulated amortisation	
Balance as at 01 April, 2022	146.35
Charge for the Year	61.17
Balance as at 31 March, 2023	207.52
Charge for the Year	4.24
Balance as at 31 March, 2024	211.76
Net carrying amount	
At 31 March, 2023	-
At 31 March, 2024	116.01

The following is the summary of practical expedients elected on initial application

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application or low value leases
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Applied the practical expedient to assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
- The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023 (₹ in Lacs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Balance at the beginning of the year	-	93.77
Additions during the year	120.25	-
Deletion during the year	-	24.76
	120.25	69.01
Finance cost accrued during the year	0.89	6.04
Payment of lease liabilities	-	75.05
Balance at the end	121.14	-

f. Maturity analysis of lease liabilities:

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis:

(₹ in Lacs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Due within one year	40.20	-
Due later than one year and not later than five years	80.94	-
Due later than five years	-	-
Total	121.14	-

g. Amounts recognised in profit or loss (₹ in Lacs)

Particulars	As at 31 March, 2024	As at 31 March, 2023
Interest on lease liabilities	0.89	6.04
Depreciation on right of use assets	4.24	61.17
Expenses relating to short-term and low value leases	216.20	114.21
(Income)/Expenses on de-recognised of lease	-	-
	221.33	181.42

- iv. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- v. Rental expense recorded for short-term and low value leases is recognised for the year ended March 31, 2024 ₹ 218.93 lacs (Previous year ₹ 118.34 lacs), the same have been recorded under the head 'Other expenses' in the financial statements.

50 RELATED PARTIES

a. List of related parties

i. Holding company

DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)

ii. Enterprises over which shareholders or directors exercise significant influence

Premium Transmission Private Limited

DBH Consulting Limited

iii. Key management personnel

Mr. Karan Thapar – Chairman

Mr. Suresh Kumar Jain -Executive Director

Mr. Firdose Vandrevale - Director

Ms. Ritu Kishore Raizada - Director (w.e.f 08 May 2023)

Mr. P.H Kurian - Additional Director (w.e.f 06 February 2024)

Mr. T. Balakrishnan - Director (upto 08 May 2023)

Ms. Shivpriya Nanda - Director (upto 08 May 2023)

Mr. Ratheesh Vijay Kumar -Chief Financial Officer (w.e.f 08 August 2023)

Ms. Shalini Chawla - Company Secretary and Director

Mr. Mahendra Kumar Gupta -Chief Financial Officer (upto 03 March 2023)

Mr. Bhagawandas Bhojwani -Chief Executive Officer (upto 26 September 2022)

Mr. Rakesh Bhartia - Director (upto 24 February 2023)

Mr. Vijay Dilbagh Rai - Director (upto 10 May 2022)

Ms. Harsimran Grewal - Director

b. Transactions /balances outstanding with related parties										(₹ in Lacs)
Particulars	Holding Company		Enterprises over which shareholders or directors exercise significant influence		Key management personnel			Total		
	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2024	Year ended 31 March, 2023	Year ended 31 March, 2023	
Transactions during the year										
Loans received										
DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)	-	500.00	-	-	-	-	-	-	500.00	
	-	500.00	-	-	-	-	-	-	500.00	
Technical fees										
DBH Consulting Limited	-	-	25.54	23.81	-	-	25.54	23.81	23.81	
	-	-	25.54	23.81	-	-	25.54	23.81	23.81	
Rent paid										
DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)	21.24	21.24	-	-	-	-	21.24	21.24	21.24	
	21.24	21.24	-	-	-	-	21.24	21.24	21.24	
Interest Paid										
DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)	-	124.06	-	-	-	-	-	-	124.06	
	-	124.06	-	-	-	-	-	-	124.06	
Repayment Of loans										
DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)	-	1,500.00	-	-	-	-	-	-	1,500.00	
	-	1,500.00	-	-	-	-	-	-	1,500.00	
Professional Fees										
Mr. Rakesh Bhartia	-	-	-	-	-	-	21.58	-	21.58	
	-	-	-	-	-	-	21.58	-	21.58	
Directors sitting fees										
Mr. Karan Thapar	-	-	-	-	14.85	21.25	14.85	21.25	21.25	
Mr. Suresh Kumar Jain	-	-	-	-	2.55	2.55	2.55	2.55	2.55	
Mr. T. Balakrishnan	-	-	-	-	0.40	1.20	0.40	1.20	1.20	
Mr. Vijay Dilbagh Rai	-	-	-	-	1.35	4.15	1.35	4.15	4.15	
Ms. Shivpriya Nanda	-	-	-	-	-	1.50	-	1.50	1.50	
Mr. Firdose Vandrevala	-	-	-	-	-	1.15	4.45	1.15	4.45	
Mr. Rakesh Bhartia	-	-	-	-	4.70	3.60	4.70	3.60	3.60	
Ms. Ritu Kishore Raizada	-	-	-	-	-	3.80	-	3.80	3.80	
Mr. P.H.Kurian	-	-	-	-	3.70	-	3.70	-	-	
Mrs. Shalini Chawla	-	-	-	-	1.00	-	1.00	-	-	
Mrs. Harsimran Grewal	-	-	-	-	0.40	-	0.40	-	-	
Managerial remuneration										
Mr. Suresh Kumar Jain	-	-	-	-	158.40	225.08	158.40	225.08	225.08	
Mr. Ratheesh Vijay Kumar	-	-	-	-	119.64	-	119.64	-	-	
Mrs. Shalini Chawla	-	-	-	-	13.08	-	13.08	-	-	
Mr. Bhagawan Das Bhojwani	-	-	-	-	25.68	25.40	25.68	25.40	25.40	
Mr. Mahendra Kumar Gupta	-	-	-	-	-	71.79	-	71.79	71.79	
	-	-	-	-	-	127.89	-	127.89	127.89	
c. Outstanding balances										
Receivable	2.00	2.00	-	-	-	-	2.00	2.00	2.00	
	2.00	2.00	-	-	-	-	2.00	2.00	2.00	
DBH Investment Capital India Private Limited (earlier know as Karun Carpets Private Limited)										

51 Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary:

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in Total comprehensive income		Share in profit and loss		Share in Other comprehensive income	
	As % of consolidated net assets	Amount (₹ Lacs)	As % of consolidated net assets	Amount (₹ Lacs)	As % of consolidated net assets	Amount (₹ Lacs)	As % of consolidated net assets	Amount (₹ Lacs)
Holding Company EICL Limited	102.40%	15,865.75	94.91%	353.93	94.86%	350.39	100.00%	3.54
Subsidiary Kaolin India Private Limited	(2.40%)	(371.28)	5.09%	18.99	5.14%	18.99	0.00%	-
	100.00%	15,494.47	100.00%	372.92	100.00%	369.38	100.00%	3.54
Adjustments arising out of consolidation		(12.75)		(2.33)		(2.33)		-
		15,481.72		370.59		367.05		3.54

52 OTHER STATUTORY INFORMATION

- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group do not have any transactions with companies struck off.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - 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,
- The Group have not any such transaction which is 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, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

53 The Group has used accounting software for maintaining its books of account for the financial year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility except that no audit trail enabled at the database level to log any direct data changes. Further, the audit trail facility (to the extent mentioned above) has been operating throughout the year for all relevant transactions recorded in the software. Further, we did not come across any instance of audit trail feature (to the extent mentioned above) being tampered with.

54 The Board of Directors have recommended a final dividend of 100% (₹ 2 per Equity Share) for the financial year 2023-2024 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Holding Company.

55 EVENTS AFTER THE REPORTING PERIOD

There are no event observed after the reported period which have an impact on the Group's operation.

56 Previous period figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

57 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved for issue by Board of Directors on 06 May, 2024.

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

Sd/-
Bhaskar Sen
Partner
Membership No.: 096985

For and on behalf of the Board of Directors of EICL Limited

Sd/-
Suresh Kumar Jain
Executive Director
DIN: 00003500

Sd/-
Ratheesh Vijay Kumar
Chief Financial Officer

Place: Gurugram
Date: 06 May, 2024

Sd/-
Firdose Vandrevala
Director
DIN: 00956609

Sd/-
Shalini Chawla
Company Secretary
Membership No. 22060

Place: Gurugram
Date: 06 May, 2024

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Notes

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