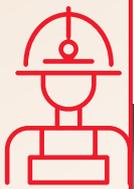


# Evolving transformation

Annual report  
2023-24





ECONOMY + EXCELLENCE + ETHICS

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# Board's Report of Merino Industries Limited

for FY 2023-24

To

The Members,

Merino Industries Limited

Your directors have pleasure in presenting the Fifty-Ninth Annual Report on the business and operations of the company together with the audited financial statements for the year ended 31<sup>st</sup> March 2024.

## FINANCIAL HIGHLIGHTS

The financial highlights of your Company for the financial year ended 31<sup>st</sup> March, 2024 are as under:

Particulars	(Amount ₹ in Lakhs)	
	31 <sup>st</sup> March, 2024	31 <sup>st</sup> March, 2023
Revenue from Operations	2,25,182.73	2,17,550.23
Other Income	5729.44	2,991.34
<b>Total Revenue</b>	<b>2,30,912.15</b>	<b>2,20,541.57</b>
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense (EBIDTA)	26,372.81	26,962.49
Less: Depreciation/ Amortisation/ Impairment	(7,386.53)	(6,698.45)
Profit before Finance Costs, Exceptional items and Tax Expense	18,986.28	20,264.04
Less: Finance Costs	(2,638.33)	(2,853.99)
Profit before Tax Expense	16,347.95	17,410.05
Less: Tax Expense (Current & Deferred)	(4,194.25)	(5,645.54)
<b>Profit after Tax Expenses for the year (1)</b>	<b>12,153.70</b>	<b>11,764.51</b>
<b>Total Comprehensive Income net of tax</b>	<b>43.83</b>	<b>(426.64)</b>
<b>Total Comprehensive Income for the year</b>	<b>12,197.53</b>	<b>11,337.87</b>

## STATE OF COMPANY'S AFFAIRS, SEGMENT-WISE PERFORMANCE AND FUTURE OUTLOOK

Your Company recorded a total revenue of ₹ 2,25,182.73 Lakhs as compared to ₹ 2,17,550.23 Lakhs in the previous year. The profit before tax was ₹ 16,347.95 Lakhs as compared to ₹ 17,410.05 Lakhs in the previous year. The Company's net profit after taxes stood at ₹ 12,153.70 Lakhs as against ₹ 11,764.51 Lakhs last year.

Your Company operates mainly in the following three segments, namely, manufacturing of Laminates, Potato Flakes and Panel Products & Furniture. Though business activities of your company also involve trading in similar and allied products including Acrylic solid surface, with the laminates segment being the most dominant one both in terms of profit and revenue.

The Directors and Management of your Company expect steady growth and progressive results in the coming years.

## DIVIDEND AND RESERVES

Your company has a trend of declaring dividend on regular basis. Continuing with the trend and after considering the financial performance of the company, the Directors have recommended for declaration of dividend of 50% (₹5/- per equity share) on August 07<sup>th</sup>, 2024. The dividend shall be payable post shareholders' approval at the 59<sup>th</sup> Annual General Meeting.

As on 31<sup>st</sup> March, 2024, ₹14,364.76 Lakhs has been standing to the credit of general reserve of the Company.

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The unclaimed and unpaid interim dividend amounting to ₹4,48,185.50 relating to the financial year 2016-2017 was due for transfer on 03.09.2023 to the Investor Education and Protection Fund established by the Central Government. This was transferred on 15.09.2023 on finalization of the mode of payment/deposit.

Further, the unclaimed and unpaid dividend relating to financial year 2017-18 is due for transfer to the Investor Education and Protection Fund established by the Central Government.

## SHARE CAPITAL

During the financial year under review, the paid-up equity share capital as on 31<sup>st</sup> March, 2024 stood at ₹1,127.94 Lakh. During the year under review the Company neither issued any share with differential voting rights nor granted any stock option or sweat equity.

## SUBSIDIARY, ASSOCIATE OR JOINT VENTURES

There were no subsidiary, associate or joint venture companies of the Company as on 31<sup>st</sup> March, 2024.

## SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's Operation in future.

## MATERIAL CHANGES AND COMMITMENTS

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

## ANNUAL RETURN

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at <https://www.merinoindia.com/downloads.php>

## NUMBER OF BOARD MEETINGS

During the year under review, four (4) meetings of the Board of Directors of the Company were held as per below mentioned details:

Date of Board Meeting	Directors eligible to attend	Directors present
20.06.2023	14	11
27.07.2023	14	14
23.11.2023	14	11
06.03.2024	13	08

The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013. Details of Board Meeting attended by each Director are as under:

MERINO INDUSTRIES LIMITED					
S. no.	DIN	Name of Director	Eligible to Attend	Attended	Attendance at Previous AGM
1	00061111	Shri Prasan Lohia	4	4	Yes
2	00063274	Shri Prakash Lohia	4	4	Yes
3	00063278	Shri Madhusudan Lohia	4	3	Yes
4	00063290	Shri Rup Chand Lohia	4	4	Yes
5	00127775	Shri Manoj Lohia	4	4	Yes
6	00127790	Shri Nripen Kumar Dugar	4	3	Yes
7	00127797	Shri Ruchira Lohia	4	1	No
8	00154013	Shri Bikash Lohia	4	3	Yes
9	00154027	Shri Deepak Lohia	4	3	Yes
10	02539556	Shri K T Prasad	4	4	Yes
11	03124712	Shri Prabal Kumar Sarkar	4	4	No
12	08199055	Shri Bama Prasad Mukhopadhyay	4	4	Yes
13	08332261	Shri Anurag Lohia**	3	1	No
14	00063284	Shri Anil Jajoo	4	3	Yes

(\*\*Resigned from the Board on 30<sup>th</sup> November, 2023)

Further the independent directors of the company have conducted one meeting among themselves to evaluate the performance of the board and directors of the company as on 26<sup>th</sup> March, 2024.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

During the Financial Year 2023-24 your company has provided Corporate Guarantees of ₹50,00,00,000 (Rupees Fifty Crores Only) in favor of KBGB Agritech Private Limited, covered under the provisions of Section 185 of the Companies Act, 2013.

During the year, the company has advanced Loans or made any Investments were within the prescribed limits covered under the provisions of Section 186 of the Companies Act, 2013.

## MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes affecting the financial position of the Company occurring between the end of the financial year to which these financial statements relate and the date of this report, nor any significant or material orders were passed by regulators or authorities impacting the going concern status and the Company's operations in future.

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

The information pertaining to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 1** and is attached to this report.

## RISK MANAGEMENT SYSTEM

The management of the company inherits managing the business risk and considers this as an integral part of the company's operating agenda, the objectives of the risk management framework of the company is to ensure better understanding of the risk profile, efficient management of the contingencies and identify and pursue sound business opportunities without any exposure to unacceptable risk.

The company's attitude towards addressing business risks is comprehensive and includes review of such risks at periodic intervals and deriving a framework for mitigation and reporting mechanism of such risks.

The statutory provisions does not mandate your company to form a Risk Management Committee, however the management of the company is continuously engaged in reviewing every process to mitigate the risks and considers this as an integral part of the company's operating agenda.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors at its meeting held on 18<sup>th</sup> June, 2024, subject to approval of the shareholders, approved the re-appointment of the following Directors who are liable to retire by rotation, shall retire at this Annual General Meeting and being eligible offer themselves for re-appointment:

S. no.	DIN No.	Name of Director	Designation	Tenure	Effective From
1	00063278	Shri Madhusudan Lohia	WTD	3 Years	01 <sup>st</sup> October, 2024
2	00154013	Shri Bikash Lohia	WTD	3 Years	01 <sup>st</sup> October, 2024
3	00127790	Shri Nripen Kumar Dugar	WTD	3 Years	01 <sup>st</sup> January, 2025

The Board of Directors at its meeting held on June, 18<sup>th</sup>, 2024, subject to approval of the shareholders, approved the change in designation of following Director: -

1. Shri Rup Chand Lohia Executive Chairman of the company has been designated as Chairman Emeritus of the company w.e.f. 18<sup>th</sup> June, 2024.
2. Shri Prakash Lohia - Managing Director of the company has been designated as Chairman cum Managing Director of the company of the company w.e.f. 18<sup>th</sup> June, 2024.

The members of the Company at the 58<sup>th</sup> Annual General Meeting approved the re-appointment of following directors:

S. no.	DIN No.	Name of Director	Designation	Tenure	Effective From
1	00063278	Shri Madhusudan Lohia	WTD	3 Years	01 <sup>st</sup> October, 2024
2	00154013	Shri Bikash Lohia	WTD	3 Years	01 <sup>st</sup> October, 2024
3	00127790	Shri Nripen Kumar Dugar	WTD	3 Years	01 <sup>st</sup> January, 2025

The Board accepted the resignation of Shri Anurag Lohia as the Whole Time Director on 30<sup>th</sup> November, 2023 and noted the valuable contributions made by him during his Directorship.

## ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

Your Company maintains apposite system of internal financial controls for ensuring adequacy and operating effectiveness of financial controls in the Company. It also ensures safeguard of assets, particularly fixed assets, prevention and detection of frauds and errors and also ensures accuracy, completeness and timely preparation of the accounting records. Your Company has developed Entity Level Controls as well as Process Level Controls framework for monitoring of overall control indicators for Merino Group.

Internal Financial controls are monitored continuously to identify control gaps and initiation of remedial actions for mitigation of the gaps so identified by the management.

## DEPOSITS

Your Company has neither accepted nor renewed any deposits during the year under review.

## DECLARATION BY INDEPENDENT DIRECTORS

During the FY 2023-24, Shri Prabal Kumar Sarkar (DIN: 03124712), and Shri Bama Prasad Mukhopadhyay (DIN 08199055), Independent Directors of the Company have submitted declarations of their independence to the Board regarding their fulfilment of all the requirements as stipulated in Section 149(6) of the Act and the relevant rules.

## AUDITORS AND AUDITOR'S REPORT

### Statutory Auditors

M/s Walker Chandio & Co LLP, Chartered Accountants (FRN 001076N/N500013) was appointed as the Statutory Auditor of the Company at the 57<sup>th</sup> AGM. They have audited the financial statements of the Company for the Financial Year 2023-24. The observations of Statutory Auditors in their Report read with relevant Notes to Accounts are self-explanatory and therefore, do not require further explanation. The Auditors' Report does not contain any qualification, reservation or adverse remark. Further, there were no frauds reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Act.

### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder, the Board appointed M/s. D. K. Chawla & Co., a firm of Company Secretaries in Practice, having their office at Delhi/NCR, to conduct the secretarial audit of the Company. The secretarial audit report in prescribed Form MR 3 for the financial year 2023-24 is included as **Annexure 2** and forms an integral part of this report.

### Cost Auditors

In accordance with the requirements of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Board on recommendation of audit committee has approved the appointment of M/s Rajendra Singh Bhati & Co. Cost Accountants, as Cost Auditors for the financial year 2024-25. They have also served as Cost Auditors for FY 2023-24. They have furnished a Certificate to the effect that their appointment, if made, would be in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014. Further, the remuneration payable to the Cost Auditors is required to be ratified by the shareholders, the Board recommends the same for approval by members at the ensuing AGM.

## CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) activities undertaken by your Company can be broadly categorised into three areas, viz., Educational & Empowerment Programme, Healthcare & Holistic Living Programme and Activities under National Mission Programme.

Educational and Empowerment Programme include Education, Mid-day meal, Women empowerment. Under the Healthcare & Holistic Living Programme facilities are provided to the poor families.

Your Company has re-constituted the Corporate Social Responsibility ('CSR') Committee on 18<sup>th</sup> June, 2024 as per the provisions of Section 135 of the Companies Act, 2013. Details of the said committee is provided below:

S. no.	Name of Member	Designation	Meetings eligible	Meetings attended
1	Shri Bama Prasad Mukhopadhyay	Independent Director, member of CSR Committee	1	1
2	Shri Prakash Lohia	Managing Director, Chairman of CSR Committee	1	1
3	Shri Prasan Lohia	Director, member of CSR Committee	1	1
4	Shri Anil Jajoo*	Director, member of CSR Committee	NA	NA

\*Appointed as member of CSR committee in the meeting held on 18.06.2024

Your Company has in place a CSR Policy which lays down CSR activities to be undertaken by your Company. The CSR activities undertaken by your Company are based on the approved CSR policy and there has been no material change in the CSR Policy of the Company.

Further during the year under review CSR Committee has conducted one meeting which was held on 27<sup>th</sup> July, 2023.

Your Company has carried out CSR activities and spent the requisite amount as required by law through group managed registered trusts, authorised to carry out such activities as stipulated vide the provisions of Section 135 read with Schedule VII to the Act and the group CSR policy.

The CSR initiatives undertaken by your Company, along with other details for FY 2023-24 forms part of Annual Report on Corporate Social Responsibility as **Annexure - 3**.

## AUDIT COMMITTEE

Your Company has an Audit Committee at the Board level with terms of reference specified by the Board and with the powers and the role that are in accordance with Section 177 of the Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

As on 31<sup>st</sup> March, 2024, Audit Committee comprised of three Directors viz. Shri Prabal Kumar Sarkar, (DIN: 03124712) Independent Director as Chairman of the Committee, Shri Bama Prasad Mukhopadhyay (DIN 08199055), Independent Director and Shri Prasan Lohia (DIN 00061111), Whole Time Director, as members of the Committee. During the year the committee was reconstituted in the meeting of the Board of Directors held on 18<sup>th</sup> June, 2024, and current audit committee members of the company are as under:

S. no.	Name of Member	Designation	Role
1	Shri Prabal Kumar Sarkar	Independent Director	Chairman
2	Shri Bama Prasad Mukhopadhyay	Independent Director	Member
3	Shri Prakash Lohia	Chairman and Managing Director	Member

The committee monitors various issues which include the accounting and financial reporting process of the company, maintenance of adequate internal financial controls, audit of the Company's financial statements, the appointment, independence and performance of the statutory as well as the internal auditors. Upon invitation the Internal Auditors, Statutory Auditors of the Company attend meetings of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

The Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same, overseeing the performance of the internal auditors.

During the Financial year 2023-24, four meetings of the Audit Committee were held as per below mentioned details which were in due compliance with the provisions of the Companies Act, 2013.

Date of Audit Committee	Directors eligible	Directors present
20.06.2023	3	3
27.07.2023	3	3
23.11.2023	3	3
06.03.2023	3	3

S. no.	Name of Director	Meetings eligible	Meetings attended
1	Shri Prabal Kumar Sarkar	4	4
2	Shri Bama Prasad Mukhopadhyay	4	4
3	Shri Prasan Lohia	4	4

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

### **NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors has framed a policy which enshrines a framework in relation to remuneration of Directors and Key Managerial Personnel of the Company by laying down criteria, selection, evaluation and appointment of the same.

Your Company has a Nomination and Remuneration Committee in accordance with Section 178 of the Act read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

As on 31<sup>st</sup> March, 2024, the Committee comprised of Shri K T Prasad (DIN: 02539556) Non-Executive Director as the Chairman of the committee, Shri Prabal Kumar Sarkar (DIN 03124712) as the member of the Committee and Shri Bama Prasad Mukhopadhyay (DIN 08199055), Independent Directors as members of the Committee. Shri Bala Ji being the Company Secretary of the company acts as the Secretary to the Committee.

During the year under review, one meeting of the Nomination and Remuneration Committee were held as per below mentioned details which were in due compliance with the provisions of the Companies Act, 2013.

Date of Meeting	Directors eligible	Directors present
20.06.2023	3	3

S. no.	Name of Member	Meetings eligible	Meetings attended
1	Shri K T Prasad	1	1
2	Shri Bama Prasad Mukhopadhyay	1	1
3	Shri Prabal Kumar Sarkar	1	1

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Your Company has a Stakeholders Relationship Committee to oversee, monitor and approve transfer of securities and resolve grievances of the shareholders.

As on 31<sup>st</sup> March, 2024, the Committee comprised Shri Bama Prasad Mukhopadhyay (DIN: 08199055) (Chairman of the Committee), and Shri Prasan Lohia (DIN 00061111), as the member of the Committee. Shri Bala Ji being the Company Secretary of the Company acts as the Secretary to the Committee. During the year the committee was reconstituted in the meeting of the Board of directors held on 18<sup>th</sup> June, 2024. Shri Prakash Lohia was appointed as a member of the committee in place of Shri Prasan Lohia.

During the Financial year 2023-24, four meetings of the Stakeholders Relationship Committee were held as per below mentioned details which were in due compliance with the provisions of the Companies Act, 2013.

Details of Stakeholders Relationship Committee Meeting attended by each member are as under:

Date of Meeting	Directors eligible	Directors present
13.04.2023	2	2
16.06.2023	2	2
31.08.2023	2	2
22.12.2023	2	2

S. no.	Name of Member	Meetings eligible	Meetings attended
1	Shri Prasan Lohia	4	4
2	Shri Bama Prasad Mukhopadhyay	4	4

No grievance was reported to the Committee during the year under review.

## **VIGIL MECHANISM**

As per provisions of Section 177 of the Act and Rules framed thereunder your Company has formulated and established a vigil mechanism to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

This policy is to establish the said mechanism for employees to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and is displayed on your Company's website.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, all contracts/arrangements/ transactions entered into by your Company with related parties under Section 188(1) of the act were in the ordinary course of business and on an arm's length basis.

Further there were no materially significant related party transactions as prescribed under Section 188(1) of the Companies Act, 2013, made by the Company with related parties. However, the transactions with related parties entered during the year under review, are disclosed in the Note 54 of the Notes to the Financial Statements of your Company.

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

Your Company has in place a policy on Prevention of Sexual Harassment at workplace. This policy is in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees, whether permanent, contractual, temporary and trainees are covered under this Policy.

The company has already in place the Internal Complaints Committee to inter-alia, prevent discrimination and sexual harassment against women at the Company's workplace ensuring support to the victimized and termination of harassment. The Committee recommends appropriate disciplinary action against the guilty party.

Further no complaint has been received by the committee during the year under review.

## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

In terms of Section 197 of the Act read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 a statement showing disclosures pertaining to Remuneration and other details of employees drawing remuneration in excess of the limits is furnished in **Annexure 4** forming part of the Directors' Report.

## **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.**

NIL

## **DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

NIL

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Company has complied with all the applicable Secretarial Standards (SS) issued by Institute of Companies Secretaries of India.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

1. that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2024, the applicable accounting standards were followed, and there had been no material departures;
2. that appropriate accounting policies were selected and applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs as at 31<sup>st</sup> March, 2024 and of the profit of your Company for the financial year ended 31<sup>st</sup> March, 2024;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts for the financial year ended 31<sup>st</sup> March, 2024 have been prepared on a going concern basis;
5. that the Directors have laid down Internal Financial Controls which were followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
6. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## APPRECIATION

Your Board acknowledges the support and co-operation received from all its stakeholders including our dear shareholders as well as regulatory authorities of the Central Government and all State Governments in India as they endeavor to create an enabling environment for industry and commerce to prosper.

Your Board feels honoured to state that the brand "Merino" signifies excellence and reliability of products and services in Indian as well as overseas markets and place on record its sincere gratitude to all stakeholders for their continued association over the years towards the successful journey of the Company. Our employees are our biggest strength and gratefully acknowledge their contribution

to the Company in achieving its objectives to serve our customers.

The Directors wish to place on record their appreciation to the Company's Shareholders, Business Associates, Bankers, Financial Institution and all Government Authorities for their co-operation and support. They sincerely acknowledge the significant contributions made by all the employees of the Company.

For and on behalf of the  
**Board of Directors of Merino Industries Limited**

**Prakash Lohia**

Place: Hapur U.P  
Date: 07.08.2024

Chairman & Managing Director  
DIN: 00063274

# ANNEXURE-1

The details of conservation of energy & water, technology absorption for the FY 2023-24 are as follows:

## A. Energy Stewardship :

The steps taken to positively impact energy conservation, adoption of non-fossil fuel systems, and air emission management through the application/ installation of new equipment, electricals, and appliances include:

1. Installation of rooftop solar panels and solar heaters at SVAV, resulting in electricity savings with an investment of ₹283.3 lakhs.
2. Implementation of an incinerator to convert process wastes into energy, with a capacity of 17.6 lakh kcal and an investment of ₹156.63 lakhs.
3. Addition of new biogas capacity by 5 CMH, installation of a new biogas genset of 50 KVA, and operationalization of the existing 30 CMH in Hapur to utilize organic wastes for energy.
4. Re-restoration of automation for the heating and cooling system in the hot press cycle to optimize pump/cooling tower operations.
5. Insulation of hot wells and thermic fluid line valves to conserve energy.
6. Optimization of hot-press power requirements for operational efficiency.
7. Reduction of electrical energy consumption by installing motion sensors on quality tables.
8. Installation of a higher-rated crusher at the incinerator to maximize waste heat recovery.
9. Installation of a cooling tower pump with a VFD to conserve approximately 10,000 units of energy annually.
10. Enhancements in thermal efficiency on VTA50 in Merino Rohad, leading to conservation of 3122 Gcal units and savings of 1.76 lakh kWh power units.
11. Partial automation, upgradation of motors to IE3, fuel efficiency boosters, and installation of automation and energy conservation equipment across plants, resulting in increased energy efficiency with an investment of ₹107.26 lakhs.
12. Installation of a cyclone dust collector, RECD devices in DG sets, and wet scrubber caps as APMC in Hapur.

## B. Water Stewardship:

Key initiatives for water conservation or efficiency undertaken during 2023-24 include:

1. Creation of a rainwater harvesting system in Hapur, capable of storing more than 3 lakh liters of rainwater.
2. Reuse of water gained from the sludge-dewatering machine and enhancement of the tube settler at the aerobic ETP in Hapur.
3. Reuse of reactor distillate in the chemical section, reducing raw water consumption by approximately 200 KL annually.
4. Installation of an RO system with a capacity of 220 KLD to treat high TDS rainwater, reducing groundwater consumption by around 20,000 KL annually.
5. Reuse of treated ETP water in brick manufacturing after appropriate treatment.

## C. Capital Investment in Energy, Air Emission Controls, and Water Conservation Equipment

A capital investment of ₹861.9 lakhs has been made towards comprehensive energy conservation measures, air emission control, value creation from wastes, and water conservation project implementations.

## D. Technology Absorption:

1. Replacement of diesel-based forklifts with new electric battery-operated forklifts (Hapur).
2. Installation of a 50KVA biogas genset (Hapur).
3. Establishment of a 5 CMH biogas plant (Hapur).
4. Implementation of a new incinerator with a capacity of 17.6 lakh kcal for converting process wastes to energy (Hapur).
5. Installation of a 125 TPD formaldehyde plant for in-house consumption (Dahej).
6. Installation of a new 10' x 5' hot press for high-pressure laminates (Dahej).
7. Installation of wet scrubbers in the impregnation process (Rohad, Hapur, Dahej).
8. Installation of a new 4 Ft MF impregnation line to improve productivity and product quality (Rohad).
9. Installation of RECD devices in DG sets to further reduce emissions (Rohad, Hapur).
10. Reuse of reactor distillate in the chemical section (Rohad).
11. Establishment of a bio-refinery (Hapur).
12. Installation of a cooling tower pump on VFD (Rohad).

13. Extraction of potash from biomass ash (Hapur).
14. Processing of potato peels for biogas and bio-compost (Hapur).
15. Installation of a sludge dewatering machine (Hapur).
16. Implementation of energy-efficient HVAC systems (Dahej).

**E. Foreign Exchange Earnings and Outgo**

- (i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

The Company continues to maintain focus on, and avail, of export opportunities based on economic considerations.

- (ii) Total foreign exchange used and earned (2023-24)

	(₹ In Lakhs)
<b>Earnings:</b>	
<b>Foreign Exchange earned (Actual Inflow)</b>	63,595.97
<b>Outgo:</b>	
CIF Value of Imports	
a) Raw materials	40,101.29
b) General Consumables	2,527.28
c) Capital Items	8,800.87
d) Trading Items	4,534.05
<b>Expenditure in foreign currency</b>	
a) Commission	957.07
b) Export Promotion	145.93
c) Professional Charge	58.09
e) Royalty / Fees and Subscription	65.71
f) Travelling	297.19
g) Others	60.00
h) Office expenses	68.25

# ANNEXURE-2

To  
The Members  
**Merino Industries Limited**  
5, Alexandra Court, 60/1,  
Chowringhee RO Kolkata,  
West Bengal-700020

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process 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 the correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For D.K. Chawla & Co.**  
(Company Secretaries)

**(CS Dasvinder Kaur)**

Authorized Signatory

M. No.: 33095

COP:15232

UDIN: A033095F000904240

P R Certificate: 2121/2022

Place: Delhi

Date: 05<sup>th</sup> August, 2024

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 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  
**Merino Industries Limited**  
5, Alexandra Court, 60/1,  
Chowringhee RD Kolkata,  
West Bengal-700020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Merino Industries Limited** (CIN: U51909WB1965PLC026556) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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 31<sup>st</sup> March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 31<sup>st</sup> March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment except as provided below:

The company had filed the application for compounding of contraventions of 3 the provisions of Regulation 5(1) Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 notified vide Notification No. FEMA 4/2000-RB dated 3<sup>rd</sup> May, 2000, as amended from time to time wherein the merged company Merino Exports Private Limited borrowed

the sum from Mrs Nayantara Aggarwal (Non-Resident Indian) in multiple tranches from 1998. Subsequently, borrowings were done which led to the violation of Regulation 3 read with Regulation 6(B) of Foreign Exchange Management Act 3R/2018-RB. Therefore, the application has been regularized and disposed off on 22<sup>nd</sup> day of June, 2023 after admitting the contravention committed by the applicant and made the payment of penalty accordingly.

- (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 (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **Not Applicable**
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021:- **Not Applicable**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2021:- **Not Applicable**
  - (h) The Securities and Exchange Board of India (Buy back of securities) Regulations, 2018- **Not Applicable**
  - (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **Not Applicable**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc.

**We further report that**

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

Adequate notice(s) were given to all directors to schedule the Board and Committee Meetings, agenda along with detailed notes on agenda were sent at least seven days in advance 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as a part of the minutes.

**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.

**For D.K. Chawla & Co.**  
(Company Secretaries)

**(CS Dasvinder Kaur)**  
Authorized Signatory

M. No.: 33095

COP:15232

Place: Delhi

Date: 05<sup>th</sup> August, 2024

UDIN: A033095F000904240

P R Certificate: 2121/2022

# ANNEXURE-3

## ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2023-24

1. Brief outline on CSR Policy of the company: The Company's CSR Policy is to serve the cause for creating a healthy and enlightened life for the needy while fulfilling the responsibility of conservation of scarce natural resources. As a concerned corporate citizen, it is felt as a duty to give back some support to the weaker sections of society through sustained projects. The focus was on programs to promote Education targeted towards the underprivileged girl child including adult education and distribution of Mid-day Meal to students.

2. Composition of CSR Committee:

S. 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	Shri Prakash Lohia	Chairman	1	1
2	Shri Prasan Lohia	Member	1	1
3	Shri Bama Prasad Mukhopadhyay	Member	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. CSR committee - <https://www.merinoindia.com/CSR.php>  
CSR Policy - <http://www.merinoindia.com/pdf/MIL-CSR-new.pdf>  
CSR Projects - <https://www.merinoindia.com/pdf/Annual-Action-Plan-CSR-2024-25.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable

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

S. no.	Financial Year	Amount available for set-off from preceding financial years (in ₹ Lakhs)	Amount required to be setoff for the financial year, if any (in ₹ Lakhs)
1	2023-24	80.07	

6. Average net profit of the company as per section 135(5): ₹ 17,058.59 Lakhs

- |                                                                                                          |                |
|----------------------------------------------------------------------------------------------------------|----------------|
| 7. (a) Two percent of average net profit of the company as per section 135(5):                           | ₹ 341.17 Lakhs |
| (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | -              |
| (c) Amount required to be set off for the financial year, if any.                                        | ₹ 80.07 Lakhs  |
| (d) Total CSR obligation for the financial year (7a + 7b - 7c)                                           | ₹ 261.10 Lakhs |

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

Total Amount Spent for the Financial Year (in ₹ Lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in ₹ Lakhs)	Date of transfer	Name of Fund	Amount (in ₹ Lakhs)	Date of transfer
₹ 262.00	-	-		-	

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹ Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR registration number.
1	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹ Lakhs)	Amount spent in the current financial Year (in ₹ Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ Lakhs)	Mode of Implementation - Direct/ Through Trust	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Education relief programme	(ii)	Yes	U.P. & W.B.	Hapur, U.P. & Kolkata, W.B.	Current year		225.23 Lakhs	NIL	Through Trust	Sri Hara Kasturi Memorial Trust	CSR00000699
2	Mid-Day Meal	(i)	Yes	U.P.	Hapur, U.P.	Current year		36.77 Lakhs	NIL	Through Trust	Sri Hara Kasturi Memorial Trust	CSR00000699
	Total							262.00 Lakhs				

(d) Amount spent in Administrative Overheads	0.00
(e) Amount spent on Impact Assessment, if applicable	Not Applicable
(f) Total amount spent for Financial Year (8b+8c+8d+8e)	₹ 262 Lakhs

(g) Excess amount for set off, if any.

S. no.	Particular	Amount (in ₹ Lakhs)
i.	Two percent of average net profit of the company as per section 135(5)	341.17
ii.	Total amount spent for the Financial Year	262.00
iii.	Excess amount spent for the financial year	0.90
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.90

\*The amount includes the set off amount for FY 2022-23 (₹312.00 - ₹ 165.07 Lakhs)

9 (a) Details of Unspent CSR amount for the preceding three financial years: NIL

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

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No	Project ID	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ Lakhs)	Amount spent on the project in the reporting Financial Year (in ₹ Lakhs)	Cumulative amount spent at the end of reporting Financial Year (in ₹ Lakhs)	Status of the project - Completed / Ongoing.
Nil								

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).  
 The Company has been actively involved in the betterment of the society by innovatively supporting them through programs designed in the domains of education, health, community welfare programmes, etc. The company has been spending all the amounts which were eligible for CSR expenses.

**For and on behalf of the Board of Directors of Merino Industries Limited**

**Prakash Lohia**

Chairman

CSR Committee

Chairman & Managing Director

**Bama Prasad Mukhopadhyay**

Member

CSR Committee

Independent Director

Date: 07.08.2024

## ANNEXURE - 4

### ANNEXURE TO DIRECTORS' REPORT DISCLOSURES OF REMUNERATION

Disclosures pertaining to Remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2024

A. Employed throughout the year and in receipt of remuneration which in the aggregate was not less than ₹1,02,00,000/- per annum

Name	Age (in years)	Designation/ Nature of employment	Remuneration (₹ Lakhs)	Qualifications	Experience (Years)	Date of Commencement of Employment	% of Equity Share held	Last Employment/ Position held
Shri Rup Chand Lohia	83	Executive Chairman- Supervise Technical Affairs and implementation of New Projects and oversee the operations of the Company's plant at Hosur in the State of Tamil Nadu	147.51	B.M.E. (Mech)	61	01.01.2002	11.00	Whole-time Director in Merino Exports Pvt. Ltd.
Shri Prakash Lohia	68	Managing Director - Management of the business and affairs of the Company as a whole	284.26	B. Tech. (Chem) - IIT Delhi M.E.P (IIM-Ahmedabad)	46	01.05.1976	10.63	First employment
Shri Prasan Lohia	55	Whole-time Director- Overseeing Corporate Office Administration, Supervision of Export-Import Documentation, Foreign Exchange Risk Management and Domestic Sales and Marketing of Eastern Region	185.46	AB (Econ.) USA, BS (Elect. Engg.) USA, MBA (USA)	31	01.10.2004	1.86	Vice-President (Global Operations) in Merino Industries Ltd.
Ms. Ruchira Lohia	55	Whole-time Director- Public Relations and Overseeing Export and Import functions and marketing of food products.	194.23	B.A., M.E.P (IIM-Ahmedabad)	29	01.04.2000	6.55	Vice-President (Delhi Operations) in Merino Industries Ltd.
Shri Bikash Lohia	53	Whole-time Director- Overseeing factory operations and overall management, and addressing Information Technology related issues.	193.44	Privately Educated & M.E.P (IIM-Ahmedabad)	31	01.10.2006	1.69	Whole-time Director in Merino Panel Products Ltd.
Shri Madhusudan Lohia	43	Whole-time Director- Overseeing sales and marketing of the Company's furniture and panel products division and new product introduction	230.24	Graduate in Business Process management, (Operations & International Business) - Indiana University, U.S.A, Masters in Manufacturing Management, MBA, - Pennsylvania State University, USA.	21	01.10.2006	8.92	Whole-time Director in KBGB Agritech Private Limited (Earlier known as Kasturi Bai Gopi Babu Cold Storage Pvt. Ltd.)
Shri Deepak Lohia	47	Whole-time Director- Overseeing production, import of design papers, raw materials, chemicals, etc.	281.48	B.E. (Mech.)	26	01.12.2020	1.31	Whole-time Director in Merino Panel Products Ltd.
Shri Manoj Lohia	51	Whole-time Director- Overseeing marketing and sale of Company's Products in Southern India	181.27	B.Com.	27	01.12.2020	1.27	Whole-time Director in Merino Panel Products Ltd.

Name	Age (in years)	Designation/ Nature of employment	Remuneration (₹ Lakhs)	Qualifications	Experience (Years)	Date of Commencement of Employment	% of Equity Share held	Last Employment/ Position held
Shri Anurag Lohia	27	Whole-time Director – Overseeing factory operations and overall management, and addressing Information Technology related issues	81.20	Bachelor of Science in Finance Indiana University Bloomington, IN, USA	3	01.12.2020	0.89	Whole-time Director in Merino Panel Products Ltd.
Shri Sachin Selot	56	Chief Financial Officer	152.52	CA	27	07.12.2020	NIL	CFO, Molson Coors India
Shri Devendra Jain	49	Chief Procurement Officer	112.50	BE, MBA	23	25-01-2023	NIL	VP, SCM, Emami Ltd

B. Employed for a part of the year and in receipt of remuneration which in the aggregate was not less than ₹8,50,000/- per month.

Name	Age (in years)	Designation/ Nature of employment	Remuneration (₹ Lakhs)	Qualifications	Experience (Years)	Date of Commencement of Employment	% of Equity Share held	Last Employment/ Position held
Shri Parveen Gupta	47	Chief Marketing Officer	84.34	BE, MBA	19	26-09-2023	Nil	Director Marketing, Kohler Kitchen & Bath India
Shri Ravi Chopra	49	Group Chief Human Resource Officer	117.28	Master's in HRM & PGDBM	25	17-04-2023	Nil	Group CHRO, Hero Cycles Ltd.
Shri Hardeep Singh	52	Chief Operating Officer	54.91	BE, PGDM	29	16-10-2023	Nil	CEO, Pidlite, (Dr. Cipy Brand)
Shri Rajneesh Sharma	54	Senior Vice President	50.75	MBA	27	20-11-2023	Nil	Category Head - Electric Fans, Usha International Limited
Shri Anurag Lohia	26	Category Head-LPL	35.90	Bachelor of Science in Finance Indiana University Bloomington, IN, USA	4	01-04-2019	0.89	Whole-time Director in Merino Industries Limited

**Note:**

- Gross Remuneration comprises Salary, Perquisites, Gratuity, Leave Encashment and Company's contribution to Provident Fund.
- The appointments are contractual. Other terms and conditions are as per Company's Rules.
- Shri Anurag Lohia stepped down from Directorship of the company on 30<sup>th</sup> November, 2023 and Joined the company as Category head – LPL w.e.f. 01<sup>st</sup> December, 2023.
- Shri Prakash Lohia is a relative of Shri Madhusudan Lohia, Whole-time Director. Shri Rup Chand Lohia Chairman Emeritus is the relative of Shri Prasan Lohia and Shri Manoj Lohia, Whole-time Directors. Shri Prasan Lohia is the relative of Shri Rup Chand Lohia, Chairman Emeritus and Shri Manoj Lohia, Whole-time Director. Shri Bikash Lohia is the relative of Shri Deepak Lohia, Whole-time Director. Shri Madhusudan Lohia is a relative of Shri Prakash Lohia, Chairman and Managing Director. Shri Deepak Lohia is a relative of Shri Bikash Lohia, Whole-time Director. Shri Manoj Lohia is a relative of Shri Prasan Lohia, Whole-time Director and Shri Rup Chand Lohia, Chairman Emeritus.

**For and on behalf of the Board of Directors**

Date: 07.08.2024  
Place: Hapur U.P.

**Prakash Lohia**  
Chairman and Managing Director  
DIN: 00063274

# Independent Auditor's Report

## To the Members of Merino Industries Limited

### Report on the Audit of the Financial Statements Opinion

1. We have audited the accompanying financial statements of Merino Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. Other information 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 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.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

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

10. 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.

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

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)
- c) The financial statements dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

- e) On the basis of the written representations received from the directors and 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) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 13(b) above on reporting under section 143(3)(b) of the Act and paragraph 13(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
- 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, as detailed in note 43 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;
  - iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 55(iv)(1) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
  - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 55(iv)(2) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. Further, as stated in note 60 to the accompanying financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As stated in note 59 of the financial statements and based on our examination which included test checks, except for instances mentioned below, the Company in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below.

A. The audit trail feature was not enabled at the database level for accounting software to log any direct data changes used for maintenance of accounting records by the Company.

B. The accounting software used for maintenance of payroll records of the Company is operated by a third-party software service provider. In the absence of any information on existence of audit trail feature in

the 'Independent Service Auditor's Assurance Reports on the Description of Controls, their Design and Operating Effectiveness' ['Type 2 report' issued in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information), we are unable to comment on whether the audit trail feature at the database level of the said software was enabled and operated throughout the year.

C. The audit trail feature was not enabled at the application and database level for accounting software used for maintenance of payroll records by the Company.

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner

Place: New Delhi

Date: 07 August 2024

Membership No.: 062191

UDIN: 24062191BKDGC18257

## Annexure A referred to in paragraph 12 of the Independent Auditor's Report of even date to the members of Merino Industries Limited on the financial statements for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress 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 programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three year, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in note 3(a) to the financial statements, are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:

Description of property	Gross carrying value (₹. In lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Land	459.20	Merino Export Private Limited	No	1 April 2019	Land transferred under business combination. Payment for stamp duty under approval.
	96.17	Century Laminating Company Limited	No	27 July 2007	Change in title under process
	0.37			10 January 1994	Land was taken over by Hapur Pilakhua Development Authority ('HPDA') under compulsory acquisition while award is not yet received.
	8.25			14 January 2003	Land was taken over by HPDA under compulsory acquisition. Company has taken stay in court to come out from compulsory acquisition.
	104.29			12 June 2006	Aabadi plots were on the name of erstwhile company Century Laminating Company Limited. As per the UP government policy there is restriction to transfer these land in the name of present company Merino Industries limited.
	72.13			15 March 2005	
Building	0.76			18 December 1992	Change in title under process.

For title deeds of immovable properties in the nature of land situated at Hapur and Hosur with gross carrying values of ₹ 143.08 lakhs and ₹ 392.20 lakhs as at 31 March 2024, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders as detailed in note 26(b) to the financial statements.

- (d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.
- (b) As disclosed in note 56(xi) to the financial statements, the Company has been sanctioned a working capital limit in excess of ₹. 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were/were not subject to audit/review, except for the following:

(₹. In Lakhs)

Name of the Bank	Working capital limit sanctioned	Nature of current assets offered as security	Quarter and nature of reporting	Information disclosed as per return	Information as per books of accounts	Difference	Remarks
Axis Bank Limited	4,000.00	Inventory and trade receivables	31 March 2024 - Inventory				The Company has filed return based on the draft financial statements. The Company is in the process of filing revised statements.
HSBC	1,300.00						
Punjab National Bank Limited	500.00						
Kotak Mahindra Bank Limited	2,200.00			51,048.00	58,938.46	(7,890.46)	
Standard Chartered Bank Limited	3,000.00			25,899.60	21,469.70	(4,429.90)	
DBS Bank Limited	1,700.00			16,983.58	26,640.53	(9,656.95)	
Citi Bank Limited	1,500.00						

- (iii) The Company has not provided any security or granted any advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in, provided guarantee and granted (unsecured) loans to any other parties during the year, in respect of which:

- (a) The Company has provided loans or guarantee to Others during the year as per details given below:

(₹. In Lakhs)

Particulars	Guarantees	Loans
<b>Aggregate amount provided/granted during the year:</b>		
- Others	5,000.00	95.12
<b>Balance outstanding as at balance sheet date in respect of above cases:</b>		
- Others	5,000.00	62.61

- (b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

- (c) In respect of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments/receipts of principal are regular. Further, no interest is receivable on such loans.
- (d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such parties.
- (e) The Company has granted loans which had fallen due during the year and were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.
- (f) The Company has not granted any loans, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable. Further, the Company has not entered into any transaction covered under section 185 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. 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, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays 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 in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax excluding Interest Post Order	8,382.25	705.23	A.Y. 2007-08 A.Y. 2008-09 A.Y. 2012-13 A.Y. 2013-14 A.Y. 2014-15 A.Y. 2015-16 A.Y. 2017-18 A.Y. 2018-19 A.Y. 2020-21 A.Y. 2021-22	CIT (Appeals)
		2,960.02	228.00	A.Y. 2014-15 A.Y. 2016-17	Income Tax Appellate tribunal
		151.74	-	A.Y. 2019-20	Assessing Officer
	Tax deducted at source	276.74	-	F.Y. 2007-08 to 2022-23	ITO TDS, TDS Circle 1(1), Kolkata
Customs Act 1962	Custom duty	9.55	3.50	F.Y. 2003-04	CESTAT, Ahmedabad
		14.32	5.00	F.Y. 2001-02	Commissioner (Ahmedabad)
		3.30	-	F.Y. 2022-23	Assistant Commissioner of Customs, Delhi

Name of the statute	Nature of dues	Gross Amount	Amount paid under Protest	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Excise duty	137.19	-	F.Y. 2015-16	Allahabad High court
		23.46	-	F.Y. 2003-09 F.Y. 2012-13 F.Y. 2004-07 F.Y. 2010-12 F.Y. 2012-13 F.Y. 2014-15	Assistant Commissioner
		2.63	0.46	F.Y. 2009-10 F.Y. 2015-17	CESTAT
		1,560.73	27.60	F.Y. 2015-17	Commissioner (Noida)
		2,300.19	10.00	F.Y. 2014-15 F.Y. 2010-11 F.Y. 2011-12 F.Y. 2013-14	Supreme court
		96.00	-	F.Y. 1988-89 F.Y. 2005-06 F.Y. 2009-10	Additional Commissioner, Noida
Goods and Services Tax Act 2017	GST	1.11	-	F.Y. 2017-19	Deputy Commissioner
		12.87	1.19	F.Y. 2019-20	Comm. Appeal
		93.25	3.33	F.Y. 2017-18 F.Y. 2018-19 F.Y. 2020-21	Deputy Commissioner (Appeal)
		997.33	-	F.Y. 2017-18 F.Y. 2018-19 F.Y. 2019-20 F.Y. 2020-21 F.Y. 2021-22	Assistant Commissioner
		52.59	-	F.Y. 2018-19 F.Y. 2017-21	Joint Commissioner
Central Sales Tax Act, Local Sales Tax Act	Sales Tax	0.60	-	F.Y. 2009-12	High Court, Kerala
		1.57	-	F.Y. 2015-16	Tribunal
Chapter V of Finance Act 1994	Service Tax	15.30	-	F.Y. 2016-17	Rohtak GST Commissionerate
Entry Tax Act	Entry Tax	25.20	25.20	F.Y. 2007-08	Supreme court

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful 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, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) According to the information and explanations given to us, the Company is not required to have an internal audit system as per the provisions of section 138 of the Act. However, the Company has an internal audit system which, in our opinion, is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all

liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial

statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner

Place: New Delhi

Membership No.: 062191

Date: 07 August 2024

UDIN: 24062191BKDGC18257

# Annexure B

## Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Merino Industries Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 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.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. 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 Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls,

assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on 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.

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

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. 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 include 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

7. 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**

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

**Anamitra Das**

Partner

Place: New Delhi

Membership No.: 062191

Date: 07 August 2024

UDIN: 24062191BKDGC18257

# Balance Sheet

As at 31st March, 2024

Particulars	Notes	(Rupees in lakhs, unless otherwise stated)	
		31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	3(a)	1,27,490.15	44,812.12
(b) Right of use assets	3(a)	7,680.03	8,135.51
(c) Capital work-in-progress	3(b)	2,892.70	60,456.40
(d) Intangible assets	3(c)	18.55	23.31
(e) Intangible assets under development	3(d)	801.61	-
(f) Financial assets			
(i) Investments	4	5,612.41	4,476.07
(ii) Loans	5	26.02	19.82
(iii) Others	6	882.11	4,479.33
(g) Non current tax asset (net)	7	2,914.63	1,968.05
(h) Other non-current assets	8	1,710.63	3,310.57
<b>Total non-current assets</b>		<b>1,50,028.84</b>	<b>1,27,681.18</b>
<b>(2) Current assets</b>			
(a) Inventories	9	58,938.46	58,144.08
(b) Biological assets other than bearer plants	10	32.55	1,526.24
(c) Financial assets			
(i) Investments	11	12,155.04	9,927.58
(ii) Trade receivables	12	21,469.70	17,520.44
(iii) Cash and cash equivalents	13	1,414.14	982.86
(iv) Bank balances other than (iii)	14	650.74	630.25
(v) Loans	15	174.60	146.74
(vi) Others	16	1,525.57	4,884.21
(d) Other current assets	17	13,499.73	9,560.03
<b>Total current assets</b>		<b>1,09,860.53</b>	<b>1,03,322.43</b>
<b>Total assets</b>		<b>2,59,889.37</b>	<b>2,31,003.61</b>
<b>EQUITY AND LIABILITIES</b>			
(a) Equity share capital	18	1,127.94	1,127.94
(b) Other equity	19	1,34,904.53	1,23,713.08
<b>Total equity</b>		<b>1,36,032.47</b>	<b>1,24,841.02</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	21,393.89	28,389.65
(ii) Lease liabilities	21	1,351.51	1,781.69
(iii) Other financial liabilities	22	7.96	18.40
(b) Provisions	23	562.74	38.49
(c) Deferred tax liabilities (net)	24	3,231.93	1,422.87
(d) Other non-current liabilities	25	66.03	72.12
<b>Total non-current liabilities</b>		<b>26,614.06</b>	<b>31,723.22</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	26	50,834.55	31,071.92
(ii) Lease Liabilities	27	486.99	837.79
(iii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	28	1,688.45	1,889.10
-Total outstanding dues of creditors other than micro enterprises and small enterprises		24,952.08	18,456.70
(iv) Other financial liabilities	29	11,782.31	12,652.64
(b) Other current liabilities	30	3,338.82	5,249.29
(c) Provisions	31	4,159.64	4,177.88
(d) Current tax liabilities (net)	32	-	104.05
<b>Total current liabilities</b>		<b>97,242.84</b>	<b>74,439.37</b>
<b>Total liabilities</b>		<b>1,23,856.90</b>	<b>1,06,162.59</b>
<b>Total equity and liabilities</b>		<b>2,59,889.37</b>	<b>2,31,003.61</b>
<b>Material accounting policy information</b>	<b>2</b>		

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

This is the Balance Sheet referred to in our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration Number : 001076N/N500013

For and on behalf of the Board of Directors

**Anamitra Das**  
Partner  
Membership Number : 062191  
Place : New Delhi  
Date : 7 August 2024

**Prakash Lohia**  
Chairman & Managing Director  
DIN : 00063274  
Place : Hapur (U.P)  
Date : 7 August 2024

**Sachin Selot**  
Chief Financial Officer  
Place : New Delhi  
Date : 7 August 2024

**Bala Ji**  
Company Secretary  
M. No.- F9919  
Place : New Delhi  
Date : 7 August 2024

# Statement of Profit and Loss

for the year ended 31 March 2024

(Rupees in lakhs, unless otherwise stated)

Particulars	Notes	31 March 2024	31 March 2023
<b>Income</b>			
Revenue from operations	33	2,25,182.71	2,17,550.23
Other income	34	5,729.44	2,991.34
<b>Total income</b>		<b>2,30,912.15</b>	<b>2,20,541.57</b>
<b>Expenses</b>			
Cost of materials consumed	35	1,10,010.51	1,11,232.07
Purchases of stock-in-trade		7,438.76	8,754.30
Changes in inventories of finished goods, stock-in-trade, work-in-progress and biological assets	36	4,366.59	(5,233.71)
Employee benefits expense	37	29,041.26	24,716.61
Finance costs	38	2,638.33	2,853.99
Depreciation and amortization expenses	39	7,386.53	6,698.45
Other expenses	40	53,682.22	54,109.81
<b>Total expenses</b>		<b>2,14,564.20</b>	<b>2,03,131.52</b>
<b>Profit before tax</b>		<b>16,347.95</b>	<b>17,410.05</b>
<b>Tax expense</b>	41		
- Current tax (including tax of earlier years)		2,399.92	6,089.07
- Deferred tax expense/(credit)		1,794.33	(443.53)
<b>Total tax expense</b>		<b>4,194.25</b>	<b>5,645.54</b>
<b>Net profit for the year</b>		<b>12,153.70</b>	<b>11,764.51</b>
<b>Other comprehensive income</b>			
<b>(A) Items that will not be reclassified to profit or loss</b>			
(i) Remeasurements of post-employment benefit obligations		35.30	(578.14)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(8.88)	145.51
<b>(B) Items that will be reclassified to profit or loss</b>			
(i) Changes in fair value of FVOCI equity instruments		23.26	8.00
(ii) Income tax relating to items that will be reclassified to profit or loss		(5.85)	(2.01)
<b>Total other comprehensive income</b>		<b>43.83</b>	<b>(426.64)</b>
<b>Total comprehensive income for the year</b>		<b>12,197.53</b>	<b>11,337.87</b>
<b>Earnings per equity share</b>	42		
Basic		108.72	105.24
Diluted		108.72	105.24
<b>Material accounting policy information</b>	<b>2</b>		

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

This is the Statement of Profit and Loss referred to in our report of even date

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration Number : 001076N/N500013

For and on behalf of the Board of Directors

**Anamitra Das**  
Partner  
Membership Number : 062191  
Place : New Delhi  
Date : 7 August 2024

**Prakash Lohia**  
Chairman & Managing Director  
DIN : 00063274  
Place : Hapur (U.P)  
Date : 7 August 2024

**Sachin Selot**  
Chief Financial Officer  
Place : New Delhi  
Date : 7 August 2024

**Bala Ji**  
Company Secretary  
M. No.- F9919  
Place : New Delhi  
Date : 7 August 2024

# Cash flow statement

for the year ended 31 March 2024

(Rupees in lakhs, unless otherwise stated)

Particulars	31 March 2024	31 March 2023
<b>A. Cash flow from operating activities :</b>		
Net profit before tax as per statement of profit and loss	16,347.95	17,410.05
Adjustment for :		
Depreciation and amortisation expenses	7,386.53	6,698.45
Loss/(profit) on sale/disposal of property, plant and equipment (net)	(28.13)	142.84
Fair value changes of derivative measured at FVTPL (gain)	200.80	(29.28)
Finance costs	2,638.33	2,853.99
Expected Credit loss of financial assets	-	107.95
Advances written off	0.06	0.25
Unrealized foreign exchange loss /(gain) (net)	(436.05)	127.51
Net gain on sale of investment measured at FVTPL	(163.92)	(18.94)
Loss/(Gain) on fair valuation of financial instruments measured at FVTPL	(2,792.99)	287.60
Gain on lease modification	(117.70)	(1.40)
Interest income	(213.18)	(950.52)
Dividend income	(50.37)	(31.47)
Recovery of bad debts	(9.24)	(21.74)
Income due to amortisation of government grants	(6.09)	(6.09)
Provisions/liabilities no longer required written back (net)	(223.21)	(106.75)
<b>Operating profit before working capital changes and other adjustments</b>	<b>22,532.79</b>	<b>26,462.45</b>
Working capital changes and other adjustments :		
Trade receivables	(3,798.82)	(985.79)
Other non-current and current financial assets	6,691.61	19,507.40
Other non-current and current other assets	(3,848.59)	(5,643.39)
Inventories	(794.38)	(15,353.84)
Biological assets other than bearer plants	1,493.69	(445.24)
Trade payables	6,378.54	(4,378.02)
Other non-current and current financial liabilities	2,942.87	741.73
Other non-current and current liabilities/provisions	(1,196.24)	4,575.01
<b>Cash generated from operations</b>	<b>30,401.47</b>	<b>24,480.31</b>
Net direct taxes paid	(3,450.55)	(6,040.76)
<b>Net cash flow from operating activities (A)</b>	<b>26,950.92</b>	<b>18,439.55</b>
<b>B. Cash flow from investing activities :</b>		
Acquisition of property, plant and equipment and capital work-in-progress	(34,623.59)	(46,738.68)
Acquisition of intangible assets and intangible assets under development	(808.58)	(7.14)
Proceeds from sale of property, plant and equipment/intangible assets	146.83	100.63
Purchase of investment	(4,727.70)	(4,564.06)
Proceeds from sale of investment	4,344.08	4,367.99
Interest received	196.91	937.36
Dividend income	50.37	31.47
<b>Net cash used in investing activities (B)</b>	<b>(35,421.68)</b>	<b>(45,872.44)</b>
<b>C. Cash flow from financing activities :</b>		
Proceeds from non current borrowings	4,316.69	23,423.20
Repayment of non current borrowings	(4,186.15)	(1,853.15)
Increase in current borrowings	13,359.77	7,675.22
Principal payment of lease liabilities	(496.06)	(775.94)

# Cash flow statement

for the year ended 31 March 2024

(Rupees in lakhs, unless otherwise stated)

Particulars	31 March 2024	31 March 2023
Interest payment of lease liabilities	(147.63)	(200.46)
Finance cost paid	(2,474.31)	(2,594.23)
Dividend paid	(1,008.17)	(1,007.89)
<b>Net cash flow from financing activities (C)</b>	<b>9,364.14</b>	<b>24,666.75</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>893.37</b>	<b>(2,766.14)</b>
Exchange differences on translation of foreign currency cash and cash equivalents	-	0.13
<b>Net change in cash and cash equivalents (D)</b>	<b>893.37</b>	<b>(2,766.01)</b>

## Cash flow statement (Cont'd)

Particulars	31 March 2024	31 March 2023
Cash and cash equivalents at the beginning of the year (refer note 13)	982.86	3,286.57
Less- Cash credit at the beginning of the year	(467.29)	(4.99)
<b>Cash and cash equivalents at the beginning of the year as per cash flow statement (E)</b>	<b>515.57</b>	<b>3,281.58</b>
Cash and cash equivalents at the end of the year (refer note 13)	1,414.14	982.86
Less- Cash credit at the end of the year	(5.20)	(467.29)
<b>Cash and cash equivalents at the end of the year as per cash flow statement (D+E)</b>	<b>1,408.94</b>	<b>515.57</b>

Change in liability arising from financing activities	1 April 2023	Cash flow	Non cash changes			31 March 2024
			New leases	Others	Foreign exchange	
Non current borrowings (Including current maturities of long term borrowing)	30,168.69	130.54	-	-	(261.35)	30,037.88
Current borrowings	29,292.88	13,359.77	-	(462.09)	-	42,190.56
Lease liability	2,619.48	(643.69)	549.67	(686.96)	-	1,838.50

Change in liability arising from financing activities	1 April 2022	Cash flow	Non cash changes			31 March 2023
			New leases	Others	Foreign exchange	
Non current borrowings (Including current maturities of long term borrowing)	8,562.16	21,570.05	-	-	36.48	30,168.69
Current borrowings	20,948.60	7,675.22	-	669.06	-	29,292.88
Lease liability	2,563.58	(976.40)	882.11	150.19	-	2,619.48

For material accounting policy refer note 2.

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

This is the Cash flow statement referred to in our report of even date

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration Number : 001076N/N500013

For and on behalf of the Board of Directors

**Anamitra Das**

Partner

Membership Number : 062191

Place : New Delhi

Date : 7 August 2024

**Prakash Lohia**

Chairman & Managing Director

DIN : 00063274

Place : Hapur (U.P)

Date : 7 August 2024

**Sachin Selot**

Chief Financial Officer

Place : New Delhi

Date : 7 August 2024

**Bala Ji**

Company Secretary

M. No.- F9919

Place : New Delhi

Date : 7 August 2024

# Statement of Changes in Equity

for the year ended 31 March 2024

(Rupees in lakhs, unless otherwise stated)

## A. Equity share capital

Particulars	Notes	Amount
<b>As at 1 April 2022</b>		1,127.94
Changes during the year	18	-
<b>As at 31 March 2023</b>		1,127.94
Changes during the year	18	-
<b>As at 31 March 2024</b>		1,127.94

## B. Other equity

Particulars	Notes	Statutory reserve	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings	FVOCI - equity instruments	Total other equity
<b>Balance as at 1 April 2022</b>	19	233.59	-	3.16	339.72	12,242.94	1,00,551.27	10.61	1,13,381.29
Profit for the year		-	-	-	-	-	11,764.51	-	11,764.51
Other comprehensive income for the year									
Remeasurements loss on post-employment benefit obligations (net of tax)		-	-	-	-	-	(432.63)	-	(432.63)
Net fair value gain on investment measured through OCI (net of tax)		-	-	-	-	-	-	5.99	5.99
<b>Total comprehensive income for the year</b>		-	-	-	-	-	11,331.88	5.99	11,337.87
Transfer to/(from) general reserve/(retained earnings)		-	-	-	-	1,176.45	(1,176.45)	-	-
Final dividend on equity shares for the year 2021-22		-	-	-	-	-	(1,006.08)	-	(1,006.08)
<b>Balance as at 31 March 2023</b>	19	233.59	-	3.16	339.72	13,419.39	1,09,700.62	16.60	1,23,713.08

# Statement of Changes in Equity

for the year ended 31 March 2024

(Rupees in lakhs, unless otherwise stated)

## B. Other equity (Contd.)

Particulars	Notes	Statutory reserve	Capital reserve	Capital redemption reserve	Securities premium reserve	General reserve	Retained earnings	FVOCI - equity instruments	Total other equity
<b>Balance as at 1 April 2023</b>	19	233.59	-	3.16	339.72	13,419.39	1,09,700.62	16.60	1,23,713.08
Profit for the year		-	-	-	-	-	12,153.70	-	12,153.70
Other comprehensive income for the year									-
Remeasurements loss on post-employment benefit obligations (net of tax)		-	-	-	-	-	26.42	-	26.42
Net fair value gain on investment measured through OCI (net of tax)		-	-	-	-	-		17.41	17.41
<b>Total comprehensive income for the year</b>		-	-	-	-	-	<b>12,180.12</b>	<b>17.41</b>	<b>12,197.53</b>
Transfer to/(from) general reserve/(retained earnings)		-	-	-	-	1,215.37	(1,215.37)	-	-
Final dividend on equity shares for the year 2022-23		-	-	-	-	-	(1,006.08)	-	(1,006.08)
<b>Balance as at 31 March 2024</b>	<b>19</b>	<b>233.59</b>	<b>-</b>	<b>3.16</b>	<b>339.72</b>	<b>14,634.76</b>	<b>1,19,659.29</b>	<b>34.01</b>	<b>1,34,904.53</b>

For material accounting policy refer note 2.

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

This is the Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm Registration Number : 001076N/N500013

For and on behalf of the Board of Directors

**Anamitra Das**

Partner  
Membership Number : 062191  
Place : New Delhi  
Date : 7 August 2024

**Prakash Lohia**

Chairman & Managing Director  
DIN : 00063274  
Place : Hapur (U.P)  
Date : 7 August 2024

**Sachin Selot**

Chief Financial Officer  
Place : New Delhi  
Date : 7 August 2024

**Bala Ji**

Company Secretary  
M. No.- F9919  
Place : New Delhi  
Date : 7 August 2024

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

### 1. Company Information

Merino Industries Limited ("the Company") is a domestic public limited Company domiciled in India, and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata - 700020, India. The Company is engaged in manufacturing and marketing of decorative laminates, prelaminated boards, furniture, potato flakes, acrylic solid surface and agricultural produce.

### 2. General information and summary of material accounting policies

#### 2.1 Basis of preparation

##### (i) Statement of compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rule 2015 as amended. Other relevant provisions of the Act and other accounting principles generally accepted in India. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Act. The financial statements for the year ended 31 March 2024 were authorised and approved for issue by the Board of Directors on 7 August 2024.

##### (ii) Basis of preparation

The financial statements have been prepared as a going concern on accrual basis and under the historical cost convention except for the following assets and liabilities which have been measured at their fair value or revalued amounts:

- Certain financial assets and liabilities measured at their fair value (refer note no. 2.7 accounting policy regarding financial instruments);

- Defined benefit plans – plan assets measured at their fair value.

#### 2.2 Recent accounting pronouncement issued but not made effective

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.

#### 2.3 Property, plant and equipment and depreciation

(a) Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(b) Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss.

(c) Capital work in progress is stated at cost and includes purchase cost related acquisition expenses, pre-operative expenses, project development expenses, etc. Such costs also include borrowing cost if the recognition criteria are met.

(d) The Company depreciates property, plant and equipment over their useful lives as prescribed by schedule II of the Act. In case the cost of a part of a property, plant and equipment is significant to the total cost of the asset, and useful life of that part is different from the remaining useful life of the asset, depreciation is provided on straight line method based on internal assessment and independent technical evaluation carried out by external valuers. The management believes that the useful lives of the components best represent the period over which the management expects to use those components.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Nature of assets	Useful life
<b>Buildings</b>	
(a) Buildings (other than factory buildings) RCC frame structure	60 years
(b) Buildings (other than factory buildings) other than RCC frame structure	30 years
(c) Factory buildings	30 years
(d) Fences, wells, tube wells	5 years
(e) Others (including temporary structure, etc.)	3 years
<b>Culverts</b>	30 years
<b>Roads</b>	
(a) Carpeted roads- RCC	10 years
(b) Carpeted roads- other than RCC	5 years
(c) Non-carpeted roads	3 years
<b>Plant and Machinery</b>	
(a) General plant and machinery*	15 years
(b) Continuous process plant	25 years
(c) Plant and Machinery used in generation, transmission and distribution of power	40 years
(d) Electric distribution plant	35 years
(e) Plant and machinery used in civil construction	12 years
<b>Furniture and fittings</b>	10 years
<b>Motor Vehicles</b>	
(a) Motor cycles, scooters and other mopeds	10 years
(b) Motor buses, motor lorries and motor cars other than those used in a business of running them on hire	8 years
(c) Motor tractors, harvesting combines and heavy vehicles	8 years
(d) Electrically operated vehicles including battery powered or fuel cell powered vehicles	8 years
<b>Office equipment</b>	5 years
<b>Computers and data processing units</b>	
(a) Servers and networks	6 years
(b) End user devices such as desktops, laptops, etc.	3 years
<b>Laboratory equipment</b>	10 years
<b>Electrical installations and equipment</b>	10 years

\* The useful lives of general plant and machinery is further subjected to it's uses depending on the double and triple shift basis. Depreciation rate for double & triple shift will be 50% and 100% respectively, over and above the single shift rate depreciation thereby reducing the useful life accordingly.

- (e) Leasehold land is amortised over the period of lease. Cost of improvements on leasehold land is amortised over the remaining period of lease or estimated useful life, whichever is lower.
- (f) Machinery spares having useful life of more than one year and the carrying value of which exceeds "higher of ₹5 lakhs or 5% of gross value of particular asset", are capitalised and depreciated over the lives of the spares/related asset.
- (g) Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost.

The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

### 2.4 Intangible assets and amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and net accumulated impairment losses, if any.

Intangible assets are amortised on a straight line basis over a period of three to five years from the date of capitalisation.

### 2.5 Current/non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set-out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

### 2.6 Impairment reporting of non-financials assets

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit (CGU) is estimated. If such recoverable amount of the asset or CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss. An asset is deemed impairable when recoverable value is less than its carrying cost and the difference between the two represents provisioning exigency.

### 2.7 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and 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 and loss) are added to, or deducted from, the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

#### Financial assets

##### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of these financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present any change in fair value of equity investments,

which are not held for trading, in other comprehensive income. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at FVOCI is carried at Fair value through the statement of profit and loss (FVTPL).

#### Impairment of financial assets

In accordance with Ind AS 109 'Financial Instruments', the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of 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, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- (i) All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets;
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- (iii) Trade receivables:  
In respect of trade receivables, the Company applies the simplified approach of Ind AS 109 'Financial Instruments', which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.
- (iv) Other financial assets:  
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset 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. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. 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 assets 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.

### Financial liabilities and equity instruments

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

#### De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

#### Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks that arise from its exposure to foreign exchange and interest rate fluctuations.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. For derivative contracts where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss.

#### Offsetting of financial instruments

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

### 2.8 Borrowing costs

General and specific 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. All other borrowing costs are recognised as expenses in Statement of Profit and Loss in the period in which they are incurred.

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### 2.9 Inventories

Inventories are stated at lower of cost and estimated net realisable value. Cost is determined on moving weighted average basis in case of raw materials, stores and spares and stock-in-trade. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. For harvested biological assets (i.e. agriculture produce) refer note 2.11.

### 2.10 Foreign currency transactions

Functional and presentation currency

The financial statements of the Company are presented in Indian rupees (INR), which is the functional currency of the Company and the presentation currency for the financial statements.

Transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currency are restated at the exchange rates prevailing on the Balance Sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transaction. Exchange differences arising on settlement of transactions and/or restatement are dealt with in the Statement of Profit and Loss.

### 2.11 Biological assets

On initial recognition and at the end of each reporting period, the biological assets are measured at cost due to non availability of fair value. Harvested biological assets (i.e. agriculture produce) are transferred to inventory at fair value less costs to sell when harvested. Cost approximates fair value when little biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material. Gains and losses arising on initial recognition of both biological assets and agricultural produce and any subsequent changes in fair value are recognised in the statement of Profit and loss in the period in which they arise.

### 2.12 Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount of transaction price (net of variable consideration) allocated to performance obligation. The transaction price of goods sold and

services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Sales, as disclosed, are exclusive of goods and services tax, where applicable. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

#### Sale of goods and services

Revenue from sale of goods/services is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods to customers or transporter, considering the delivery terms.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g. customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration.

#### (i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at the inception of the contract and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers, volume rebates. Volume rebates give rise to variable consideration.

#### (ii) Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

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The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

### Loyalty points programme

The Company has a loyalty points programme, which allows customers to accumulate points that can be redeemed for free products. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. The Company's role is only to arrange for another entity to provide the goods and hence, records revenue at the net amount.

When estimating the stand-alone selling price of the loyalty points, the Company considers the likelihood that the customer will redeem the points. The Company updates its estimates of the points that will be redeemed on a yearly basis and any adjustments to the contract liability balance are charged against revenue.

### Contract balances

#### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 2.7 Financial instruments – initial recognition and subsequent measurement.

#### Transfer of trade receivables

The Company transfers certain trade receivables under bill discounting arrangements with banks. These transferred receivables do not qualify for derecognition as the Company retains the credit risk with respect to these transferred receivables due to the existence of the recourse arrangement. Consequently, the proceeds received from such transfers with recourse arrangements are recorded as borrowings from banks and classified under current borrowings.

#### Contract liabilities

When either party to a contract has performed its obligation, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the company's performance and the customer's payment.

#### Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

### 2.13 Revenue recognition - other items

**Interest:** Interest income is recognized using effective interest method.

**Dividend:** Dividend income is recognised when the right to receive the dividend is established.

**Insurance Claim:** Insurance claims are accounted for on settlement/realisation basis by considering uncertainties in realisation.

**Export incentives and duty drawback :** Income from export incentives such as duty drawback, premium on sale of import licenses and lease license fee are recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

Other items are recognised on accrual basis.

### 2.14 Employee benefits

#### (a) Short-term employee benefits :

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet. Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees is recognised as charge in Statement of Profit and Loss in the year in which they arise.

#### (b) Defined contribution plans:

The Company pays contribution under provident fund scheme and part of the pension fund scheme for eligible employees. The Company recognises contribution payable to the respective employee benefit fund scheme as an expenditure, as and when they are due. The Company has no obligations other than to make the specified contributions.

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**(c) Gratuity:** The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and the tenure of employment.

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

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

**(d) Other long term benefits :**

The liabilities for compensated absences are those that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as

the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

**(e) Termination benefits :**

Termination benefits in the nature of voluntary retirement benefits are recognized as an expense when as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### 2.15 Taxation

Taxes on income comprise current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable.

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Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

The Company recognises deferred tax assets for unabsorbed depreciation or carry forward of losses under tax laws only if there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

### 2.16 Government grants

- (i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.
- (ii) Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- (iii) Government grants relating to the purchase of property, plant and equipment are included in other liabilities as deferred income and are credited to statement of profit and loss on a straight-line basis over the remaining useful life of the related asset. However, grants received for import of capital goods under Export promotion capital goods (EPCG) scheme are presented in the balance sheet by deducting the grant from the carrying value of asset.

### 2.17 Leases

#### Where the Company is a lessee

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. At the inception of a contract, the Company makes an assessment as to whether a contract is a lease. A contract is, or contains, a lease when it conveys the right to control the usage of an asset covered by the contract for a time period in exchange for consideration. To evaluate as to whether a contract provides the right to control the usage of an asset

covered in the contract, the Company evaluates as to whether:

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU" assets) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. Lease rentals for short-term leases and all leases of low value assets are considered on accrual basis as an expense in profit or loss.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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### Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets/ investment property. Lease income on an operating lease is recognised in the Statement of Profit and Loss on accrual basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

### 2.18 Cash and cash equivalents

In the Cash Flow Statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments, if any, with original maturities of three months or less.

### 2.19 Earnings per share (EPS)

Basic EPS amount is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earning considered in ascertaining the Company's EPS is the net profit/(loss) for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. Diluted EPS amounts are computed by dividing the net profit attributable to the equity share holders by the weighted average number of equity shares outstanding during the year, and the weighted average number of equity shares that would be issued to give effect to the dilutive potential.

### 2.20 Provisions and contingent liabilities

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at Balance Sheet date and are not discounted to its present value.

**Contingent liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within

the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**Contingent assets:** Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

### 2.21 Segment reporting

Segments are organised based on businesses which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

### 2.22 Dividends

The final dividend on shares is recorded as liability on the date of approval by the shareholders and interim dividend is recorded as liability on the date of declaration by the Company's Board of Directors.

### 2.23 Royalty income

Royalty income is accounted for as per the terms of the agreement entered into with the parties involved.

### 2.24 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognised in accordance with the requirements of Ind AS 12, 'Income Taxes' and Ind AS 19, 'Employee Benefits', respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in other comprehensive income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities

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are charged to the Statement of Profit & Loss in the period in which they are incurred.

### Business combination under Common Control

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interests method. The assets and liabilities of the combining entities are reflected at their carrying amounts.

### 2.25 Prior period errors

The Company corrects prior period errors retrospectively in the first set of financial statements approved for issue after their discovery by (a) restating the comparative amounts for the prior periods presented in which the error occurred; or (b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

### 2.26 Rounding off of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees in 'lakhs' as per the requirement of Schedule III, to the Act, unless otherwise stated.

### 2.27 Significant management judgement in applying accounting policies and estimation uncertainty:

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities:

#### (i) Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires, the management to make an assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

#### (ii) Recoverability of advances / receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

#### (iii) Defined benefit obligation ('DBO')

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

#### (iv) Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

#### (v) Leases

The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

#### (vi) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, (refer note 43). By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments by management and the use of estimates regarding the outcome of future events.

#### (vii) Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and share based payments. This involves developing estimates and assumptions consistent with how market participants would price the instrument. The Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to financial statements.

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### (viii) Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future demand or other market-driven changes that may reduce future selling prices.

### (ix) Useful lives of depreciable and amortisable assets

Management reviews its estimate of the useful lives of depreciable and amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates

relate to technical and economic obsolescence that may change the utility of assets.

### (x) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The extent to which deferred tax assets/minimum alternate tax credit can be recognised is based on management's assessment of the probability of the future taxable income against which the deferred tax assets/minimum alternate tax credit can be utilised.

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(Rupees in lakhs, unless otherwise stated)

### 3 (a) Property, Plant and Equipment

Particulars	Land		Buildings on leasehold land	Buildings on freehold land	Culverts	Roads	Plant and equipment	Electrical fittings	Laboratory Equipment	Furniture and fittings	Computers & data processing units	Office equipment	Vehicles	Total	Right of use land	Right of use buildings	Total
	Leasehold acquisition and development expenses	Freehold															
<b>Gross carrying amount</b>																	
Balance as at 1st April, 2022	680.84	8,567.07	4,814.04	7,120.77	155.70	1,045.75	42,222.84	2,305.66	220.00	1,323.44	1,400.89	847.23	1,555.91	72,260.14	6,972.72	2,328.66	81,561.52
Additions	-	-	161.21	139.61	-	5.88	3,044.65	189.73	30.71	180.03	397.95	144.37	435.82	4,729.96	56.06	833.94	5,619.96
Disposals	-	3.11	2.06	-	-	-	365.24	9.94	4.91	8.20	68.47	40.16	194.27	696.36	-	412.15	1,108.51
Balance as at 31 March 2023	680.84	8,563.96	4,973.19	7,260.38	155.70	1,051.63	44,902.25	2,485.45	245.80	1,495.27	1,730.37	951.44	1,797.46	76,293.74	7,028.78	2,750.44	86,072.97
Additions	905.43	886.73	16,506.03	312.39	339.53	1,330.75	59,073.88	9,478.97	52.85	203.15	546.64	148.63	95.02	89,880.00	-	552.91	90,432.91
Disposals	-	-	-	5.04	-	-	128.30	35.52	0.22	16.16	31.79	12.03	150.65	379.71	1,145.01	611.22	2,135.94
Balance as at 31 March 2024	1,586.27	9,450.69	21,479.22	7,567.73	495.23	2,382.38	1,03,847.83	11,928.90	298.43	1,682.26	2,245.22	1,088.04	1,741.83	1,65,794.03	5,883.77	2,692.14	1,74,369.94
<b>Accumulated Depreciation</b>																	
As at 1st April 2022	32.87	-	1,085.62	1,218.53	12.68	543.19	19,462.16	811.05	66.53	468.59	1,056.42	543.58	874.69	26,177.91	390.61	708.26	27,276.78
Charge for the year	7.22	-	234.97	301.02	5.19	87.68	4,212.63	238.73	23.15	138.48	186.13	123.24	186.15	5,756.59	374.98	533.17	6,664.74
Disposals	-	-	0.53	-	-	-	166.98	7.80	4.26	6.02	67.95	38.53	160.82	452.89	-	363.30	816.19
As at 31 March 2023	40.09	-	1,320.06	1,519.55	17.87	630.87	23,507.81	1,041.98	85.42	601.05	1,188.60	628.29	900.02	31,481.61	765.59	878.13	33,125.33
Charge for the year	11.82	-	354.72	304.93	11.09	171.12	5,000.03	493.89	24.91	148.28	250.60	120.81	191.07	7,083.27	87.06	204.46	7,374.79
Disposals	-	-	-	1.77	-	-	77.58	25.70	0.18	11.59	30.69	11.40	102.10	261.01	628.29	411.07	1,300.37
As at 31 March 2024	51.91	-	1,674.78	1,822.71	28.96	801.99	28,430.26	1,510.17	110.15	737.74	1,408.51	737.70	988.99	38,303.87	224.36	671.51	39,199.75
<b>Net carrying amount</b>																	
As at 31 March 2023	640.75	8,563.96	3,653.13	5,740.83	137.83	420.76	21,394.44	1,443.47	160.38	894.22	541.77	323.15	897.44	44,812.12	6,263.19	1,872.32	52,947.63
As at 31 March 2024	1,534.36	9,450.69	19,804.44	5,745.02	466.27	1,580.39	75,417.57	10,418.73	186.28	944.52	836.71	350.34	752.84	1,27,490.15	5,659.41	2,020.62	1,35,170.18

(i) Freehold land with carrying value of ₹535.28 (31 March 2023 : ₹535.28) have been mortgaged for availing working capital loan from Axis Bank Consortium (Refer Note No 26 and 46).

(ii) Certain Property, plant and equipment have been given as security for borrowings (Refer Note No 46)

(iii) Contractual commitments for the acquisition of property, plant and equipment. (refer note 44)

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(Rupees in lakhs, unless otherwise stated)

### 3 (a) Property, Plant and Equipment (contd)

(iv) PPE - Detail of immovable property pending to be transferred in the name of the Company as per below:

Description of item of property	Gross carrying value as on 31 March 2024	Gross carrying value as on 31 March 2023	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since date	Reason for not being held in the name of the company
Land	459.20	459.20	Merino Export Private Limited	No	1 April 2019	Land transferred under business combination arrangement between Merino Export Private Limited & Merino Industries Limited from appointed date 1 <sup>st</sup> April 2019. Payment for stamp duty to transfer the title in the name of Merino Industries Limited is under approval with District Magistrate Hapur(Uttar Pradesh), India.
	96.17	96.17	Century Laminating Company Limited	No	27 July 2007	Land title bearing erstwhile name Century Laminating Company Limited. Change in title name to Merino Industries Limited is in process.
	0.37	0.37			10 January 1994	Land was taken over by Hapur Pilkhuwa Development Authority under compulsory acquisition while award is not yet received.
	8.25	8.25			14 January 2003	Land was taken over by Hapur Pilkhuwa Development Authority under compulsory acquisition. Company has taken stay in court to comeout from compulsory acquisition.
	104.29	104.29			12 June 2006	Aabadi plots were on the name of erstwhile company Century Laminating Company Limited. As per the Uttar Pradesh government policy there is restriction to transfer these land in the name of present company Merino Industries Limited.
	72.13	72.13			15 March 2005	
Building	0.76	0.76	Century Laminating Company Limited	No	18 December 1992	Building title bearing erstwhile name Century Laminating Company Limited. Change in title name to Merino Industries Limited is in process.

### 3(b) Capital work-in progress :

(i) Capital work-in progress ageing schedule:

Particulars	Amount in CWIP as at 31 March 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress* :	2,615.76	209.05	67.89	-	2,892.70
Projects temporarily suspended :	-	-	-	-	-
<b>Total</b>	<b>2,615.76</b>	<b>209.05</b>	<b>67.89</b>	<b>-</b>	<b>2,892.70</b>

\* Includes capital goods-in-transit of ₹ 145.41

Note - Borrowing Cost amounting to ₹ 1,565.86 pertaining to loan taken from Axis bank for construction of particle board plant at Halol has been capitalised in accordance with Ind AS 23 'Borrowing Costs'.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

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(Rupees in lakhs, unless otherwise stated)

### 3(b) Capital work-in progress : (contd)

Particulars	Amount in CWIP as at 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress* :	47334.85	13102.53	19.02	-	60,456.40
Projects temporarily suspended :	-	-	-	-	-
<b>Total</b>	<b>47334.85</b>	<b>13102.53</b>	<b>19.02</b>	<b>-</b>	<b>60456.40</b>

\* Includes capital goods-in-transit of ₹ 31.74

Note - Borrowing Cost amounting to ₹ 1,051.45 pertaining to loan taken from Axis bank for construction of particle board plant at Halol has been capitalised in accordance with Ind AS 23 'Borrowing Costs'.

- (ii) Capital work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, Completion schedule is as per the following:

Particulars	As at 31 March 2024, to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress :					
Project - S01000050	251.46	-	-	-	251.46
Project - S01000351	79.46	-	-	-	79.46
Project - S01000407	59.86	-	-	-	59.86
Project - S01000474	95.50	-	-	-	95.50
Project - S01000736	67.94	-	-	-	67.94
Project - LD1000274	84.09	-	-	-	84.09
Project - H01000130	216.02	-	-	-	216.02
Other Projects*	298.72	-	-	-	298.72
<b>Total</b>	<b>1,153.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,153.05</b>

\*Individual projects less than ₹ 50.00 have been clubbed together in other projects.

Particulars	As at 31 March 2023, to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress :					
Project - S01000050	225.95	-	-	-	225.95
Project - S01000239	168.18	-	-	-	168.18
Project - S01000293	345.23	-	-	-	345.23
Project - S01000540	161.38	-	-	-	161.38
Project- LD1000228	881.79	-	-	-	881.79
Project- LD1000229	473.19	-	-	-	473.19
Project- LD1000230	435.60	-	-	-	435.60
Project- LD1000238	321.63	-	-	-	321.63
Project - Halol	57,053.53	-	-	-	57,053.53
Other Projects*	342.91	19.74	-	-	362.65
<b>Total</b>	<b>60,409.39</b>	<b>19.74</b>	<b>-</b>	<b>-</b>	<b>60,429.13</b>

\*Individual projects less than ₹ 50.00 have been clubbed together in other projects.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024  
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(Rupees in lakhs, unless otherwise stated)

### 3 (c) Other intangible assets

Particulars	Computer Software (Acquired item)	Total
<b>Gross carrying amount</b>		
Balance as at 1 April 2022	445.42	445.42
Additions	7.14	7.14
Disposals	20.71	20.71
Balance as at 31 March 2023	431.85	431.85
Additions	6.97	6.97
Disposals	1.46	1.46
Balance as at 31 March 2024	437.36	437.36
<b>Accumulated amortisation</b>		
As at 1 April 2022	395.54	395.54
Charge for the year	33.71	33.71
Disposals	20.71	20.71
As at 31 March 2023	408.54	408.54
Charge for the year	11.73	11.73
Disposals	1.46	1.46
As at 31 March 2024	418.81	418.81
<b>Net carrying amount</b>		
As at 31 March 2023	23.31	23.31
As at 31 March 2024	18.55	18.55

### 3(d) Intangible assets under development

(i) Intangible assets under development ageing schedule:

Particulars	Amount in CWIP as at 31 March 2024				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress :	801.61	-	-	-	801.61
Projects temporarily suspended :	-	-	-	-	-
<b>Total</b>	<b>801.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>801.61</b>

Particulars	Amount in CWIP as at 31 March 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress* :	-	-	-	-	-
Projects temporarily suspended :	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(ii) There are no intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

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(Rupees in lakhs, unless otherwise stated)

### Note: 4 Non current investments

Particulars	31 March 2024		31 March 2023	
	Number of units/shares*	Amount	Number of units/shares*	Amount
<b>Investments in Equity Instruments measured at FVOCI</b>				
<b>-Quoted</b>				
Bank of Baroda Limited	10,000.00	26.41	10,000.00	16.89
Greenply Industries Limited	1,000.00	2.31	1,000.00	1.39
Greenlam Industries Limited	1,000.00	5.06	1,000.00	3.00
Star Paper Mills Limited	100.00	0.22	100.00	0.15
Greenpanel Industries Limited	1,000.00	3.15	1,000.00	2.72
LIC Limited	442.00	4.05	442.00	2.36
Axis Bank Limited	119.00	1.25	119.00	1.02
Bajaj Finance Limited	27.00	1.96	27.00	1.52
Bajaj Finserv Limited	180.00	2.96	180.00	2.28
Coromandel International Limited	82.00	0.88	82.00	0.72
Grasim Industries Limited	141.00	3.23	141.00	2.30
HCL Technologies Limited	50.00	0.77	50.00	0.54
HDFC Bank Limited	77.00	1.11	77.00	1.24
Hindalco Industries Limited	540.00	3.03	540.00	2.19
Hindustan Unilever Limited	44.00	1.00	44.00	1.13
Infosys Limited	104.00	1.56	104.00	1.49
Nestle India Limited	90.00	2.36	9.00	1.77
NMDC Limited	1,874.00	3.78	1,874.00	2.09
NMDC Steel Limited	1,874.00	1.03	1,874.00	0.58
State Bank Of India	334.00	2.51	334.00	1.75
Tata Steel Limited	2,020.00	3.15	2,020.00	2.11
TCS Limited	66.00	2.56	66.00	2.12
Ultratech Cement Limited	14.00	1.36	14.00	1.07
<b>-Unquoted</b>				
National Stock Exchange Of India Limited	14,000.00	511.20	4,000.00	131.80
Kitply Industries Limited #	100.00**	-	100.00**	-
Merinoply and Chemicals Limited (refer (a) below)	1,64,006.00	17.50	1,64,006.00	17.50
Less: Provision for diminution in value of investments		(17.50)		(17.50)
Sanghi Polyesters Limited	500.00	0.20	500.00	0.20
Less: Provision for diminution in value of investments		(0.20)		(0.20)
KHSL Industries Limited	1,000.00**	0.20	1,000.00**	0.20
Less: Provision for diminution in value of investments		(0.20)		(0.20)
Sunsure Solarpark Sixteen Private Limited	4,115.00	56.87	-	-
Indian Laminate Manufacturer Association	125.00	1.50	125.00	1.50
<b>Investment in Alternative Investment fund measured at FVTPL</b>				
<b>-Unquoted</b>				
Avendus Absolute Return Fund-Class A6	-	-	38,419.35	499.62
Tata Capital Healthcare Fund II	50,000.00	269.96	50,000.00	199.42
Blume Ventures Fund 1X	1,00,000.00	206.01	1,00,000.00	206.28
ICICI Prudential Compact Fund	-	-	99,880.13	132.62
ICICI Prudential Compact Fund- Series II	2,14,445.08	286.46	2,14,445.08	242.13
SC Credit Trust-Sc Credit Fund	14.05	138.75	20.40	221.30
Alteria Capital India Fund - I	23,529.87	27.68	42,391.01	51.85
360 One India Private Equity Fund Series 1A (IIFL India Private Equity Fund Series 1A - Class A)	10,00,570.36	140.26	10,00,570.36	95.10

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note: 4 Non current investments (contd)

Particulars	31 March 2024		31 March 2023	
	Number of units/shares*	Amount	Number of units/shares*	Amount
Kotak Optimus Moderate Scheme Class A	94.54	141.91	94.54	120.91
Kotak Optimus Aggressive Scheme Class A	174.22	287.95	174.22	230.66
Trifecta Venture Debt Fund - III	1,81,460.00	186.08	1,32,460.00	139.22
White Oak India Select Equity Fund - Class A	12,06,594.18	271.78	12,06,594.18	201.46
360 One Special Opportunities Fund Series - 8 (IIFL Special Opportunities Fund Series - 8)	27,59,893.60	365.43	21,29,826.55	249.05
Inflexor Technology Fund	58.19	58.27	39.19	32.14
Kotak Pre IPO Opportunities Fund	16,930.58	168.59	12,989.80	126.78
Kotak India Renaissance Fund-I	20,408.12	263.36	20,408.12	202.63
Sixth Sense India Opportunities III	20,000.00	244.46	17,000.00	185.97
Tata Equity Plus Absolute Return Fund	9,999.50	114.86	9,999.50	101.12
ICICI Prudential Long Short Fund SR-II	-	-	99,995.00	103.63
Mirae Asset Late Stage Opportunities Fund	71.40	69.14	44.11	43.61
360 Commercial Yield Fund (IIFL Commercial Yield Fund)	9,38,602.92	104.83	-	-
Kotak Private Credit Fund	1,487.89	154.23	-	-
Neo Special Credit Oppoutunities Fund	600.00	62.34	-	-
True North Credit Opportunities Fund	3,966.92	41.22	-	-
India Realty Excellence Fund VI	-	20.00	-	-
Ivy Cap Ventures Fund-III	-	200.00	-	-
<b>Investment in Alternative Investment Fund measured at amortised cost</b>				
<b>-Unquoted</b>				
India Real Estate Investment Fund	97,113.00	97.11	1,74,114.00	174.11
Aventus Structured Credit Fund - II	94.29	99.47	71.32	71.32
<b>Investment in bond measured at amortised cost</b>				
<b>-Quoted</b>				
State Bank of India SR I 7.72 BD Perpetual	5.00	509.75	5.00	509.75
<b>Investment in promissory note measured at amortised cost</b>				
<b>-Unquoted</b>				
Artison Agrotech Private Limited**	-	10.00	-	10.00
Less: Provision for diminution in book value of investments**	-	(10.00)	-	(10.00)
<b>Investment in REIT/INVIT measured at FVTPL</b>				
<b>-Quoted</b>				
Mindspace Business Parks Real Estate Investment Trust	2,400.00	8.29	2,400.00	7.85
Invit Of India Grid Trust Preferential Unit	76,335.00	101.36	-	-
<b>-Unquoted</b>				
Invit Of India Infrastructure Trust	4,00,000.00	327.59	2,00,000.00	141.81
		<b>5,612.41</b>		<b>4,476.07</b>
<b>Aggregate amount of quoted investments</b>		695.08		570.01
<b>Aggregate amount of unquoted investments</b>		4,945.23		3,933.96
<b>Aggregate amount of impairment in value of investments</b>		27.90		27.90

\* Number of units are in absolute terms.

\*\* Includes investments acquired through business combination, pending transfer in the name of the Company.

# The stated figure nil represents value less than ₹ 0.01.

#### Note-

- (a) Merinopoly and Chemicals Limited is under liquidation. Investment is carried at nil value. Cost of investment was ₹17.50 (31 March 23: ₹17.50). Further, Company believes that there is no impact on the financial statements other than the impairment provision already made in the books of accounts.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

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(Rupees in lakhs, unless otherwise stated)

### Note: 5 Non current loans

Particulars	31 March 2024	31 March 2023
Loans to employees	26.02	19.82
	<b>26.02</b>	<b>19.82</b>

### Note: 6 Other non current financial assets

Particulars	31 March 2024	31 March 2023
Security deposits	877.85	727.48
Bank deposit (refer (a & b) below)	4.24	3,330.80
Interest accrued on bank deposits	0.02	421.05
	<b>882.11</b>	<b>4,479.33</b>

#### Note-

- (a) Bank deposit amounting ₹ Nil (31 March 23: ₹ 394) along with interest accrued thereon is on lien against letter of credit (refer note 46)
- (b) Bank deposit amounting ₹ 4.14 (31 March 23: 3.70) having maturity more than one year pledged with custom and excise authority

### Note: 7 Non current tax asset (net)

Particulars	31 March 2024	31 March 2023
Advance Income tax	2,914.63	1,968.05
	<b>2,914.63</b>	<b>1,968.05</b>

### Note: 8 Other non-current assets

Particulars	31 March 2024	31 March 2023
Capital advances	642.55	2,151.34
Prepaid expense	47.70	94.87
Balance with government authorities	1,009.51	1,053.04
Security deposit	10.87	11.32
	<b>1,710.63</b>	<b>3,310.57</b>

### Note: 9 Inventories

Particulars	31 March 2024	31 March 2023
(At lower of cost and net realisable value)		
<b>Raw materials</b>	35,620.94	33,412.34
[includes materials-in-transit 31 March 2024: ₹ 5,626.28 (31 March 2023: ₹ 4,534.49)]		
<b>Work-in-progress</b>	1,470.60	1,867.31
[includes materials-in-transit 31 March 2024: ₹ Nil (31 March 2023: ₹ 16.84)]		
<b>Stock in trade</b>	2,667.61	2,950.82
[includes materials-in-transit 31 March 2024: ₹ 175.35 (31 March 2023: ₹ 335.84)]		
<b>Finished goods</b>	14,192.52	16,385.48
[includes materials-in-transit 31 March 2024: ₹ 4,141.68 (31 March 2023: ₹ 3,458.10)]		
<b>Stores and spares</b>	4,986.79	3,528.13
[includes materials-in-transit 31 March 2024: ₹ 104.02 (31 March 2023: ₹ 126.46)]		
	<b>58,938.46</b>	<b>58,144.08</b>

- (a) Inventories are hypothecated to secure the current and non current borrowings (refer note 46).
- (b) Inventories written down to net realisable value relating to stores and spares amounted to ₹ 384.38 (31 March 2023: ₹ 336.82).
- (c) Inventories written down to net realisable value relating to finished goods amounted to ₹ 3218.00 (31 March 2023: ₹ 1258.91).

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note: 10 Biological assets other than bearer plants

Particulars	31 March 2024	31 March 2023
<b>Potato seed</b>		
Opening value of biological assets	1,525.76	1,078.33
Cost incurred during the year	32.55	1,525.76
Harvested potatoes transferred to inventories and sold during the year	(1,525.76)	(1,078.33)
Closing value of biological assets	<b>32.55</b>	<b>1,525.76</b>
<b>Crops</b>		
Opening value of biological assets	0.49	2.67
Cost incurred during the year	-	0.48
Purchases	-	3.77
Harvested crops transferred to inventories and sold during the year	-	(3.97)
Harvested crops transferred to inventories	(0.49)	(2.46)
Closing value of biological assets - crops	-	<b>0.49</b>
<b>Total</b>	<b>32.55</b>	<b>1,526.24</b>

(a) The Company has two category of biological assets i.e. potato seeds and annual crops.

The potato seeds up to the stage of G3 are considered as biological assets by the Company. These biological assets take few months for further biological transformation post which it is stored in cold storage till the next generation cycle. As on balance sheet date, there is insignificant biological transformation. Hence those biological assets of the Company are valued at cost.

The company determines the fair values of its products when they significantly achieve the attributes of intended biological transformation. When the biological assets attain the stage - ready for consumption (agriculture produce) it is considered as inventory at fair value on that date. Agricultural produce is the harvested product of the entity's biological assets. Harvested biological assets transferred to inventory at fair value amounting to ₹ Nil (31 March 2023 : ₹ 645.12 )

The annual crops were insignificant to the Company's operations.

(b) Inventories are hypothecated to secure short-term and long-term borrowings (refer note 46).

### Note: 11 Current investments

Particulars	31 March 2024		31 March 2023	
	Number of units/shares*	Amount	Number of units/shares*	Amount
<b>Investments in Equity Instruments measured at FVTPL</b>				
<b>-Quoted</b>				
Aarti Industries Limited	363	2.42	131	0.68
ABB India Limited	60	3.82	51	1.72
Abbott India Limited	24	6.51	26	5.74
Aditya Birla Capital Limited	3,528	6.19	2,345	3.60
Ajanta Pharma Limited	140	3.12	240	2.90
Akzo Nobel India Limited	124	2.96	75	1.73
Alkyl Amines Chemicals Limited	-	-	4,007	86.37
Ambuja Cements Limited	1,522	9.32	347	1.27
Apl Apollo Tubes Limited	454	6.79	320	3.85
Asian Paints Limited	3,481	99.09	6,003	165.78
Astral Limited	2,756	54.88	232	3.10
Astral Polytechnik Limited	286	5.69	185	2.47
Atul Limited	214	12.28	268	18.65

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note: 11 Current investments (contd)

Particulars	31 March 2024		31 March 2023	
	Number of units/shares*	Amount	Number of units/shares*	Amount
AU Small Finance Bank Limited	1,438	8.13	598	3.46
Avenue Supermarts Limited	57	2.58	52	1.77
Axis Bank Limited	7,219	75.60	4,823	41.41
Bajaj Finance Limited	1,678	121.57	3,265	183.39
Bajaj Finserv Limited	792	13.02	569	7.21
Balkrishna Industries Limited	112	2.60	112	2.19
BEML Land Assets Limited	-	-	82	0.25
BEML Limited	32	1.02	147	1.85
Berger Paints India Limited	-	-	4,414	25.68
Bharti Airtel Limited	545	6.70	284	2.13
Bharti Airtel PP Limited	1,833	15.06	1,240	4.55
Birla Corporation Limited	232	3.30	231	2.06
Campus Activewear Limited	-	-	389	1.30
Cartrade Tech Limited	68	0.43	68	0.26
CG Power And Industrial Solutions Limited	1,162	6.29	837	2.51
Cholamandalam Investment And Finance Company Limited	1,259	14.56	1,714	13.05
Cipla Limited	191	2.86	407	3.67
CMS Info Systems Limited	247	0.96	2,559	7.09
Coforge Limited	107	5.89	159	6.06
Computer Age Management Services Limited	155	4.52	79	1.60
Container Corporation of India Limited	-	-	432	2.51
Coromandel International Limited	1,235	13.28	1,234	10.85
Craftsman Automation Limited	33	1.42	49	1.60
Crompton Greaves Consumer Electricals Limited	10,348	27.68	8,325	24.39
Data Patterns India Limited	72	1.74	129	1.77
DCM Shriram Limited	1,721	14.70	1,894	14.16
Divis Laboratories Limited	716	24.64	1,300	36.70
Dixon Technologies India Limited	125	9.35	18	0.52
Dodla Dairy Limited	412	3.31	412	1.91
Dr Lal Pathlabs Limited	514	11.63	6,727	122.98
Eclerx Services Limited	597	14.13	744	9.60
Eicher Motors Limited	2,160	86.82	123	3.63
Fine Organic Industries Limited	8	0.32	15	0.65
Five-Star Business Finance Limited	583	4.19	256	1.38
FSN E-Commerce Ventures Limited	1,053	1.71	1,053	1.31
Garware Technical Fibres Limited	191	6.35	121	3.52
GMM Pfaudler Limited	3,089	38.18	4,878	71.51
Godrej Consumer Products	188	2.35	955	9.25
Grindwell Norton Limited	158	3.00	163	3.06
Havells India Limited	94	1.42	269	3.20
HCL Technologies Limited	4,965	76.64	364	3.95
HDFC Bank Limited	10,061	145.67	12,006	193.24
HDFC Life Insurance Company Limited	1,523	9.65	21,497	107.31

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note: 11 Current investments (contd)

Particulars	31 March 2024		31 March 2023	
	Number of units/shares*	Amount	Number of units/shares*	Amount
Hindalco Industries Limited	733	4.11	741	3.00
Hindustan Aeronautics Limited	883	29.38	558	15.24
Honeywell Automation India Limited	5	1.93	5	1.82
ICICI Bank Limited	10,893	119.09	2,819	24.73
ICICI Lombard General Insurance Company Limited	442	7.45	3,168	33.88
ICICI Securities Limited	1,916	13.94	3,038	13.00
IDFC Limited	3,836	4.25	2,812	2.21
IIFL Finance Limited	1,340	4.56	1,132	5.53
Indiamart Intermesh Limited	170	4.50	14	0.70
Indigo Paints Limited	151	1.90	246	2.48
Info Edge India Limited	315	17.62	84	3.13
Infosys Limited	2,312	34.63	851	12.15
Ipca Laboratories Limited	-	-	114	0.92
Jindal Stainless Limited	1,693	11.76	1,019	2.95
KEC International Limited	950	6.60	712	3.25
Kotak Mahindra Bank Limited	7,400	132.13	1,631	28.26
Larsen And Toubro Limited	771	29.05	392	8.48
Lemon Tree Hotels	1,004	1.31	12,692	9.80
LNT Technology Services Limited	-	-	3,718	125.61
LTI Mindtree Limited	26	1.28	24	1.14
Mahindra Holiday & Resort India Limited	-	-	4,180	11.28
Maruti Suzuki India Limited	29	3.65	79	6.55
Mastek Limited	155	3.94	106	1.63
Max Financial Services Limited	1,185	11.88	558	3.54
Metropolis Healthcare Limited	-	-	88	1.10
Multi Commodity Exchange Of India Limited	37	1.24	184	2.79
Narayana Hrudayalaya Limited	2,831	36.34	2,492	19.29
Natco Pharma Limited	-	-	1,518	8.55
Navin Fluorine International Limited	53	1.65	105	4.48
Nestle India Limited	2,971	77.91	464	91.43
NIIT Limited	3,806	19.29	3,806	12.42
NTPC Limited	2,664	8.95	1,905	3.34
Page Industries Limited	173	59.60	339	128.49
Patanjali Foods Limited	428	5.72	251	2.43
Persistent Systems Limited	154	6.14	120	5.53
Phoenix Mills Limited	95	2.64	202	2.63
PI Industries Limited	137	5.30	92	2.78
Pidilite Industries Limited	180	5.43	3,166	74.50
Poly Medicare Limited	124	1.97	185	1.76
Polycab India Limited	235	11.90	736	21.20
Rainbow Childrens Medicare Limited	4,631	60.09	316	2.31
Rbl Bank Limited	8,497	20.42	11,709	16.52
Redington India Limited	13,794	28.75	6,948	11.58

## Material accounting policies and other explanatory information

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### Note: 11 Current investments (contd)

Particulars	31 March 2024		31 March 2023	
	Number of units/shares*	Amount	Number of units/shares*	Amount
Reliance Industries Limited	265	7.89	147	3.43
RHI Magnesita India Limited	229	1.27	228	1.44
Saregama India Limited	742	2.58	810	2.68
SBI Life Insurance Company Limited	-	-	17	0.19
Sequent Scientific Limited	1,146	1.32	1,146	0.83
Sonata Software Limited	2,393	17.29	3,546	29.66
State Bank Of India	10,412	78.33	7,111	37.24
Sun Pharmaceutical Industries Limited	1,506	24.41	405	3.98
Suprajit Engineering Limited	14,675	60.48	33,419	115.23
Syngene International Limited	749	5.26	418	2.49
Tamilnad Mercantile Bank Limited	-	-	954	3.89
Tata Communications Limited	252	5.07	203	2.53
Tata Consultancy Services Limited	3,157	122.39	4,362	139.84
Tata Steel Limited	1,754	2.73	1,754	1.83
Titan Company Limited	2,225	84.60	6,574	165.33
Torrent Pharmaceuticals Limited	278	7.23	171	2.63
Tube Investments Of India Limited	1,856	69.35	525	13.37
UPL Limited	-	-	582	4.18
Vedant Fashions Limited	223	2.07	223	2.54
V-Mart retail Limited	-	-	2,710	58.60
Orchid Pharma Limited	3	0.03	-	-
Cello World Limited	94	0.73	-	-
Eureka Forbes Limited	176	0.80	-	-
Idfc First Bank Limited	1,122	0.85	-	-
Gokaldas Exports Limited	132	0.93	-	-
Sobha Limited	65	0.94	-	-
Bse Limited	53	1.33	-	-
Csb Bank Limited	414	1.47	-	-
Ksb Limited	44	1.70	-	-
Laurus Labs Limited	501	1.97	-	-
Krishna Institute Of Medical Sciences Limited	102	2.10	-	-
Icici Prudential Life Insurance Company Limited	348	2.12	-	-
R R Kabel Limited	140	2.15	-	-
Power Finance Corporation Limited	559	2.18	-	-
Sai Silks Kalamandir Limited	1,100	2.20	-	-
Astral Limited	113	2.25	-	-
Safari Industries India Limited	132	2.28	-	-
Intellect Design Arena Limited	217	2.38	-	-
Kajaria Ceramics Limited	209	2.41	-	-
Metro Brands Limited	210	2.42	-	-
Star Health And Allied Insurance Company Limited	450	2.45	-	-
Escorts Kubota Limited	90	2.50	-	-
Pfizer Limited	60	2.52	-	-

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note: 11 Current investments (contd)

Particulars	31 March 2024		31 March 2023	
	Number of units/shares*	Amount	Number of units/shares*	Amount
Venus Pipes & Tubes Limited	136	2.57	-	-
Alkem Laboratories Limited	54	2.67	-	-
Ramkrishna Forgings Limited	400	2.77	-	-
Samvardhana Motherson International Limited	2,400	2.81	-	-
Ccl Products India Limited	481	2.82	-	-
Jsw Infrastructure Limited	1,159	2.85	-	-
Glenmark Pharmaceuticals Limited	300	2.88	-	-
Bank Of Baroda	1,100	2.90	-	-
Mankind Pharma Limited	128	2.94	-	-
Blue Jet Healthcare Limited	778	2.98	-	-
Cholamandalam Financial Holdings Limited	269	2.99	-	-
Pvr Inox Limited	230	3.05	-	-
Go Fashion India Limited	265	3.19	-	-
Route Mobile Limited	201	3.22	-	-
Aavas Financiers Limited	252	3.32	-	-
Indo Count Industries Limited	950	3.36	-	-
Pi Industries Limited	92	3.56	-	-
Varun Beverages Limited	94	3.76	-	-
Bharat Electronics Limited	1,876	3.78	-	-
Indus Towers Limited	1,300	3.78	-	-
Indian Hotels Company Limited	682	4.03	-	-
Mahindra And Mahindra Limited	218	4.19	-	-
Grasim Industries Limited	200	4.57	-	-
Sona Blw Precision Forgings Limited	713	5.03	-	-
Adani Enterprises Limited	171	5.47	-	-
Zomato Limited	3,097	5.64	-	-
Kei Industries Limited	177	6.12	-	-
Adani Ports And Special Economic Zone Limited	530	7.11	-	-
Sbfc Finance Limited	8,997	7.36	-	-
Tata Elxsi Limited	100	7.78	-	-
Shriram Pistons And Rings Limited	402	7.88	-	-
Jindal Steel And Power Limited	935	7.94	-	-
Interglobe Aviation Limited	267	9.47	-	-
Dlf Limited	1,140	10.24	-	-
Indusind Bank Limited	810	12.59	-	-
Jsw Energy Limited	2,425	12.83	-	-
Tvs Motor Company Limited	708	15.23	-	-
Cyient Limited	1,279	25.53	-	-
Dr Reddys Laboratories Limited	521	32.08	-	-
Pds Limited	7,065	33.45	-	-
Mold-Tek Packaging Limited	5,470	42.81	-	-
Itc Limited	10,088	43.21	-	-
Skf India Limited	1,044	43.42	-	-

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note: 11 Current investments (contd)

Particulars	31 March 2024		31 March 2023	
	Number of units/shares*	Amount	Number of units/shares*	Amount
Control Print Limited	4,836	44.97	-	-
Trent Limited	2,437	96.21	-	-
<b>Investment in mutual funds measured at FVTPL</b>				
<b>-Quoted</b>				
Axis Focused 25 Fund Growth (AFGPG)	5,46,112.39	268.14	5,46,112.39	199.17
ICICI Pru - Equity Savings Fund	-	-	1,87,837.76	34.13
ICICI Pru - Balanced Advantage Fund	29,00,529.32	1,869.39	29,00,529.32	1,523.36
Mirae Asset Large Cap Fund- Regular Growth Plan	8,20,182.88	791.02	8,20,182.88	628.68
Mirae Asset Focused Fund-Regular Plan Growth	9,72,877.66	211.67	9,72,877.66	173.40
Edelweiss Flexi Cap Fund-Regular Plan-Growth	15,17,036.55	481.73	15,17,036.55	346.03
Aditya Birla Sun Life Flexi Cap Fund -Growth-Rp	7,047.84	105.36	7,047.84	76.73
Kotak Emerging Equity Fund-Growth(Regular Plan)	2,01,983.89	207.02	2,01,983.89	150.03
Kotak Flexicap Fund-Grwoth (Regular Plan)	5,55,307.90	396.70	5,55,307.90	294.40
Aditya Birla Sunlife Flexi Cap Fund-Growth-Direct Plan	8,162.94	134.96	8,162.94	97.50
UTI Flexi Cap Fund - Regular Plan Growth	55,753.22	150.98	55,753.22	122.81
AXIS Bluechip Fund - Regular Plan Growth	-	-	18,81,308.96	779.80
ICICI Prudential Equity Savings Fund-Cumulative	20,58,068.44	416.96	18,70,230.68	339.82
Kotak Balanced Advantage Fund-Growth-Regular Plan	22,70,377.66	405.97	30,64,361.46	458.83
Kotak Pioneer Fund Growth-Regular Plan	9,35,811.79	235.54	9,35,811.79	162.97
SBI Focused Equity Fund Regular Growth	61,626.59	179.10	61,626.59	134.18
Axis Balanced Advantage Fund-Regular Growth	-	-	33,54,995.75	473.72
Mirae Aeest Midcap Fund Regular Plan Growth	16,78,074.17	502.68	16,78,074.17	342.18
Nippon India Mutual Fund ETF Nifty BeES	50,000.00	122.39	50,000.00	94.97
Nippon India Mutual Fund ETF Junior BeES	10,000.00	63.66	10,000.00	39.99
Kotak Bluechip Fund	72,653.30	357.01	41,139.89	152.81
SBI Bluechip Fund	3,31,278.71	264.99	3,31,278.71	204.59
ICICI Prudential Liquid ETF	-	-	500.00	5.00
Franklin Flexi Cap Fund-Growth-Dp	24,427.72	375.33	-	-
ICICI Prudential Banking & Financial Services Fund-Growth-Dp	44,668.54	53.41	-	-
Kotak Emerging Equity Fund-Growth-Dp	2,56,029.16	299.61	-	-
SBI Contra Fund - Dp	87,755.52	315.49	-	-
DSP Nifty 1D Rate Liquid Etf	1,010.00	10.10		
<b>Investment in non convertible debenture measured at amortised cost (secured)</b>				
<b>-Quoted</b>				
Aseem Infrastructure Finance Limited	30	322.98	30.0	322.98
Nuvama Wealth Finance Limited SR	20	204.83	20.00	204.83
Manipal Education And Medical Group India Pvt Ltd	50	523.04	-	-
		<b>12,155.04</b>		<b>9,927.58</b>
<b>Aggregate amount of quoted investments</b>		<b>12,155.04</b>		<b>9,927.58</b>
<b>Aggregate amount of unquoted investments</b>		<b>-</b>		<b>-</b>

\* Number is in absolute terms.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

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(Rupees in lakhs, unless otherwise stated)

### Note: 12 Trade receivables

Particulars	31 March 2024	31 March 2023
Unsecured		
Considered good	20,643.74	16,939.41
Credit impaired	385.40	435.67
	21,029.14	17,375.08
Less: Impairment allowance	385.40	435.67
	20,643.74	16,939.41
Secured		
Considered good	825.96	581.03
	<b>21,469.70</b>	<b>17,520.44</b>

(a) Trade receivables have been hypothecated to secure the short term and long term borrowings (refer note 46).

(b) Includes receivable from related parties of ₹ 1,244.16 (31 March 2023 : ₹ 8.14) (refer note 54).

(c) The amount is secured against security deposit received from customers.

### Trade receivables ageing schedule

As at 31 March 2024	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
(i) Considered good	14,039.78	6,925.90	278.44	194.57	19.08	11.93	21,469.70
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	60.63	44.95	30.37	62.76	52.55	251.26
<b>Disputed</b>							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	0.11	-	-	7.50	126.53	134.14
<b>Total</b>	<b>14,039.78</b>	<b>6,986.64</b>	<b>323.39</b>	<b>224.94</b>	<b>89.34</b>	<b>191.01</b>	<b>21,855.10</b>
Less: Impairment allowance							385.40
<b>Total Trade receivables</b>							<b>21,469.70</b>

As at 31 March 2023	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed</b>							
(i) Considered good	13,281.30	3,422.89	493.84	201.14	2.71	118.56	17,520.44
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	61.65	87.15	47.45	7.96	50.14	254.35
<b>Disputed</b>							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	2.44	-	67.76	29.13	81.99	181.32
<b>Total</b>	<b>13,281.30</b>	<b>3,486.98</b>	<b>580.99</b>	<b>316.35</b>	<b>39.80</b>	<b>250.69</b>	<b>17,956.11</b>
Less: Impairment allowance							435.67
<b>Total Trade receivables</b>							<b>17,520.44</b>

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note: 13 Cash and cash equivalents

Particulars	31 March 2024	31 March 2023
<b>Cash and cash equivalents:</b>		
Cash on hand	8.55	8.99
Foreign currency on hand	-	5.48
Bank deposit having original maturity less than 3 months	-	-
Cash in PMS portfolio	281.60	28.46
<b>Balances with banks:</b>		
On current accounts	140.32	393.19
Cheques and drafts on hand	-	4.80
On cash credit accounts	983.67	541.94
	<b>1,414.14</b>	<b>982.86</b>

### Note: 14 Bank balances other than (iii)

Particulars	31 March 2024	31 March 2023
Unpaid dividend accounts (refer (a) below)	17.56	19.65
Bank deposits* (refer (b) below)	629.05	594.41
Interest accrued on bank deposits	4.13	16.19
	<b>650.74</b>	<b>630.25</b>

\* deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the balance sheet date.

#### Note:

- (a) Earmarked for payment of unpaid / unclaimed dividends. The corresponding liability is disclosed as unclaimed dividend in note 29.
- (b) Bank deposit amounting ₹ 629.05 (31 March 23: ₹ 594.30) along with interest accrued thereon is pledged against credit facility drawn by KBGB Agritech Private Limited (Earlier known as Kasturi Bai Gopi Babu Cold Storage Private Limited). (refer note 46, 54 & 56)

### Note: 15 Loans

Particulars	31 March 2024	31 March 2023
Loans to Employees	174.60	146.74
	<b>174.60</b>	<b>146.74</b>

No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties either severally or jointly with any other person.

### Note: 16 Other current financial assets

Particulars	31 March 2024	31 March 2023
<b>Security Deposits</b>		
Considered good	110.37	92.73
Doubtful	7.50	7.50
Less: Provision for doubtful security deposit	(7.50)	(7.50)
<b>Net Security deposits</b>	<b>110.37</b>	<b>92.73</b>
Bank deposits* (refer (a) & (b) below)	552.30	3,209.87
Margin money deposit (refer (c) below)	13.32	13.32
Interest accrued on bank deposits	37.35	382.94
Dividend receivable	0.04	0.13
Insurance claim receivable	-	0.08
Interest accrued on deposits and others	62.08	45.81
Derivative assets	108.27	334.18
Others receivables	598.89	745.42
Export incentives receivable	30.45	55.87
Receivable from statutory/government authorities	12.50	3.86
	<b>1,525.57</b>	<b>4,884.21</b>

- (a) Bank deposit amounting ₹ 552.30 (31 March 23: ₹ 520.53) along with interest accrued thereon is pledged against credit facility drawn by KBGB Agritech Private Limited (Earlier known as Kasturi Bai Gopi Babu Cold Storage Private Limited). (refer note 46, 54 and 56)

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

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(Rupees in lakhs, unless otherwise stated)

(b) Bank deposit amounting ₹ Nil (31 March 23: ₹ 649.00) along with interest accrued thereon is on lien against letter of credit (refer note 46).

(c) Margin money given towards bank guarantee (refer note 46)

### Note: 17 Other current assets

Particulars	31 March 2024	31 March 2023
<b>Advances to suppliers</b>		
Considered good	1,874.88	528.39
Considered doubtful	16.43	16.43
Less : Impairment allowance	(16.43)	(16.43)
<b>Net advances to suppliers</b>	<b>1,874.88</b>	<b>528.39</b>
<b>Advances recoverable in cash or kind</b>		
Considered good	47.43	55.68
Considered doubtful	1.31	1.31
Less: Provision for doubtful advances	(1.31)	(1.31)
<b>Net advances recoverable in cash or kind</b>	<b>47.43</b>	<b>55.68</b>
Prepaid expenses	1,429.73	1,116.79
Balance with statutory/government authorities	10,086.52	7,798.19
Others	61.17	60.98
	<b>13,499.73</b>	<b>9,560.03</b>

### Note: 18 Equity share capital

Particulars	31 March 2024	31 March 2023
<b>Authorised</b>		
1,97,50,000 (31 March 2023; 1,97,50,000) equity shares of ₹ 10/- each	1,975.00	1,975.00
<b>Issued</b>		
1,13,75,179 (31 March 2023 : 1,13,75,179) equity shares of ₹ 10/- each	1,137.52	1,137.52
<b>Subscribed and paid-up</b>		
1,11,78,679 (31 March 2023 : 1,11,78,679) equity shares of ₹ 10/- each fully paid up	1117.87	1117.87
Add : Forfeited equity shares :		
Amount paid-up on 1,96,500 (31 March 2023 : 1,96,500) equity shares	10.07	10.07
	<b>1,127.94</b>	<b>1,127.94</b>

#### (a) Reconciliation of the number of shares outstanding is set out below:

Particulars	31 March 2024	31 March 2023
Equity shares at the beginning of the year	1,11,78,679	1,11,78,679
Addition during the year	-	-
Equity shares at the end of the year	1,11,78,679	1,11,78,679

#### (b) Rights, preference and restrictions attached to shares issued:

The company has only one class of equity shares having a par value of ₹ 10/- each. Each equity shareholder is entitled to one vote per share held.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

## Material accounting policies and other explanatory information

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CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note: 18 Equity share capital (contd)

#### (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of the shareholders	31 March 2024		31 March 2023	
	Number of shares*	%held	Number of shares*	%held
Mrs. Sita Devi Lohia	18,45,467.00	16.51	2,57,456	2.30
Mr. Champalal Lohia**	-	-	12,76,091	11.42
Mr. Rup Chand Lohia	7,07,789	6.33	12,29,662	11.00
Mrs. Tara Devi Lohia	22,37,854	20.02	11,63,847	10.41
Mr. Prakash Lohia	4,73,161	4.23	11,88,389	10.63
Mr. Madhusudan Lohia	3,96,235	3.54	9,97,336	8.92
Mrs. Praveena Lohia	4,58,613	4.10	9,80,486	8.77
Ms. Ruchira Lohia	7,32,145	6.55	7,32,145	6.55
	<b>68,51,264</b>	<b>61.28</b>	<b>78,25,412</b>	<b>70.00</b>

\*Number is in absolute terms.

\*\* Shares of Mr. Champalal Lohia has been transferred to Mr. Deepak Lohia on 1 December 2023.

#### (d) Details of shares held by the promoters in the Company:

Promoter Name	31 March 2024			31 March 2023		
	Number of shares*	% of shares	% increase / (decrease) during the year	Number of shares*	% of shares	% increase / (decrease) during the year
Mrs. Sita Devi Lohia	18,45,467	16.51	14.21	2,57,456	2.30	(14.22)
Mr. Prakash Lohia	4,73,161	4.23	(6.40)	11,88,389	10.63	6.38
Prakash Lohia (HUF)	68	-	-	68	-	-
Mrs. Neera Lohia	1,85,540	1.66	(2.44)	4,58,322	4.10	2.46
Mr. Madhusudan Lohia	3,96,235	3.54	(5.38)	9,97,336	8.92	5.38
Mrs. Mita Lohia	136	-	-	136	-	-
Ms. Vani Lohia	3,390	0.03	-	3,390	0.03	-
Mr. Mihir Man Lohia	1,356	0.01	-	1,356	0.01	-
Mr. Champalal Lohia	-	-	(11.42)	12,76,091	11.42	-
Champalal Lohia (HUF)	68	-	-	68	-	-
Mrs. Tara Devi Lohia	22,37,854	20.02	9.61	11,63,847	10.41	-
Mr. Bikash Lohia	4,52,196	4.05	2.36	1,89,192	1.69	-
Mrs. Shashi Lohia	20,505	0.18	-	20,505	0.18	-
Mr. Deepak Lohia	83,045	0.74	(0.57)	1,46,165	1.31	-
Ms. Usha Lohia**	2,03,392	1.82	-	2,03,392	1.82	-
Mrs. Sheela Lohia	3,05,871	2.74	-	3,05,871	2.74	-
Ms. Ruchira Lohia	7,32,145	6.55	-	7,32,145	6.55	-
Mr. Rupchand Lohia	7,07,789	6.33	(4.67)	12,29,662	11.00	-
Mr. Rupchand Lohia (HUF)	68	-	-	68	-	-
Mrs. Praveena Lohia	4,58,613	4.10	(4.67)	9,80,486	8.77	-
Mr. Prasan Lohia	2,08,005	1.86	-	2,08,005	1.86	-
Mr. Prasan Lohia (HUF)	68	-	-	68	-	-
Mrs. Meghna Lohia	70,023	0.63	-	70,023	0.63	-
Mr. Abhiroop Lohia	35,011	0.31	-	35,011	0.31	-
Ms. Anuja Lohia	35,011	0.31	-	35,011	0.31	-
Mr. Manoj Lohia	1,42,016	1.27	-	1,42,016	1.27	-

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### Note: 18 Equity share capital (contd)

Promoter Name	31 March 2024			31 March 2023		
	Number of shares*	% of shares	% increase / (decrease) during the year	Number of shares*	% of shares	% increase / (decrease) during the year
Manoj Lohia (HUF)	68	-	-	68	-	-
Mrs. Vandana Lohia	87,533	0.78	-	87,533	0.78	-
Ms. Pragya Lohia	34,500	0.31	-	34,500	0.31	-
Ms. Prekshi Lohia	84,000	0.75	-	84,000	0.75	-
Mrs. Uma Singhi & Mr. Madan Mohan Singhi (Jointly)	80,068	0.72	-	80,068	0.72	-
Mr. Madan Mohan Singhi & Mrs. Uma Singhi (Jointly)	25,800	0.23	-	25,800	0.23	-
Mrs. Nayantara Agrawal	81,118	0.73	-	81,118	0.73	-
Mr. Govind Mundra & Mrs. Asha Mundra (Jointly)	2,200	0.02	-	2,200	0.02	-
Mr. Govind Mundra	7,800	0.07	-	7,800	0.07	-
Mr. Nripen Kumar Dugar	600	0.01	-	600	0.01	-
Mrs. Asha Mundhra	80,068	0.72	-	80,068	0.72	-
Ms. Radhika Lohia	50,000	0.45	-	50,000	0.45	-
Mr. Anurag Lohia	1,00,000	0.89	-	1,00,000	0.89	(0.01)
Ms. Priyanka Lohia	3,00,000	2.68	-	3,00,000	2.68	-
Mr. Madan Mohan Singi	100	-	-	100	-	-
Kasturi Bai Gopi Babu Cold Storage Private Limited	67,800	0.61	-	67,800	0.61	-
	<b>95,98,688</b>	<b>85.86</b>	<b>(9.37)</b>	<b>1,06,45,734</b>	<b>95.23</b>	<b>(0.01)</b>

The above promoter shareholding is in accordance with the definition of promoter as per Section 2(69) of the Companies Act, 2013.

\* Number is in absolute terms.

\*\*Transfer of shares are pending in favour of Mrs. Tara Devi Lohia being the surviving member & legal guardian of Ms. Usha Lohia. The certificate in favour of Mrs. Tara Devi Lohia had been obtained from competent authority.

- e) No shares have been issued for consideration other than cash or as bonus shares and no shares have been bought back in the five years immediately preceding the balancesheet date.

### Note: 19 Other equity

Particulars	31 March 2024	31 March 2023
<b>Reserves and surplus:</b>		
Securities premium reserve	339.72	339.72
Capital redemption reserve	3.16	3.16
Statutory reserve	233.59	233.59
General reserve	14,634.76	13,419.39
Retained earnings	1,19,659.29	1,09,700.62
<b>Total (I)</b>	<b>1,34,870.52</b>	<b>1,23,696.48</b>
<b>Other comprehensive income :</b>		
Equity instruments through other comprehensive income	34.01	16.60
<b>Total (II)</b>	<b>34.01</b>	<b>16.60</b>
<b>Total other equity (I+II)</b>	<b>1,34,904.53</b>	<b>1,23,713.08</b>

#### Nature and purpose of other reserves

##### Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is to be utilised in accordance with the provisions of the Act.

## Material accounting policies and other explanatory information

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### Note: 19 Other equity (contd)

#### Statutory reserve

This Reserve has been transferred to the Company in the course of business combinations and it represents profits transferred before declaration of dividend by the Company as per the requirement of the Reserve Bank of India (RBI) for NBFC. The same can be utilised in accordance with the RBI Act, 1934.

#### Capital Redemption reserve

This Reserve has been transferred to the Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

#### General reserve

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as bonus issue, etc. This represents free reserve.

#### Equity Instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity securities which are not held for trading in other comprehensive income. These changes are accumulated within the FVOCI equity investments through other reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

#### Retained earnings

Retained earnings are created from the profit / loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

### Note: 20 Non current borrowings

Particulars	31 March 2024	31 March 2023
<b>Secured</b>		
Term loan		
From banks		
Indian rupee loans (refer (a) below)	29,594.74	27,986.05
Foreign currency loan (refer (b) below)	443.14	2,182.64
	<b>30,037.88</b>	<b>30,168.69</b>
Less:- Current maturities of long term debt (payable within a year)		
Indian rupee loans (refer (a) below)	8,200.85	32.93
Foreign currency loan (refer (b) below)	443.14	1,746.11
	<b>8,643.99</b>	<b>1,779.04</b>
	<b>21,393.89</b>	<b>28,389.65</b>

#### (a) Repayment terms and nature of security given for Indian rupee loan from banks:

Bank	31 March 2024	31 March 2023	Nature of Securities	Repayment Terms
Axis Bank Limited	29,594.74	27,986.05	Exclusive charge on both movable and immovable property, plant and equipment of Halol project of the Company. Second pari passu charge by way of hypothecation of the entire stock of goods, consumable and stores, other current assets and book debts of the Company both present and future.	Sanctioned loan amount is ₹ 32,500. Repayable in eleven equal quarterly instalments of ₹ 2,708 and last instalment of ₹ 2,712 is due in January 2027. Interest is payable monthly at the rate of 5.75% p.a.
	<b>29,594.74</b>	<b>27,986.05</b>		

## Material accounting policies and other explanatory information

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### Note: 20 Non current borrowings (contd)

#### (b) Repayment terms and nature of securities given for foreign currency term loan from bank:

Bank	31 March 2024	31 March 2023	Nature of Securities	Repayment Terms
Citibank N . A	443.14	2,182.64	Exclusive charge on specific fixed assets of Project 2 at Dahej, Gujarat. Pari passu charge on land and buildings and other movable fixed assets at Dahej. Second pari passu charge on the entire current assets of the Company.	Repayable in sixteen equal quarterly instalments starting from 23 July 2020. Interest is payable in every three months at the rate of 8.04% p.a on fully hedged basis. The balance amount of the loan is repayable in equal five quarterly instalments on fully hedged basis. Last instalment of ₹ 443.14 will be due on 23 April 2024..
	443.14	2,182.64		

(c) Outstanding balances of loan as indicated in (a) & (b) above is inclusive of current maturities of such loan as disclosed in note 26

#### (d) Registration of charges or satisfaction with Registrar of Companies

(i) There are certain charges yet to be satisfied with Registrar of Companies as follows:

Bank Name	31 March 2024	31 March 2023	Reasons
Kotak Mahindra Bank Limited	2,300.00	2,300.00	Pursuant to business combination facility merged with the Company. Process has been initiated to obtain NOC from Bank for filing satisfaction of charge with Registrar of Companies.
Axis Bank Limited	19,000.00	-	New charge created along with the facility merged pursuant to business combination so the Company is in discussion with bank for satisfaction of charge with Registrar of Companies.
Axis Bank Limited	9,000.00	-	Charge already created against consortium facility so the Company is in discussion with bank for satisfaction of charge with Registrar of Companies.
Uttar Pradesh Financial Corporation (UPFC)	-	1.18	Charge satisfied on 23 <sup>rd</sup> February 2024.
Union Bank of India	25.00	25.00	Charge was last modified on 12 October 1982 being an old case the Company is in discussion with bank for satisfaction of charge with Registrar of Companies.

(ii) There are certain charges yet to be created with Registrar of Companies.

Bank Name	31 March 2024	31 March 2023	Reasons
Axis Bank Limited	-	7,000.00	Pursuant to business combination facility merged with the Company. New charge created along with this.

### Note: 21 Non current lease liabilities

Particulars	31 March 2024	31 March 2023
Lease liabilities (refer note 45)	1,351.51	1,781.69
	<b>1,351.51</b>	<b>1,781.69</b>

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(Rupees in lakhs, unless otherwise stated)

### Note: 22 Other non current financial liabilities

Particulars	31 March 2024	31 March 2023
Employee benefits payable	7.96	18.40
	<b>7.96</b>	<b>18.40</b>

### Note: 23 Non current provisions

Particulars	31 March 2024	31 March 2023
Provision for decommissioning	562.74	38.49
	<b>562.74</b>	<b>38.49</b>

### Note: 24 Deferred tax liabilities (net)

Particulars	31 March 2024	31 March 2023
<b>Deferred tax liabilities</b>		
Property, plant and equipment and other intangible assets - depreciation and amortisation	2,905.72	1,881.17
Lease liabilities (net of right-of-use assets)	45.84	-
Fair valuation of financial instruments- Investments	926.01	349.00
Others	67.67	-
	<b>3,945.24</b>	<b>2,230.17</b>
<b>Deferred tax assets</b>		
Lease liabilities (net of right-of-use assets)	-	51.07
Provision for employee benefits	511.17	460.29
Expected credit loss/impairment of financial and non-financial assets	103.35	116.00
Expenses allowed for tax purpose on payment basis	82.17	117.71
Others	16.62	62.23
	<b>713.31</b>	<b>807.30</b>
	<b>3,231.93</b>	<b>1,422.87</b>

### Movements in deferred tax liabilities

Particulars	1 April 2023	Recognised in		31 March 2024
		Other Comprehensive Income	Statement of Profit and Loss	
<b>Deferred tax liabilities</b>				
Property, plant and equipment and other intangible assets - depreciation and amortisation	1,881.17	-	1,024.55	2,905.72
Lease liabilities (net of right-of-use assets)	-	-	45.84	45.84
Fair valuation of financial instruments- Investments	349.00	5.85	571.16	926.01
Others	-	-	67.67	67.67
<b>Sub total (A)</b>	<b>2,230.17</b>	<b>5.85</b>	<b>1,709.22</b>	<b>3,945.24</b>
<b>Deferred tax assets</b>				
Lease liabilities (net of right-of-use assets)	51.07	-	(51.07)	-
Provision for employee benefits	460.29	(8.88)	59.76	511.17
Expected credit loss/impairment of financial and non-financial assets	116.00	-	(12.65)	103.35
Expenses allowed for tax purpose on payment basis	117.71	-	(35.54)	82.17
Others	62.23	-	(45.61)	16.62
<b>Sub total (B)</b>	<b>807.30</b>	<b>(8.88)</b>	<b>(85.11)</b>	<b>713.31</b>
<b>Total (A-B)</b>	<b>1,422.87</b>	<b>14.73</b>	<b>1,794.33</b>	<b>3,231.93</b>

## Material accounting policies and other explanatory information

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### Note: 24 Deferred tax liabilities (net) (contd)

Particulars	1 April 2022	Recognised in		31 March 2023
		Other Comprehensive Income	Statement of Profit and Loss	
<b>Deferred tax liabilities</b>				
Property, plant and equipment and other intangible assets - depreciation and amortisation	2,015.53	-	(134.36)	1,881.17
Fair valuation of financial instruments- Investments	462.18	2.01	(115.19)	349.00
Others	8.66		(8.66)	-
<b>Sub total (A)</b>	<b>2,486.37</b>	<b>2.01</b>	<b>(258.21)</b>	<b>2,230.17</b>
<b>Deferred tax assets</b>				
Lease liabilities (net of right-of-use assets)	35.09	-	15.98	51.07
Provision for employee benefits	218.72	145.51	96.06	460.29
Expected credit loss/impairment of financial and non-financial assets	93.61	-	22.39	116.00
Expenses allowed for tax purpose on payment basis	95.10	-	22.61	117.71
Others	33.95	-	28.28	62.23
<b>Sub total (B)</b>	<b>476.47</b>	<b>145.51</b>	<b>185.32</b>	<b>807.30</b>
<b>Total (A-B)</b>	<b>2,009.90</b>	<b>(143.50)</b>	<b>(443.53)</b>	<b>1,422.87</b>

### Note: 25 Other non-current liabilities

Particulars	31 March 2024	31 March 2023
Deferred government grants	66.03	72.12
	<b>66.03</b>	<b>72.12</b>

Government grants are related to acquisition of plant & machinery for Potato flakes plant & CO-GEN plant. There are no unfulfilled conditions or other contingencies attached to these grants. The company did not benefit directly from any other forms of government assistance.

### Note: 26 Current borrowings

Particulars	31 March 2024	31 March 2023
<b>Secured</b>		
<b>Working capital loans (refer (a) and (b) below)</b>		
<b>From banks:</b>		
Cash credit	5.20	467.29
Rupee packing credit loan (refer (c) below)	7,970.36	4,100.00
Working capital demand loan (refer (d) below)	2,800.00	504.59
<b>Current maturities of long-term debt (refer note 20)</b>	<b>8,643.99</b>	<b>1,779.04</b>
<b>Others (refer (e) below)</b>		
Bills discounted with bank	837.50	837.50
<b>Unsecured</b>	<b>20,257.05</b>	<b>7,688.42</b>
<b>Working capital loans</b>		
<b>From banks:</b>		
Rupee packing credit loan (refer (c) below)	20,225.00	17,010.00
Working capital demand loan (refer (d) below)	6,595.00	3,000.00
<b>Others:</b>		
From related parties (refer (f) below)	3,757.50	3,373.50
	<b>30,577.50</b>	<b>23,383.50</b>
	<b>50,834.55</b>	<b>31,071.92</b>

## Material accounting policies and other explanatory information

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### Note: 26 Current borrowings (contd)

(a) Working capital loans are secured by way of:

- i) Primary Security : Hypothecation of the trade receivables and inventories of the Company on pari-passu basis, both present and future.
- ii) Collateral Security: Second Charge on the entire property, plant and equipment of the Company including capital work in progress except those assets charged exclusively to other banks, both present and future, on pari passu basis, with other consortium banks.

(b) Freehold land with carrying value of ₹ 535.28 (31 March 2023 : ₹535.28) (Hapur ₹ 143.08 and Hosur ₹ 392.20) have been mortgaged for availing working capital loan from Axis Bank Consortium. Details are as follows:

Description	Land area (in sq mtr.)	31 March 2024	31 March 2023
Factory Land-Plot No 20/1B & 19	13,597.43	96.17	96.17
Factory Land-Plot No 49/1A & 48/2C	3,035	56.19	56.19
Factory Land-Plot No 49/1A & 49/1B	1,012	24.65	24.65
Factory Land-Plot No 49/1B	4,046.85	70.13	70.13
Factory Land-Khasara 364/419,367	3,600	8.25	8.25
Factory Land-Khasra 420	150	0.02	0.02
Factory Land-Khasra 421	8,350	0.49	0.49
Factory Land-Khasra 422	5,190	0.42	0.42
Factory Land-Khasra 423	2,350	0.78	0.78
Factory Land-Khasra 429	6,830	1.68	1.68
Factory Land-Khasra 435	18,000	59.32	59.32
Freehold Land HPDA-PB-01	4,397.88	72.13	72.13
Land at Hosur-Plot No: 49/1A , 48/2C	3,035	78	78
Land at Hosur-Plot No: 49/1A , 49/1B	1,821	67.05	67.05
<b>Total</b>		<b>535.28</b>	<b>535.28</b>

(c) Packing credit loan is repayable within 180 days (31 March 2023 : within 180 days) from the date of drawdown by the Company. The effective weighted-average contractual rate of 6.07 % per annum (31 March 2023 : 5.71 % per annum) calculated using the effective interest rates for the respective borrowings as at reporting dates.

(d) Working capital demand loan is repayable within 180 days ((31 March 2023: within 180 days) from the date of drawdown by the Company. The effective weighted-average contractual rate of 8.46 % per annum (31 March 2023 : 7.83 % per annum) calculated using the effective interest rates for the respective borrowings as at reporting dates.

(e) Bills discounting facilities are secured by first loss default guarantee issued by the Company in favor of respective bank up to a ceiling of 7.5% (7.5% as on 31 March 2023) of the sanctioned limits.

(f) Loan from Merino Properties Private Limited ₹ 3,757.50 (31 March 2023: ₹ 3,373.50) are unsecured, repayable on demand bearing interest rate 10.50%.

### Note: 27 Current lease liabilities

Particulars	31 March 2024	31 March 2023
Lease liabilities (refer note 45)	486.99	837.79
	<b>486.99</b>	<b>837.79</b>

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

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### Note: 28 Trade payables

Particulars	31 March 2024	31 March 2023
Trade payables		
-Total outstanding dues of micro enterprises and small enterprises ('MSME')	1,688.45	1,889.10
-Total outstanding dues of creditors other than MSME	24,952.08	18,456.70
	<b>26,640.53</b>	<b>20,345.80</b>

Note - Includes payable to related parties of ₹ 619.04 (31 March 2023 : ₹ 770.53) (refer note 54)

### Trade payables ageing schedule

31 March 2024	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	1,565.78	116.41	1.44	3.73	1.09	1,688.45
ii) Others	23,438.49	1,361.16	92.85	4.65	6.73	24,903.88
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - others	-	-	-	0.83	47.37	48.20
<b>Total</b>	<b>25,004.27</b>	<b>1,477.57</b>	<b>94.29</b>	<b>9.21</b>	<b>55.19</b>	<b>26,640.53</b>

31 March 2023	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i) MSME	1,514.04	357.79	12.33	4.55	0.39	1,889.10
ii) Others	17,666.21	701.41	16.48	4.88	9.16	18,398.14
iii) Disputed Dues - MSME	-	-	-	-	-	-
iv) Disputed Dues - others	-	-	-	-	58.56	58.56
<b>Total</b>	<b>19,180.25</b>	<b>1,059.20</b>	<b>28.81</b>	<b>9.43</b>	<b>68.11</b>	<b>20,345.80</b>

### Note: 29 Other current financial liabilities

Particulars	31 March 2024	31 March 2023
Interest accrued but not due on borrowings	207.00	190.61
Liabilities for purchase of capital assets	3,542.33	7,358.41
Derivative liability	-	25.11
Employee benefits payable	1,523.50	1,220.86
Deposits from customers and suppliers	1,246.58	975.70
Contract liability against loyalty points and others	2,798.06	1,766.11
Refund liability against periodical schemes	2,120.80	765.67
Unpaid dividend*	17.56	19.65
Other payables	326.48	330.52
	<b>11,782.31</b>	<b>12,652.64</b>

\* There are no amount due and outstanding as at year end to be credited to Investor education and protection fund under Sub-section 5 of Section 124 of the Act.

## Material accounting policies and other explanatory information

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### Note: 30 Other current liabilities

Particulars	31 March 2024	31 March 2023
Advances from customers/contract liabilities	2,466.45	4,114.68
Statutory dues	872.37	1,134.61
	<b>3,338.82</b>	<b>5,249.29</b>

### Note: 31 Current provisions

Particulars	31 March 2024	31 March 2023
Provision for employee benefits (refer note 49)		
Compensated absences*	1,487.92	1,186.59
Defined benefit obligations (gratuity)	543.12	642.30
Provision for litigation	2,128.60	2,348.99
	<b>4,159.64</b>	<b>4,177.88</b>

\* The provision for compensated absences has been considered as current since employees have an unconditional right of avilment of leave at any time.

### Note: 32 Current tax liabilities (net)

Particulars	31 March 2024	31 March 2023
Provision for income tax	-	104.05
	-	<b>104.05</b>

\* Net of Advance tax ₹ 3,300 (31 March 2023: ₹ 4,750) and TDS/TCS receivable ₹ 187.25 (31 March 2023: ₹ 222.02)

### Note: 33 Revenue from operations

Particulars	31 March 2024	31 March 2023
<b>(i) Sale of products</b>		
Domestic	1,57,328.74	1,51,870.68
Export	66,086.53	64,071.74
	<b>2,23,415.27</b>	<b>2,15,942.42</b>
<b>(ii) Other operating revenues</b>		
Export incentives	372.18	201.47
Scrap sales	1,361.94	1,364.51
Others	33.32	41.83
<b>Revenue from operations</b>	<b>2,25,182.71</b>	<b>2,17,550.23</b>

### Note 33.1: Disclosure as per Ind AS 115

#### 1: Revenue from contracts with customers:

##### 1.1: Disaggregated revenue information:

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Segment:	31 March 2024				
	Laminates	Panel product & furniture	Potato flakes	Others	Total
India	1,05,943.65	36,072.59	4,077.92	11,234.58	1,57,328.74
Outside India	52,047.75	5,855.42	7,820.95	362.41	66,086.53
<b>Total revenue from contracts with customers</b>	<b>1,57,991.40</b>	<b>41,928.01</b>	<b>11,898.87</b>	<b>11,596.99</b>	<b>2,23,415.27</b>

Timing of revenue recognition- Goods transferred at a point in time

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note: 33 Revenue from operations (contd)

Segment:	31 March 2023				
	Laminates	Panel product & furniture	Potato flakes	Others	Total
India	1,08,451.25	31,968.25	2,496.96	8,954.22	1,51,870.68
Outside India	51,294.54	7,252.51	5,481.92	42.77	64,071.74
<b>Total revenue from contracts with customers</b>	<b>1,59,745.79</b>	<b>39,220.76</b>	<b>7,978.88</b>	<b>8,996.99</b>	<b>2,15,942.42</b>

Timing of revenue recognition- Goods transferred at a point in time

#### 1.2: Contract balances

Particulars	31 March 2024	31 March 2023
Trade receivables	21,855.10	17,956.11
Less: Impairment allowance	385.40	435.67
<b>Net receivables</b>	<b>21,469.70</b>	<b>17,520.44</b>
Contract liability against loyalty points	2,798.06	1,766.11
Refund liability against periodical schemes	2,120.80	765.67

#### 1.3: Changes in contract liabilities - advances from customers

Particulars	31 March 2024	31 March 2023
Opening balance	4,114.68	2,679.43
Addition during the year	2,433.63	3,985.68
Revenue recognised during the year	4,081.86	2,550.43
Closing balance	<b>2,466.45</b>	<b>4,114.68</b>

Trade receivables are non-interest bearing and are generally on terms of upto 90 days.

Contract liabilities include short-term advances received from customers against future supply of goods.

#### 1.4: Reconciling the amount of revenue recognised in the Statement of Profit and Loss with contracted price:

Particulars	31 March 2024	31 March 2023
Revenue as per contracted price	2,34,503.32	2,24,304.13
<b>Less:</b>		
Discounts, rebates and schemes	9,388.12	7,377.92
Loyalty points	1,699.93	983.79
<b>Revenue from contract with customers</b>	<b>2,23,415.27</b>	<b>2,15,942.42</b>

#### 1.5: Performance obligation

Information about the Company's performance obligations are:

The performance obligation is satisfied upon delivery/confirmation of the products and services.

## Material accounting policies and other explanatory information

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### Note: 34 Other income

Particulars	31 March 2024	31 March 2023
<b>(i) Interest income from financial assets</b>		
- On bank and other deposits	152.98	880.47
- On loans to others	0.04	0.57
- On Others	60.16	69.48
<b>(ii) Dividend income</b>	50.37	31.47
<b>(iii) Other non-operating Income</b>		
Claims from insurance company	353.74	439.23
Provisions/liabilities no longer required written back	223.21	106.75
Provision of doubtful debts written back	42.97	-
Profit on sale of property, plant and equipment	28.13	-
Recovery of bad debts	9.24	21.74
Fair value changes of financial assets measured at FVTPL (net)	2,792.99	-
Fair value changes of derivative measured at FVTPL (net)	-	29.28
Profit on sale of financial assets measured at FVTPL	163.92	18.94
Net gain on foreign currency transactions and translations	1,584.60	1,314.51
Miscellaneous income	267.09	78.90
	<b>5,729.44</b>	<b>2,991.34</b>

### Note: 35 Cost of materials consumed

Particulars	31 March 2024	31 March 2023
<b>Raw materials consumed</b>		
Opening stock	33,412.34	23,318.98
Purchases during the year	1,12,219.11	1,21,325.43
	<b>1,45,631.45</b>	<b>1,44,644.41</b>
Less: Closing stock	35,620.94	33,412.34
	<b>1,10,010.51</b>	<b>1,11,232.07</b>

### Note: 36 Changes in inventories of finished goods, stock-in-trade, work-in-progress and biological assets

Particulars	31 March 2024	31 March 2023
<b>Opening stock</b>		
Finished goods	16,385.50	13,515.72
Stock in trade	2,950.83	1,517.65
Work-in-progress	1,867.31	1,381.80
Biological assets	1,526.24	1,081.00
	<b>22,729.88</b>	<b>17,496.17</b>
<b>Less: Closing stock</b>		
Finished goods	14,192.53	16,385.50
Stock in trade	2,667.61	2,950.83
Work-in-progress	1,470.60	1,867.31
Biological assets	32.55	1,526.24
	<b>18,363.29</b>	<b>22,729.88</b>
	<b>4,366.59</b>	<b>(5,233.71)</b>

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### Note: 37 Employee benefits expense

Particulars	31 March 2024	31 March 2023
Salaries and wages	18,949.06	15,973.82
Contractual wages	7,831.90	6,789.45
Contribution to provident and other funds (refer note 49)	1,550.28	1,324.46
Staff welfare expenses	710.02	628.88
	<b>29,041.26</b>	<b>24,716.61</b>

### Note: 38 Finance costs

Particulars	31 March 2024	31 March 2023
<b>Interest expense</b>		
- On borrowings	3,934.31	2,648.30
<b>Less:</b> Interest expense capitalised in capital work in progress	(1,565.86)	(1,051.45)
	2,368.45	1,596.85
- On lease liabilities	147.63	200.46
- On Income tax provisions	-	969.88
<b>Other borrowing costs</b>	122.25	86.80
	<b>2,638.33</b>	<b>2,853.99</b>

### Note: 39 Depreciation and amortization expenses

Particulars	31 March 2024	31 March 2023
Depreciation of property, plant and equipment	7,083.28	5,749.76
Amortization of intangible assets	11.73	33.71
Depreciation of right of use asset	291.52	914.98
	<b>7,386.53</b>	<b>6,698.45</b>

### Note: 40 Other expenses

Particulars	31 March 2024	31 March 2023
Consumption of stores and spare parts	3,919.06	3,861.08
Power and fuel	10,873.79	11,152.75
Job work charges	225.55	230.52
Short-term and low value lease rentals (refer note 45)	1,488.56	1,470.95
Rates and taxes	380.05	781.71
Repairs to :		
Buildings	158.33	213.98
Plant and machinery	717.67	485.64
Others	1,188.65	1,149.76
Legal and professional	6,251.05	4,980.67
Vehicle upkeep	890.30	922.29
Carriage outward	7,462.09	9,456.53
Packing and forwarding	4,253.31	3,941.95
Installation expenses	488.36	376.60
Financial assets measured at FVTPL (net)	-	287.60
Fair value changes of derivative measured at FVTPL (net)	200.80	-
Royalty fees	116.04	108.23
Insurance	1,003.40	964.61

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(Rupees in lakhs, unless otherwise stated)

### Note: 40 Other expenses (contd)

Particulars	31 March 2024	31 March 2023
Commission	2,145.50	2,071.59
Printing and stationery	108.20	92.77
Postage and courier	192.87	154.36
Advertisement and business promotion	6,389.86	5,629.64
Travelling	2,172.88	1,616.63
Communication	235.04	235.00
Expected credit loss on trade receivable	-	107.95
Advances written off	0.06	0.25
Payments to the auditors (refer (a) below)	55.75	45.75
Bank charges and commission	125.31	124.83
Loss on sale/disposal of property, plant and equipment	-	142.84
Corporate social responsibility expenditure (refer note 48)	262.00	266.00
Agricultural expenses	222.33	1,736.40
Research & development expenses	26.92	26.31
Miscellaneous expenses	2,128.49	1,474.62
	<b>53,682.22</b>	<b>54,109.81</b>

### (a) Amount paid / payable to the auditors (excluding goods and services tax, as applicable)

Particulars	31 March 2024	31 March 2023
<b>As statutory auditors :</b>		
Statutory audit fees	50.00	40.00
Tax audit fees	5.00	5.00
Reimbursement of expenses	0.75	0.75
	<b>55.75</b>	<b>45.75</b>

### Note : 41 Tax expense

The key components of income tax expense for the year ended 31 March 2024 and 31 March 2023 are as follow

### (a) Income tax expense

Particulars	31 March 2024	31 March 2023
<b>Current tax</b>		
In respect of current year	2,484.74	5,047.79
In respect of earlier years	(84.82)	1,041.28
<b>Total current tax expense</b>	<b>2,399.92</b>	<b>6,089.07</b>
<b>Deferred tax</b>		
Deferred tax credit for the year	1,794.33	(443.53)
<b>Total deferred tax expense</b>	<b>1,794.33</b>	<b>(443.53)</b>
<b>Income tax expense</b>	<b>4,194.25</b>	<b>5,645.54</b>

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(Rupees in lakhs, unless otherwise stated)

### Note : 41 Tax expense (contd)

#### (b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

Particulars	31 March 2024	31 March 2023
Profit before tax	16,347.95	17,410.05
Statutory income tax rate	25.17%	25.17%
<b>Tax expense at statutory income tax rate</b>	<b>4,114.45</b>	<b>4,381.76</b>
<b>Reasons for differences are indicated below</b>		
Tax impact of expenses which will never be allowed	0.16	343.38
Tax impact of income not considered for tax laws	65.70	(30.88)
Tax impact of exempted income	130.35	(168.88)
Tax impact of items on which tax is applicable at differential rates	(7.47)	(6.84)
Tax impact of earlier year tax expense	(84.82)	1,041.28
Others	(24.12)	85.72
<b>Total Income tax expense</b>	<b>4,194.25</b>	<b>5,645.54</b>

### Note: 42 Earnings per share

Particulars	31 March 2024	31 March 2023
<b>(i) Basic</b>		
Number of equity shares at the beginning of the year	1,11,78,679	1,11,78,679
Number of equity shares at the end of the year	1,11,78,679	1,11,78,679
Weighted average number of equity shares outstanding during the year (A)	1,11,78,679	1,11,78,679
Nominal value of each equity Share (₹)	10	10
Profit for the year (B)	12,153.70	11,764.51
Earnings per share (Basic) (₹) (B/A)	108.72	105.24
<b>(ii) Diluted</b>		
Weighted average number of equity shares outstanding during the year	1,11,78,679	1,11,78,679
Earnings per share (Diluted) (₹)	108.72	105.24

### Note: 43 Contingent liabilities

Particulars	31 March 2024	31 March 2023
<b>(a) Claims against the Company not acknowledged as debts*:</b>		
Demands for sales tax and entry tax excluding interest (deposit under protest ₹ 25.20 (31 March 2023 : ₹ 125.35)	2.17	2.25
Demands for excise, custom duty, service tax excluding interest (deposit under protest ₹ 46.56 (31 March 2023 : ₹ 37.65)	4,256.25	4442.01
Demands for GST excluding interest (deposit under protest ₹ 4.52 (31 March 2023 : ₹ 1.31)	1,323.04	11.86
Demands for income tax excluding interest (deposit under protest ₹933.23 (31 March 2023 : ₹ 888.73 )	8,043.06	7992.21
Miscellaneous claims by suppliers and customers etc. against the Company	248.68	245.77
<b>(b) Guarantee given:</b>		
Non financial bank guarantees#	2,104.82	2,280.82
Financial guarantee	6,610.00	1,610.00
<b>(c) Differential bonus for 2014-15**</b>	<b>151.52</b>	<b>151.52</b>
<b>(d) Other Income tax matters</b>	<b>775.57</b>	<b>703.42</b>
	<b>23,515.11</b>	<b>17,439.86</b>

Note:-

\* Based on discussions with the solicitors / favourable decisions in similar cases / legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision is considered necessary.

\*\* Payment of Bonus (Amendment) Bill 2015 was passed with retrospective effect w.e.f. 01 April 2014 raising the salary limit and wage ceiling for calculating the bonus. The Company has filed writ against the retrospective effect of new bonus limit. The case is pending to be listed in Allahabad High Court for hearing.

# Non financial bank guarantees mainly comprises of performance bank guarantees.

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note: 44 Capital and other commitments

Particulars	31 March 2024	31 March 2023
<b>(a) Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for [Net of advance of ₹ 642.55 (31 March 2023 : ₹ 2,151.34)]	1,538.78	19,244.92
<b>(b) Other commitments</b>		
The Company has imported capital goods under the Export Promotion Capital Goods Scheme of the Government of India at concessional rates of duty with an undertaking to fulfil quantified export within six years. Certificate for fulfilment of ₹ 10,653.39 (31 March 2023 : ₹ 9,600.98) is yet to be received.	27,900.63	17,839.55
Obligation under advance licenses	4,461.23	398.96
Outstanding letters of credit for materials yet to be received	6,326.60	1,401.47
<b>TOTAL</b>	<b>40,227.24</b>	<b>38,884.90</b>

### Note: 45 Leases

#### As a lessee

Amount recognised in profit or loss:

Particulars	31 March 2024	31 March 2023
Depreciation expense	291.52	914.98
Interest expense	147.63	200.46
Short-term lease expenses	1,362.22	668.61
Low value lease expenses	126.34	802.34
<b>Total lease expenses</b>	<b>1,488.56</b>	<b>1,470.95</b>

#### Movement of lease liabilities

Particulars	31 March 2024	31 March 2023
Opening	2619.48	2,563.58
Interest	147.63	200.46
Addition during the year	549.67	882.11
Deletion during the year (net of modification)	(834.59)	(50.27)
Lease payment	(643.69)	(976.40)
Closing	<b>1,838.50</b>	<b>2,619.48</b>

#### Maturity analysis

Particulars	Total	Less than 1 year	Between 1-3 years	Between 3-5 years	More than 5 years
<b>As on 31 March 2024</b>					
Lease payments	2,177.04	607.64	871.24	455.07	243.09
Interest expense	338.54	120.65	143.20	59.98	14.71
Lease liabilities	1,838.50	486.99	728.04	395.09	228.38

Note:-Weighted average effective interest rate 8%

Particulars	Total	Less than 1 year	Between 1-3 years	Between 3-5 years	More than 5 years
<b>As on 31 March 2023</b>					
Lease payments	3,066.61	1,003.91	1,240.60	428.38	393.72
Interest expense	447.13	166.12	166.39	77.69	36.93
Lease liabilities	2,619.48	837.79	1,074.21	350.69	356.79

Note:-Weighted average effective interest rate 8%

#### As lessor:

The annual lease payment received by the Company as on 31 March 2024 : ₹ nil (31 March 2023 : ₹ nil)

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### Note: 46 Assets given as security

The Carrying amount of assets given as security for current and non current borrowing are:

Particulars	31 March 2024	31 March 2023
<b>Current</b>		
<b>Financial assets</b>		
Trade receivables	21,469.70	17,520.44
Bank deposits and other bank balance	1,236.15	1,777.15
<b>Non-financial assets</b>		
Inventories	58,938.46	58,144.08
Biological assets	32.55	1,526.24
<b>Total current assets given as security</b>	<b>81,676.86</b>	<b>78,967.91</b>
<b>Non current</b>		
<b>Financial assets</b>		
Bank deposits	-	394.00
<b>Non-financial assets</b>		
Property, plant and equipment*	1,33,149.56	51,170.69
Capital work-in-progress	2,892.70	60,456.40
<b>Total non current assets given as security</b>	<b>1,36,042.26</b>	<b>1,12,021.09</b>
<b>Total assets given as security</b>	<b>2,17,719.12</b>	<b>1,90,989.00</b>

\* Including leasehold land

### Note: 47 Details relating to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31 March 2024	31 March 2023
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
-Principal (refer note (A) below)	3,088.12	3,761.02
-Interest	-	0.41
ii) The amount of interest paid by the buyer in terms of section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
-Principal	-	458.86
-Interest	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	1.31
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	6.35	6.35
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	6.35	4.63

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

(a) The amount includes payable to MSME capital creditors amounting to ₹ 1399.67 (31 March 2023: ₹ 1872.33).

## Material accounting policies and other explanatory information

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### Note: 48 Corporate social responsibility expenditure

Particulars	2023-24	2022-23
(a) Gross amount required to be spent by the Company during the year	341.17	332.86
(b) Amount spent during the year:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	262.00	266.00
(c) Set-off of excess spent of previous years, if any	80.06	66.86
(d) Excess / (shortfall)	0.89	-
(e) Details of related party transactions such as Contribution to trust controlled by the company :		
i) Sri Hara Kasturi Memorial Trust	262.00	266.00
(f) Movements in the provision during the period/year with respect to a liability incurred by entering into a contractual obligation	-	-
(g) Reason for shortfall	NA	NA
(h) Nature of CSR activities:	Promoting Education, Mid-day meal	Promoting Education, Mid-day meal
(i) Reconciliation of carry forward of amount spent in excess of requirement		
Opening balance of carry forward of excess amount spent in previous years	80.06	146.92
Set-off made during the year	(80.06)	(66.86)
Excess amount spent during the year	0.89	-
Closing balance of excess amount spent allowed to be carried forward to subsequent years	0.89	80.06

Note: Company is carrying forward the amount spent in excess of requirement, up to immediate succeeding three financial years.

### Note: 49 Employee benefits obligations

#### (i) Defined contribution plans:

Defined contribution plans are Government provident fund, family pension fund and national pension fund scheme for eligible employees. The Company recognises contribution payable to the respective employee benefit fund scheme as an expenditure, as and when they are due. The Company has no obligations other than to make the specified contributions.

Particulars	31 March 2024	31 March 2023
Contribution to Government Provident Fund and Family Pension Fund	869.17	784.44
Contribution to National Pension Scheme (NPS)	68.62	47.78
	<b>937.79</b>	<b>832.22</b>

#### (ii) Long-term Employment Benefits

##### Compensated absences

The Company provides for compensated absences to employees as per the leave rules of the Company. The amount of leave entitlement payable is basis the accumulated privilege leave days on exit from service due to retirement, resignation or death determined on the employees last drawn monthly salary divided by 30 days and multiplied by the accumulated leave days. Compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. Actuarial gains or losses are recognized in Statement of Profit and Loss.

##### Gratuity [Defined benefit plan]

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company operates a gratuity plan through the "LIC Gratuity Fund", a group gratuity scheme from Life Insurance Corporation of India.

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note: 49 Employee benefits obligations (Contd)

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the projected unit credit method.

Based on the actuarial valuation obtained in this respect, the following tables sets out the status of the Gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

#### Net assets / (liability) as at year end

Particulars	31 March 2024	31 March 2023
<b>A. I. Change in defined benefit obligation during the year</b>		
Present value of obligations at the beginning of the year	3,061.14	2,059.76
<b>Included in statement of profit and loss:</b>		
Current service cost	531.16	430.58
Interest cost	205.42	143.49
<b>Included in other comprehensive income:</b>		
<b>Actuarial losses/ (gains) arising from:</b>		
Experience adjustments	(132.12)	(24.66)
Demographic assumption	(0.99)	-
Financial assumptions	109.00	607.71
<b>Others</b>		
Benefits paid	(227.86)	(155.74)
<b>Present value of obligation at the end of the year</b>	<b>3,545.75</b>	<b>3,061.14</b>
<b>II. Change in fair value of plan assets during the year</b>		
Plan assets at the beginning of the year	2,418.84	1,960.83
<b>Included in statement of profit and loss:</b>		
Interest income	168.59	141.97
<b>Included in other comprehensive income:</b>		
Expected return/(loss) on plan assets	11.19	4.91
<b>Others:</b>		
Employer's contribution	631.87	466.87
Benefits paid	(227.86)	(155.74)
<b>Plan assets at the end of the year</b>	<b>3,002.63</b>	<b>2,418.84</b>
<b>III. Reconciliation of present value of defined benefit obligation and fair value of plan assets</b>		
1. Present Value of obligation as at year end	(3,545.75)	(3,061.14)
2. Fair Value of plan assets at year end	3,002.63	2,418.84
3. Funded status deficit	(543.12)	(642.30)
<b>Net liability</b>	<b>(543.12)</b>	<b>(642.30)</b>
<b>IV. Expenses recognised in the statement of profit and loss</b>		
1. Current service cost	531.16	430.58
2. Interest cost/(income)	36.83	1.52
<b>Total expense</b>	<b>567.99</b>	<b>432.10</b>

## Material accounting policies and other explanatory information

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### Note: 49 Employee benefits obligations (Contd)

Particulars	31 March 2024	31 March 2023
<b>V. Expenses recognised in the statement of other comprehensive income</b>		
1. Net actuarial loss	(24.11)	583.05
2. Expected (return)/loss on plan assets excluding interest income	(11.19)	(4.91)
	<b>(35.30)</b>	<b>578.14</b>

### B. Major category of plan assets

Particulars	31 March 2024		31 March 2023	
	%	Amount	Amount	%
Funds managed by Life Insurance Corporation of India	100%	3,002.63	100%	2,418.84

### C. Actuarial assumptions:

Particulars	31 March 2024	31 March 2023
1. Discount rate	6.97%	7.24%
2. Expected rate of return on plan assets	6.97%	7.24%
3. Expected rate of salary increase	9.00%	9.00%
4. Attrition rate	21.79%	21.01%
5. Mortality rate	IIAM 2012-2015 Ultimate	IALM 2012-2014 Ultimate
6. Retirement age	58	58

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

### D. Present benefit obligation at the end of the year as per schedule III to the Companies Act, 2013

Particulars	31 March 2024	31 March 2023
Non-current liability (amount due over one year)	-	-
Current liability (amount due within one year)	543.12	642.30

### E. Sensitivity analysis

Particulars	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (-/+ 0.5%)	3,347.89	3,761.99	2,891.06	3,247.13
% change compared to base due to sensitivity	-5.58%	6.10%	(5.56%)	6.08%
Salary growth rate (-/+ 0.5%)	3,734.37	3,368.91	3,225.36	2,907.07
% change compared to base due to sensitivity	5.32%	-4.99%	5.37%	(5.03%)
Attrition rate (-/+ 0.5%)	3,534.96	3,556.70	3,052.13	3,070.29
% change compared to base due to sensitivity	-0.30%	0.31%	(0.29%)	0.30%
Life expectancy/ mortality rate (-/+ 10%)	3,544.50	3,546.98	3,059.60	3,062.69
% change compared to base due to sensitivity	-0.04%	0.04%	(0.05%)	0.05%

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The method and type of assumptions used in preparing the sensitivity analysis did not change as compared to previous year.

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### Note: 49 Employee benefits obligations (Contd)

F. Expected contributions to defined benefit plans for the year ending 31 March 2025 is ₹ 1,217.45 (31 March 2024 ₹ 1,195.56).

The weighted average duration of the defined benefit obligation is 18 years (31 March 2023 : 18 years).

### G. Expected maturity analysis of undiscounted defined benefit plans

Particulars	31 March 2024	31 March 2023
Year 1	271.38	223.85
Year 2	201.75	172.47
Year 3	255.01	204.41
Year 4	205.58	235.05
Year 5	224.85	187.83
Year 6 to Year 10	1,073.24	978.61
Beyond 10 years	7,440.42	6,758.85

#### Description of risk exposures:

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

- (i) **Asset volatility :** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a return lesser than the yield. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk to minimise risk to an acceptable level.
  - (ii) **Interest rate risk:** The defined benefit obligation calculated uses a discount rate based on government bonds. If the bond yield falls, the defined benefits obligation will tend to increase.
  - (iii) **Salary risk:** Higher than expected increase in salary will increase the defined benefit obligation.
  - (iv) **Demographic risk:** This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.
- H. The impact on employee benefit obligations pursuant to change in actuarial assumptions is taken to other comprehensive income.
- I. **Significant estimates :**  
Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

### Note : 50 Capital management

#### (a) Risk management

The company's objectives when managing capital are to:

1. Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
2. Maintain an optimal capital structure to reduce the cost of capital.

## Material accounting policies and other explanatory information

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### Note : 50 Capital management (contd)

The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, long term borrowings and short term borrowings.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence, and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The amount mentioned under total equity in the balance sheet is considered as capital and debt includes borrowings and lease liabilities. The Debt equity ratio of the Company is as follows:

#### Debt Equity Ratio

Particulars	31 March 2024	31 March 2023
Current borrowings (refer note 26)	50,834.55	31,071.92
Non current borrowings (refer note 20)	21,393.89	28,389.65
Lease liabilities (refer note 21 and 27)	1,838.50	2,619.48
<b>Net debt</b>	<b>74,066.94</b>	<b>62,081.05</b>
Equity share capital (refer note 18)	1,127.94	1,127.94
Other equity (refer note 19)	1,34,904.53	1,23,713.08
<b>Total capital</b>	<b>1,36,032.47</b>	<b>1,24,841.02</b>
<b>Net debt equity ratio</b>	<b>0.54</b>	<b>0.50</b>

#### (b) Dividend

Particulars	31 March 2024	31 March 2023
(i) Equity shares		
Final dividend of ₹ 9 per fully paid share for the year 2022-23 (31 March 2023 : ₹ 9 per fully paid share for the year 2021-22)	1,006.08	1,006.08

### Note : 51 Category wise classification of financial instruments

The fair values of the financial assets and financial liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the financial year 2023-24. The following methods and assumptions were used to estimate the fair values:

- The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- The fair values of other investments measured at FVOCI and FVTPL are determined based on observable market data other than quoted prices in active market.
- The carrying amount of financial assets and financial liabilities measured at amortised cost in these financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note : 51 Category wise classification of financial instruments (contd)

Particulars	31 March 2024			31 March 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	15,365.01	645.25	1,757.19	12,934.95	185.72	1,282.99
Security deposits	-	-	988.22	-	-	820.21
Loans to employees	-	-	200.62	-	-	166.56
Bank deposits	-	-	1,240.41	-	-	7,968.58
Trade receivables	-	-	21,469.70	-	-	17,520.44
Cash and cash equivalents	-	-	1,414.14	-	-	982.86
Other bank balances	-	-	17.56	-	-	19.65
Derivative assets	108.27	-	-	334.18	-	-
Other financial assets	-	-	703.96	-	-	851.17
<b>Total financial assets</b>	<b>15,473.28</b>	<b>645.25</b>	<b>27,791.80</b>	<b>13,269.13</b>	<b>185.72</b>	<b>29,612.46</b>
<b>Financial liabilities</b>						
Borrowings and interest thereon	-	-	72,435.44	-	-	59,652.18
Lease Liabilities	-	-	1,838.50	-	-	2,619.48
Trade payables	-	-	26,640.53	-	-	20,345.80
Liabilities for purchase of capital assets	-	-	3,542.33	-	-	7,358.41
Derivative Liability	-	-	-	25.11	-	-
Employee Benefits payable	-	-	1,531.46	-	-	1,239.26
Deposits from customers and suppliers	-	-	1,246.58	-	-	975.70
Contract liability against loyalty points	-	-	2,798.06	-	-	1,766.11
Refund liability against periodical schemes	-	-	2,120.80	-	-	765.67
Unpaid/unclaimed dividends	-	-	17.56	-	-	19.65
Other payables	-	-	326.48	-	-	330.52
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,12,497.74</b>	<b>25.11</b>	<b>-</b>	<b>95,072.78</b>

#### (i) Fair value hierarchy

The table below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

##### Quoted prices in an active market (Level 1):

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual fund.

##### Valuation techniques with observable inputs (Level 2):

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category consists of derivatives taken by the Company like forward contracts and investments in alternative investment fund.

##### Valuation techniques with significant unobservable inputs (Level 3):

This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level of hierarchy includes Company's investment in equity shares which are unquoted or for which quoted prices are not available at the reporting dates.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note : 51 Category wise classification of financial instruments (contd)

#### (ii) Valuation technique used to determine fair value of financial assets and liabilities

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer-quotes for similar instruments
- derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- the fair value of the financial instruments is determined using adjusted net worth method and discounted cash flow method.

#### (iii) Fair value of financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	31 March 2024			31 March 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets:</b>						
Investments	11,179.87	3,933.23	897.16	9,452.19	3,393.37	275.11
Derivative financial assets	-	108.27	-	-	334.18	-
	<b>11,179.87</b>	<b>4,041.50</b>	<b>897.16</b>	<b>9,452.19</b>	<b>3,727.55</b>	<b>275.11</b>
<b>Financial Liabilities:</b>						
Derivative financial liabilities	-	-	-	-	25.11	-
	-	-	-	-	<b>25.11</b>	-

#### (iv) Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgment to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

### Note : 52 Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

#### (A) Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are also set accordingly.

Financial instruments that are subject to credit risk and concentration thereof principally consist trade receivables, loans receivables, investments, cash and cash equivalents and derivatives held by the Company. None of the financial instruments of the Company results in material concentration of credit risk.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Company considers reasonable and supportive forward-looking information.

##### i) Trade and other receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying upto 90 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within the organisation to ensure proper attention and focus for realisation. Further the Company receives security deposits and letter of credits on selected basis from its customers which mitigate the credit risk. The Company has low concentration of credit risk as the customer base is widely distributed both economically and geographically.

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note : 52 Financial risk management (contd)

Summary of change in loss allowances measured using life-time expected credit losses :

Particulars	31 March 2024	31 March 2023
Opening	435.67	346.71
Provided during the year	-	107.95
Provision written back and bad debts	(50.27)	(18.99)
Closing	385.40	435.67

#### ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's management on a periodical basis, and may be updated throughout the year subject to approval of the management. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. For banks and financial institutions, only high rated banks/institutions are accepted.

The Company's maximum exposure to credit risk for the components of the balance sheet as at 31 March 2024 and 31 March 2023 is the carrying amounts as illustrated in note 52B

### (B) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

#### (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 March 2024	31 March 2023
- Expiring within one year (bank overdraft and other facilities)	3,424.44	7,428.12
	<b>3,424.44</b>	<b>7,428.12</b>

The bank Overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

#### (ii) Maturities of financial liabilities

Refer table below for bifurcating the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities as at 31 March 2024	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Trade payables	26,640.53	-	-	-	26,640.53
Lease liabilities	607.64	871.24	455.07	243.09	2,177.04
Borrowings	50,757.70	21,668	-	-	72,425.70

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note : 52 Financial risk management (contd)

Contractual maturities of financial liabilities as at 31 March 2024	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Interest on borrowings	1,493.96	1,121.85	-	-	2,615.81
Liabilities for purchase of capital assets	3,542.33	-	-	-	3,542.33
Employee benefits payable	1,523.50	7.96	-	-	1,531.46
Security Deposits from customers and suppliers	1,246.58	-	-	-	1,246.58
Derivative liability	-	-	-	-	-
Contract liability against loyalty points	2,798.06	-	-	-	2,798.06
Refund liability against periodical schemes	2,120.80	-	-	-	2,120.80
Unpaid/unclaimed dividends	17.56	-	-	-	17.56
Other payables	326.48	-	-	-	326.48
<b>Total financial liabilities</b>	<b>91,075.14</b>	<b>23,669.05</b>	<b>455.07</b>	<b>243.09</b>	<b>1,15,442.35</b>

Contractual maturities of financial liabilities as at 31 March 2023	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
Trade payables	20,345.80	-	-	-	20,345.80
Lease liabilities	1,003.91	1,240.60	428.38	393.72	3,066.61
Borrowings	31,038.99	28,636.53	-	-	59,675.52
Interest on borrowings	1,646.53	1,931.47	-	-	3,578.00
Liabilities for purchase of capital assets	7,358.41	-	-	-	7,358.41
Employee benefits payable	1,220.86	18.40	-	-	1,239.26
Deposits from customers and suppliers	975.70	-	-	-	975.70
Derivative liabilities	25.11	-	-	-	25.11
Contract liability against loyalty points	1,766.11	-	-	-	1,766.11
Refund liability against periodical schemes	765.67	-	-	-	765.67
Unpaid/unclaimed dividends	19.65	-	-	-	19.65
Other payables	330.52	-	-	-	330.52
<b>Total financial liabilities</b>	<b>66,497.26</b>	<b>31,827.00</b>	<b>428.38</b>	<b>393.72</b>	<b>99,146.36</b>

### (C) Market risk

The Company's business operations expose it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such market risk may arise out of volatility in currency rates, interest rates and prices.

#### (i) Foreign currency risk

The Company deals with trade receivables, trade payables etc and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas market and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies. The Company also enters into forward contracts for managing its exposure to such foreign currency risk. The Company manages the exposure of foreign exchange fluctuation in borrowings by entering into derivatives contracts.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

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(Rupees in lakhs, unless otherwise stated)

### Note : 52 Financial risk management (contd)

Foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), is as follows:-

Particulars	31 March 2024					31 March 2023				
	GBP	USD	EUR	SGD	Yen	GBP	USD	EUR	SGD	Yen
<b>Financial assets</b>										
Trade receivables	433.74	7,190.78	237.52	-	-	124.25	6,344.22	(299.52)	-	-
Derivatives (including those on future exports)	-	(8,841.99)	-	-	-	-	(6,819.28)	-	-	-
<b>Financial liabilities</b>										
Long term borrowings	-	443.14	-	-	-	-	2,182.64	-	-	-
Trade payables	-	3,873.02	3,362.07	20.39	156.82	-	2,831.10	8,168.43	(4.13)	183.38
Derivatives	-	(999.32)	(322.98)	-	-	-	(2,732.01)	(223.60)	-	-
<b>Net exposure to foreign currency risk against receivables / (payables)</b>	<b>433.74</b>	<b>(4,968.05)</b>	<b>(2,801.57)</b>	<b>(20.39)</b>	<b>(156.82)</b>	<b>124.25</b>	<b>(2,756.79)</b>	<b>(8,244.35)</b>	<b>4.13</b>	<b>(183.38)</b>

Exchange rate as on 31 March 2024 is USD/INR 83.41, GBP/INR 105.03, EURO/INR 89.88, YEN/INR 0.56, SGD/INR 61.74.

Exchange rate as on 31 March 2023 is USD/INR 82.22, GBP/INR 101.87, EURO/INR 89.61, YEN/INR 0.62, SGD/INR 61.79.

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	Impact on profit before tax		Impact on other components of equity	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>USD sensitivity</b>				
INR depreciates by 2% (31 March 2023 - 8%)*	(99.36)	(220.54)	(74.35)	(165.03)
INR appreciates by 2% (31 March 2023 - 8%)*	99.36	220.54	74.35	165.03
<b>EURO sensitivity</b>				
INR depreciates by 1% (31 March 2023 - 7%)*	(28.02)	(577.10)	(20.97)	(431.86)
INR appreciates by 1% (31 March 2023 - 7%)*	28.02	577.10	20.97	431.86
<b>GBP sensitivity</b>				
INR depreciates by 3% (31 March 2023 - 2%)*	13.01	2.49	9.74	1.86
INR appreciates by 3% (31 March 2023 - 2%)*	(13.01)	(2.49)	(9.74)	(1.86)
<b>SGD sensitivity</b>				
INR depreciates by 1% (31 March 2023 - 3%)*	(0.20)	0.12	(0.15)	0.09
INR appreciates by 1% (31 March 2023 - 3%)*	0.20	(0.12)	0.15	(0.09)
<b>Yen sensitivity</b>				
INR depreciates by 10% (31 March 2023 - 1%)*	(15.68)	(1.83)	(11.73)	(1.37)
INR appreciates by 10% (31 March 2023 - 1%)*	15.68	1.83	11.73	1.37

\* Assuming all other variables to be constant.

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to balance the Company's position with regards to interest income and interest expense and to manage the interest rate risk, treasury performs comprehensive interest rate risk management. The Company is not exposed to significant interest rate risk as at the respective reporting dates.

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note : 52 Financial risk management (contd)

#### (a) Interest rate risk exposure

##### On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Particulars	31 March 2024	31 March 2023
Variable rate borrowings	37,595.56	25,081.88
Fixed rate borrowings	34,632.88	34,379.69
<b>Total borrowings</b>	<b>72,228.44</b>	<b>59,461.57</b>

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

Particulars	Impact on profit before tax		Impact on other components of equity	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Interest expense rates - increase by 50 basis points (50 bps)*	(187.98)	(125.41)	(140.67)	(93.85)
Interest expense rates - decrease by 50 basis points (50 bps)*	187.98	125.41	140.67	93.85

\* Assuming all other variables to be constant.

#### (iii) Price risk

##### (a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through other comprehensive income & equity securities held for trading classified in the balance sheet at fair value through Profit/Loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company. The Company's Board of Directors reviews and approves all investment decisions.

##### (b) Sensitivity

The table below summarizes the impact of increases/decreases of the share prices

Particulars	Impact on total comprehensive income	
	31 March 2024	31 March 2023
Share price - Increase 5%*	176.51	137.52
Share price - Decrease 5%*	(176.51)	(137.52)

\* Assuming all other variables to be constant.

The table below summarizes the impact of increases/decreases of the investment other than share prices

Particulars	Impact on profit before tax	
	31 March 2024	31 March 2023
Investment other than share - Increase 5%*	624.00	518.51
Investment other than share - Decrease 5%*	(624.00)	(518.51)

\* Assuming all other variables to be constant

#### (iv) Agricultural Risk

There are certain specific financial risks in cultivation of potato seeds and standing crops. These financial risks arise mainly due to adverse weather conditions, logistic problems inherent to remote areas, and fluctuation of selling price of finished goods (potato seeds and standing crops) due to increase in supply/availability.

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note : 52 Financial risk management (contd)

The Company manages the above financial risks in the following manner:

- (a) Sufficient inventory levels of agricultural chemicals, fertilizers and other inputs are maintained so that timely corrective action can be taken in case of adverse weather conditions.
- (b) The Company manages this risk by aligning its production to anticipated demand and taking early corrective steps to recognise and dispose excess stocks.

### Note : 53 Derivative contracts entered into by the Company and outstanding for hedging foreign currency risks:

Nature of derivative	Type	31 March 2024		31 March 2023	
		No. of contracts	Foreign currency (in lakhs)	No. of contracts	Foreign currency (in lakhs)
Forward covers					
USD/INR	Sell	32.00	106.00	24.00	83.00
USD/INR	Buy	4.00	11.98	4.00	33.25
EUR/INR	Buy	2.00	3.59	1.00	2.50

### Note : 54 Segment reporting

The Company's operating segments are organised and managed through the respective segment managers, according to the nature of products manufactured and sold with each segment representing a strategic business unit. These segment operating results are regularly reviewed by the Board of Directors of the Company (Chief Operating Decision Maker - 'CODM').

The reporting segments of the Company and the type of products and services from the each reportable segments derived revenue are as below:

- a) Laminate - Comprises manufacturing and selling of decorative laminates, chemicals (primarily meant for captive consumption).
- b) Panel products and furniture - Comprises manufacturing and selling of panel boards and plywoods.
- c) Potato Flakes - This segment comprises manufacturing and sale of potato flakes.
- d) Others represent all unallocable items not included in segments majorly hanex trading and agricultural income.
- e) Geographical segments considered for disclosure are
  - (i) Sales within India
  - (ii) Sales outside India

Segment revenue and results: The expenses and income which are not directly attributable to any operating segment are shown as unallocable expenditure (net of unallocable income).

Segment assets and liabilities: Assets used by the operating segments mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

The measurement principles of segments are consistent with those used in preparation of these financial statements.

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note : 54 Segment reporting (contd)

Summary of the segment information for the year ended 31 March 2024 is as follows:

Particulars	Laminate	Panel products and furniture	Potato flakes	Other (unallocable)	Elimination	Total
<b>Segment revenue</b>						
Revenue from operations	1,59,071.18	42,211.99	12,148.21	11,751.33	-	2,25,182.71
Inter segment sales	8,539.95				(8,539.95)	-
	<b>1,67,611.13</b>	<b>42,211.99</b>	<b>12,148.21</b>	<b>11,751.33</b>	<b>(8,539.95)</b>	<b>2,25,182.71</b>
<b>Segment results [Profit/(loss) before interest and tax]</b>						
Finance cost	19,484.19	2,263.33	3,762.10	(6,523.33)	-	18,986.29
Finance cost	73.26	11.17	0.04	2,553.86	-	2,638.33
<b>Profit/(loss) Before Tax</b>	<b>19,410.93</b>	<b>2,252.16</b>	<b>3,762.06</b>	<b>(9,077.19)</b>	<b>-</b>	<b>16,347.96</b>
Less : Current Tax	-	-	-	2,399.92	-	2,399.92
Less : Deferred Tax	-	-	-	1,794.33	-	1,794.33
<b>Profit after tax</b>	<b>19,410.93</b>	<b>2,252.16</b>	<b>3,762.06</b>	<b>(13,271.44)</b>	<b>-</b>	<b>12,153.71</b>
Segment assets	92,180.28	54,304.67	4,498.35	1,08,906.07	-	2,59,889.37
Segment liabilities	58,521.59	67,700.18	3,091.31	1,30,576.29	-	2,59,889.37
Segment capital expenditure	8,119.26	67,819.67	39.18	13,908.88	-	89,886.99
Segment depreciation and amortisation	4,097.08	1,589.71	140.27	1,559.47	-	7,386.53

Summary of the segment information for the year ended 31 March 2023 is as follows:

Particulars	Laminate	Panel products and furniture	Potato Flakes	Other (unallocable)	Elimination	Total
<b>Segment revenue</b>						
Revenue from operations	1,60,892.22	39,466.18	8,098.32	9,093.51	-	2,17,550.23
Inter segment sales	8,980.95				(8,980.95)	-
	<b>1,69,873.17</b>	<b>39,466.18</b>	<b>8,098.32</b>	<b>9,093.51</b>	<b>(8,980.95)</b>	<b>2,17,550.23</b>
<b>Segment results [Profit/(loss) before interest and tax]</b>						
Finance cost	22,768.18	4,653.60	828.03	(7,985.76)	-	20,264.05
Finance cost	253.28	21.85	-	2,578.87	-	2,854.00
<b>Profit/(loss) before tax</b>	<b>22,514.90</b>	<b>4,631.75</b>	<b>828.03</b>	<b>(10,564.63)</b>	<b>-</b>	<b>17,410.05</b>
Less : Current Tax	-	-	-	6,089.07	-	6,089.07
Less : Deferred Tax	-	-	-	(443.53)	-	(443.53)
<b>Profit after tax</b>	<b>22,514.90</b>	<b>4,631.75</b>	<b>828.03</b>	<b>(16,210.17)</b>	<b>-</b>	<b>11,764.51</b>
Segment assets	79,519.22	91,029.90	5,250.87	55,203.62	-	2,31,003.61
Segment liabilities	24,119.42	38,869.06	682.32	42,491.79	-	1,06,162.59
Segment capital expenditure	2,552.70	954.60	118.19	1,111.61	-	4,737.10
Segment depreciation and amortisation	4,253.08	1,070.09	156.28	1,219.00	-	6,698.45

### Geographical information

(a) Revenue from external customers:

Particulars	31 March 2024	31 March 2023
Within India	1,59,096.18	1,53,478.49
Outside India	66,086.53	64,071.74
	<b>2,25,182.71</b>	<b>2,17,550.23</b>

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note : 54 Segment reporting (contd)

(b) Carrying amount of segment assets:

Particulars	31 March 2024	31 March 2023
Within India	2,51,900.67	2,23,517.91
Outside India	7,988.70	7,485.70
	<b>2,59,889.37</b>	<b>2,31,003.61</b>

#### Entity wide disclosures

Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue during the years ended 31 March 2024 and 31 March 2023.

No material property, plant and equipment of the Company (excluding financial assets) are located outside India.

### Note : 55 Related parties disclosure

1) As per Ind AS 24, the disclosure of transactions with the related parties are given below:

i) List of related parties where control exists and other related parties with their relationship:

SN	Name	
<b>a)</b>	<b>Key Management Personnel (KMP)</b>	
	Mr. Rup Chand Lohia	Executive Chairman
	Mr. Prakash Lohia	Managing Director
	Mr. Prasan Lohia	Whole-time Director
	Ms. Ruchira Lohia	Whole-time Director
	Mr. Nripen Kumar Dugar	Whole-time Director
	Mr. Bikash Lohia	Whole-time Director
	Mr. Madhusudan Lohia	Whole-time Director
	Mr. Deepak Lohia	Whole-time Director
	Mr. Manoj Lohia	Whole-time Director
	Mr. Anurag Lohia	Whole-time Director (Till 30 November 2023)
	Mr. Anil Jajoo	Whole-time Director (With effect from 23 February 2023)
	Mr. Gautam Bhattacharjee	Independent Director (Till 31 July 2022)*
	Mr. Bama Prasad Mukhopadhyaya	Independent Director*
	Mr. Prabal Kumar Sarkar	Independent Director*
	Mr. Kooretti Titu Prasad	Non Executive Director (With effect from 17 August 2022)
	Mr. Sachin Selot	Chief Financial Officer
	Mr. Bala Ji	Company Secretary

\* Independent directors are included only for the purpose of compliance with definition of key managerial personnel given under Ind As 24.

<b>b)</b>	<b>Relatives of KMP</b>	<b>Relationship</b>
	Late Mr.Champa Lal Lohia	Father of Mr. Bikash Lohia
	Mrs. Tara Devi Lohia	Mother of Mr. Bikash Lohia
	Ms. Usha Lohia	Sister of Mr. Bikash Lohia
	Mrs. Nayantara Agarwal	Sister of Mr. Bikash Lohia
	Mrs. Asha Mundhra	Sister of Mr. Bikash Lohia
	Mrs. Sita Devi Lohia	Mother of Mr. Prakash Lohia

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note : 55 Related parties disclosure (contd)

SN	Name	
	Mrs. Uma Singi	Sister of Mr. Prakash Lohia
	Mrs. Kiran Maheshwari	Sister of Mr. Prakash Lohia
	Mrs. Neera Lohia	Wife of Mr. Prakash Lohia
	Mrs. Sheela Lohia	Mother of Ms. Ruchira Lohia
	Ms. Pragya Lohia	Daughter of Mr. Manoj Lohia
	Ms. Prekshi Lohia	Daughter of Mr. Manoj Lohia
	Mrs. Praveena Lohia	Wife of Mr. Rup Chand Lohia
	Mrs. Meghna Lohia	Wife of Mr. Prasan Lohia
	Mr. Abhiroop Lohia	Son of Mr. Prasan Lohia
	Ms. Anuja Lohia	Daughter of Mr. Prasan Lohia
	Mrs. Shashi Lohia	Wife of Mr. Bikash Lohia
	Mrs. Vandana Lohia	Wife of Mr. Manoj Lohia
	Mrs. Mita Lohia	Wife of Mr. Madhusudan Lohia
	Mr. Mihir Man Lohia	Son of Mr. Madhusudan Lohia
	Ms. Vani Lohia	Daughter of Mr. Madhusudan Lohia
	Ms. Radhika Lohia	Daughter of Mr. Bikash Lohia
	Mrs. Priyanka Lohia	Wife of Mr. Deepak Lohia

#### c) Entities over which KMP together with their relatives have significant influence :

Merino Properties Private Limited
Merino Consulting Services Limited
Man Kumar Lohia and Brothers
Usha Agro Farm
Anupriya Marketing Limited
Kay Marketing Services Limited
Sri Harakasturi Memorial Trust
Sri Hara Kasturi Trust
KBGB Agritech Private Limited (Earlier known as Kasturi Bai Gopi Babu Cold Storage Private Limited)
Champa Lal Lohia - HUF
Prakash Lohia - HUF
Manoj Lohia - HUF
Rup Chand Lohia - HUF
Prasan Lohia - HUF
Sri Man Kumar Lohia Memorial Trust
Sri Prem Chand Lohia Memorial Trust

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note : 55 Related parties disclosure (Contd)

#### 2) Summary of transactions and outstanding balances with above related parties are as follows:

Particulars	KMP		Relatives of KMP		Entities over which KMP together with their relatives have significant influence	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Transactions during the year</b>						
Directors' remuneration	1,899.70	1,861.98	-	-	-	-
Dividend paid	444.01	325.71	504.76	623.04	6.15	6.15
Donation for corporate social responsibility expenses	-	-	-	-	262.00	266.00
Security given	-	-	-	-	5,000.00	610.00
Interest paid	-	-	-	10.99	395.19	327.68
Marketing service provider fees	-	-	-	-	540.07	567.27
Purchase of tangible assets and intangible assets	-	-	-	-	7.76	0.17
Purchases/material consumed	-	-	-	-	180.35	2.42
Rent, other charges and reimbursement paid	37.17	38.07	42.25	47.67	1,667.26	2,128.50
Rent, other charges and reimbursement received	-	-	-	-	73.00	3.96
Revenue from operations	22.68	12.06	0.16	-	1,202.62	23.24
Salary	233.83	176.24	-	-	-	-
Sale of tangible assets and intangible assets	-	-	-	-	0.67	-
Sitting fees	5.10	4.65	-	-	-	-
Software/professional charges including prepaid	-	-	-	-	366.47	296.55
Unsecured loan repaid	-	-	-	587.12	2,223.00	2,197.50
Unsecured loan taken	-	-	-	-	2,607.00	3,132.00
Accrued interest paid	-	-	-	60.20	-	-
<b>Outstanding balances</b>						
Payables (trade and others)	0.17	4.61	0.17	0.01	618.70	770.52
Receivables (trade and others)	-	-	-	-	1,244.16	8.14
Unsecured loan	-	-	-	-	3,757.50	3,373.50
Security	-	-	-	-	6,610.00	1,610.00

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

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(Rupees in lakhs, unless otherwise stated)

### Note : 55 Related parties disclosure (Contd)

#### 3) Details of transactions or balance of related parties:

Sr No.	Related Party	Relationship	Outstanding as at 31 March 2024	Outstanding as at 31 March 2023	Nature of closing balance	Nature of Transaction	31 March 2024	31 March 2023
1	Merino Properties Private Limited	Entities over which KMP together with their relatives have significant influence	-	3.56	Trade payables	Rent, other charges and reimbursement paid	1,072.93	970.67
			3,757.50	3,373.50	Unsecured loan	Unsecured loan taken	2,607.00	3,132.00
			-	-		Unsecured loan repaid	2,223.00	2,197.50
			-	-		Interest paid	395.19	327.68
2	Merino Consulting Services Limited	Entities over which KMP together with their relatives have significant influence	2.31	-	Trade payables	Software / Professional charges including prepaid	366.47	296.55
			-	-	Other financial assets	Rent, other charges and reimbursement paid	-	12.96
			-	-	Trade payables	Purchase of tangible assets and intangible assets	-	0.17
			610.00	0.77	Trade receivables	Revenue from operations	0.93	1.36
			1,242.28	0.51	Trade receivables	Security given	-	610.00
3	KBGB Agritech Private Limited (Earlier known as Kasturi Bai Gopi Babu Cold Storage Private Limited)	Entities over which KMP together with their relatives have significant influence	-	-		Revenue from operations	1,194.09	7.18
			-	-		Sale of tangible assets and intangible assets	0.12	-
			-	-		Purchases / Material consumed	180.02	0.41
			561.43	678.41	Trade payables	Purchase of tangible assets and intangible assets	7.76	-
			-	-		Rent, other charges and reimbursement paid	420.64	954.76
			-	-		Dividend paid	6.10	6.10
			6,000.00	1,000.00		Rent, other charges and reimbursement received	72.64	1.52
			-	-		Security given	5,000.00	-

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note : 55 Related parties disclosure (Contd)

Sr No.	Related Party	Relationship	Outstanding as at 31 March 2024	Outstanding as at 31 March 2023	Nature of closing balance	Nature of Transaction	31 March 2024	31 March 2023
4	Man Kumar Lohia and Brothers	Entities over which KMP together with their relatives have significant influence		0.09	Trade payables	Rent, other charges and reimbursement paid	166.45	148.34
5	Usha Agro Farm	Entities over which KMP together with their relatives have significant influence	0.01	1.34	Trade payables	Purchases / Material consumed	0.33	2.01
			0.47	-	Trade receivables	Revenue from operations	1.83	-
			-	-		Rent, other charges and reimbursement paid	-	34.94
6	Sri Hara Kasturi Memorial Trust	Entities over which KMP together with their relatives have significant influence	1.41	6.57	Trade receivables	Revenue from operations	5.38	14.43
			-	-		Sale of tangible assets	0.55	-
			-	-		Rent, other charges and reimbursement received	0.36	2.44
				0.45	Trade payables	Rent, other charges and reimbursement paid	0.98	0.87
			-	-		Donation for corporate social responsibility expenses	262.00	266.00
7	Sri Premchand Lohia Memorial Trust	Entities over which KMP together with their relatives have significant influence	0.00	0.29	Trade receivables	Revenue from operations	0.39	0.27
			0.65	0.48	Trade payables	Rent, other charges and reimbursement paid	6.26	5.96
8	Anupriya Marketing Limited	Entities over which KMP together with their relatives have significant influence	50.51	65.18	Trade payables	Marketing service provider fees	450.28	497.27
9	Kay Marketing Services Limited	Entities over which KMP together with their relatives have significant influence	3.79	21.01	Trade payables	Marketing service provider fees	89.78	70.00
10	Mr. Champa Lal Iohia	Relatives of KMP	-	-		Dividend paid*	114.85	114.85
11	Mr. Rup Chand Lohia	KMP	-	-		Directors' remuneration	147.51	149.56
			-	-		Dividend paid	110.67	110.67

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note : 55 Related parties disclosure (Contd)

Sr No.	Related Party	Relationship	Outstanding as at 31 March 2024	Outstanding as at 31 March 2023	Nature of closing balance	Nature of Transaction	31 March 2024	31 March 2023
12	Mr. Prakash Lohia	KMP	-	-		Directors' remuneration	284.26	260.96
						Revenue from operations	-	1.13
						Dividend paid	106.96	42.79
13	Mr. Bikash Lohia	KMP	-	-		Directors' remuneration	193.44	207.11
						Dividend paid	17.03	17.02
						Rent Paid	12.60	10.56
						Revenue from Operations	1.02	1.28
14	Mr. Prasan Lohia	KMP	-	-		Directors' remuneration	185.47	182.63
						Dividend paid	18.72	18.72
15	Ms. Ruchira Lohia	KMP	-	-		Directors' remuneration	194.23	176.97
						Dividend paid	65.89	65.89
						Revenue from operations	0.14	0.27
16	Mr. Madhusudan Lohia	KMP	-	-		Directors' remuneration	230.25	225.39
						Dividend paid	89.76	35.64
						Rent Paid	9.66	7.87
						Revenue from Operations	19.46	9.36
17	Mr. Nripen Kumar Dugar	KMP	-	-		Directors' remuneration	72.70	66.20
						Revenue from Operations	0.01	-
						Dividend paid	0.05	0.05
						Salary	-	41.07
						Directors' remuneration	47.87	4.63
19	Mr. Sachin Selot	Chief Financial Officer		4.38	Payable	Salary	152.53	114.86
20	Mr. Bala Ji	KMP	-	-		Salary	25.66	20.31
21	Mrs. Tara Devi Lohia	Relatives of KMP	-	-		Dividend paid	104.75	104.75
			0.17	0.01	Trade payables	Rent, other charges and reimbursement paid	2.31	2.10

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

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(Rupees in lakhs, unless otherwise stated)

### Note : 55 Related parties disclosure (Contd)

Sr No.	Related Party	Relationship	Outstanding as at 31 March 2024	Outstanding as at 31 March 2023	Nature of closing balance	Nature of Transaction	31 March 2024	31 March 2023
22	Mr. Deepak Lohia	KMP	-	-	-	Dividend paid	13.15	13.15
			-	-	-	Directors' remuneration	281.49	281.85
			0.17	-	Trade payables	Rent paid	14.91	16.14
			-	-	-	Revenue from operations	2.05	0.02
23	Mrs. Shashi Lohia	Relatives of KMP	-	-	-	Dividend paid	1.85	1.85
			-	-	-	Revenue from operations	0.16	-
			-	-	-	Rent, other charges and reimbursement paid	1.85	1.68
24	Ms. Usha Lohia	Relatives of KMP	-	-	-	Dividend paid	18.31	18.31
25	Mrs. Nayantara Agarwal	Relatives of KMP	-	-	-	Dividend paid	7.30	7.30
			-	-	-	Rent paid	-	3.77
			-	-	-	Unsecured loan paid	-	587.12
			-	-	-	Accrued Interest paid	-	60.20
			-	-	-	Interest paid	-	10.99
26	Mrs. Asha Mundhra	Relatives of KMP	-	-	-	Dividend paid	7.21	7.21
			-	-	-	Rent paid	-	2.90
27	Mr. Anurag Lohia	KMP	-	-	-	Rent paid	-	3.50
			-	-	-	Directors' remuneration	81.21	130.90
			-	-	-	Salary	23.08	-
			-	-	-	Dividend Paid	9.00	9.00
28	Mrs. Sita Devi Lohia	Relatives of KMP	-	-	-	Dividend paid	23.17	166.20
29	Mrs. Uma Singi	Relatives of KMP	-	-	-	Dividend paid	7.21	7.21
			-	-	-	Rent paid	-	3.73
30	Mrs. Kiran Maheshwari	Relatives of KMP	-	-	-	Rent, other charges and reimbursement paid	8.41	11.77
31	Mrs. Neera Lohia	Relatives of KMP	-	-	-	Dividend paid	41.25	16.50
			-	-	-	Rent paid	10.00	6.92

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

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(Rupees in lakhs, unless otherwise stated)

### Note : 55 Related parties disclosure (Contd)

Sr No.	Related Party	Relationship	Outstanding as at 31 March 2024	Outstanding as at 31 March 2023	Nature of closing balance	Nature of Transaction	31 March 2024	31 March 2023
32	Mrs. Mita Lohia	Relatives of KMP	-	-	-	Dividend paid	0.01	0.01
33	Mr. Mihir Man Lohia	Relatives of KMP	-	-	-	Rent paid	19.68	14.80
34	Ms. Vani Lohia	Relatives of KMP	-	-	-	Dividend paid	0.12	0.12
35	Mrs. Sheela Lohia	Relatives of KMP	-	-	-	Dividend paid	0.31	0.31
36	Mrs. Praveena Lohia	Relatives of KMP	-	-	-	Dividend paid	27.53	27.53
37	Mrs. Meghna Lohia	Relatives of KMP	-	-	-	Dividend paid	88.24	88.24
38	Mr. Manoj Lohia	KMP	-	-	-	Dividend paid	6.30	6.30
39	Mr. Abhiroop Lohia	Relatives of KMP	-	-	-	Dividend paid	12.78	12.78
40	Ms. Anuja Lohia	Relatives of KMP	-	-	-	Directors' Remuneration	181.27	175.78
41	Mrs. Vandana Lohia	Relatives of KMP	-	-	-	Dividend paid	3.15	3.15
42	Ms. Pragya Lohia	Relatives of KMP	-	-	-	Dividend paid	3.15	3.15
43	Ms. Prekshi Lohia	Relatives of KMP	-	-	-	Dividend paid	7.88	7.88
44	Ms. Radhika Lohia	Relatives of KMP	-	-	-	Dividend paid	3.11	3.11
45	Mrs. Priyanka Lohia	Relatives of KMP	-	-	-	Dividend paid	7.56	7.56
46	Champa Lal Lohia - HUF	Entities over which KMP together with their relatives have significant influence	-	-	-	Salary	32.56	-
47	Rup Chand Lohia - HUF	Entities over which KMP together with their relatives have significant influence	-	-	-	Dividend paid	4.50	4.50
48	Prakash Lohia - HUF	Entities over which KMP together with their relatives have significant influence	-	-	-	Dividend paid	27.00	27.00
49	Prasan Lohia - HUF	Entities over which KMP together with their relatives have significant influence	-	-	-	Dividend paid	0.01	0.01

## Material accounting policies and other explanatory information

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(Rupees in lakhs, unless otherwise stated)

### Note : 55 Related parties disclosure (Contd)

Sr No.	Related Party	Relationship	Outstanding as at 31 March 2024	Outstanding as at 31 March 2023	Nature of closing balance	Nature of Transaction	31 March 2024	31 March 2023
50	Manoj Lohia - HUF	Entities over which KMP together with their relatives have significant influence	-	-		Dividend paid	0.01	0.01
51	Mr. Gautam Bhattacharjee	KMP	-	-		Sitting Fees	-	0.60
52	Mr. Bama Prasad Mukhopadhyaya	KMP	-	0.23	Sitting fee payable	Sitting Fees	2.35	1.85
53	Mr. Kooretti Titu Prasad	KMP	-	-		Sitting Fees	1.00	0.75
54	Mr. Prabal Kumar Sankar	KMP	-	-		Sitting Fees	1.75	1.45

### Compensation to KMP other than Independent Directors

	31 March 2024	31 March 2023
Short-term employee benefits	2,117.36	2,026.86
Post-employment benefits	16.17	11.36
<b>Total compensation</b>	<b>2,133.53</b>	<b>2,038.22</b>

Note:

(i) Transactions are inclusive of goods and services tax, wherever applicable.

ii) The Company has been entering into transactions with related parties for its business purposes. The process followed for entering into transactions with related party is same as followed for unrelated party. Vendors are selected competitively having regard to strict adherence to quality, timely servicing and cost advantage.

(iii) The purchases from and sales to related parties are made on terms equivalent to and those applicable to all unrelated parties on arm's length transactions. Outstanding balances payable and receivable at the year-end are unsecured, interest free and will be settled in cash.

(iv) As the liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors are not included.

\* Dividend of Mr. Champalal Lohia was lying in his bank account as on 31 March 2024, which will be transferred to Mr. Bikash Lohia and Mr. Deepak Lohia in the ratio of 50:50 as per the probate order.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note : 56 Additional regulatory information required by Schedule III of Companies Act, 2013

- (i) Details of Benami property: Company does not have any Benami properties, further there are no proceedings which have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (ii) The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended

Name of struck off Company	Nature of transactions	31 March 2024		31 March 2023		Relationship
		Amount during the year	Balance receivable/ (payable)	Amount during the year	Balance receivable/ (payable)	
H M Tubes And Containers Pvt Ltd	Material purchased	11.53	-	-	-	Vendor
H M Tubes And Containers Pvt Ltd	TDS deducted	0.16	-	-	-	Vendor
H M Tubes And Containers Pvt Ltd	Payment made	9.74	(1.63)	-	-	Vendor
Ak Enterprises Private Limited	Sales of goods	2.75	-	0.80	-	Customer
Ak Enterprises Private Limited	Payment received	2.75	-	0.80	-	Customer
Kalpiti Projects Pvt Ltd	Sales of goods	1.43	-	-	-	Customer
Kalpiti Projects Pvt Ltd	Payment received	1.43	-	-	-	Customer
Uphar India Gifting Solutions Private Limited	Material purchased	-	-	0.25	-	Vendor
Uphar India Gifting Solutions Private Limited	Payment made	-	-	0.25	-	Vendor
Planet 3 Studios Architecture Private Limited	Advance written off	-	-	0.04	-	Customer
Gar Business Solutions Private Limited	Debit note for central sales tax	-	-	0.05	-	Customer
Modular Private Limited	Payment received	2.53	-	5.52	2.53	Customer
Hindusthan Radio & Electricals Private Limited	Sales of goods	-	-	2.67	-	Customer
Hindusthan Radio & Electricals Private Limited	Payment received	-	-	2.67	-	Customer

- (iii) The Company has not traded or invested in crypto currency or virtual currency during the current or previous financial year.
- (iv) (1) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
- 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.
- (2) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party)with the understanding (whether recorded in writing or otherwise)that the company shall:
- 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.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note : 56 Additional regulatory information required by Schedule III of Companies Act, 2013 (contd)

- (v) The Company has no 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).
- (vi) Investment requirements prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company.
- (vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (viii) The Company does not have any Property, plant and equipment to be classified as investment property.
- (ix) The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
- (x) The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken. In respect of the term loans which were taken in the previous year, those were applied in the respective year for the purpose for which the loans were obtained.
- (xi) The Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were/were not subject to audit/review, except for the following:

#### 31 March 2024

Quarter ended	Particulars	As per quarterly statement filed with bank	As per Balance sheet	Short/ (Excess)	Reasons
31 March 2024	Inventory	51,048.00	58,938.46	(7,890.46)	The Company has filed return based on the draft financial statements. The Company is in the process of filing revised statements.
	Trade receivables	25,899.60	21,469.70	4,429.90	
	Trade payables	16,983.58	26,640.53	(9,656.95)	

#### 31 March 2023

Quarter ended	Particulars	As per quarterly statement filed with bank	As per Balance sheet	Short/ (Excess)	Reasons
31 December 2022	Creditors	18,749.88	18,739.34	10.54	Immaterial differences

### Note : 57 Disclosure as per section 186(4) of Companies Act, 2013

Particulars	31 March 2024	31 March 2023
Security given by way of fixed deposits in favor of Axis Bank to M/s KBGB Agritech Private Limited	1,000.00	1,000.00
Corporate Guarantee to M/s KBGB Agritech Private Limited	5,000.00	-
Corporate Guarantee to M/s Merino Consulting Services Limited	610.00	610.00

## Material accounting policies and other explanatory information

for the year ended 31 March 2024

CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note : 58 Financial ratios

SN	Ratio	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Variance
1	Current ratio (in times)	Current assets	Current liabilities	1.13	1.39	-18.61%
2	Debt equity ratio (in times)	Total Debt = Borrowing + Lease liabilities	Shareholder's equity	0.54	0.50	9.49%
3	Debt service coverage ratio (in times)	Earning available for debt service= Net profit after taxes + Finance cost + Depreciation and amortization + Loss on sale/ disposal of property, plant and equipment	Debt service = Interest + Lease payment + Repayment of non current borrowings (including current maturity)	3.03	3.91	-22.59%
4	Return on equity ratio (in %)	Net profit after taxes	Average shareholder's equity	9.32%	9.83%	-5.22%
5	Inventory turnover ratio (in days)	Cost of goods sold	Average inventory	178	165	7.94%
6	Trade receivable turnover ratio (in days)	Net revenue from operations less export incentives	Average trade receivable	32	29	10.71%
7	Trade payable turnover ratio (in days)	Purchases + Other expenses	Average trade payable	50	45	11.11%
8	Net capital turnover ratio (in times)*	Revenue from operations	Average working capital	10.85	7.36	47.39%
9	Net profit margin (in %)	Net profit after taxes	Revenue from operations	5.40%	5.41%	-0.19%
10	Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Tangible net worth (Shareholder's equity - Intangible assets (including intangible asset under development) + Total borrowings + Deferred tax liability	8.98%	10.91%	-17.72%
11	Return on investment (in %)**	Changes in fair value of investments + Net gain/ (loss) on sale + Interest income + Dividend income	Average invested funds in treasury investment	18.84%	-1.59%	-1286.62%

Note-No comments have been given wherein change in ratio as compared to the preceding year is of less than 25%.

\* Due to increase in current borrowings.

\*\* Due to higher yields from investments and MTM gain on investments.

## Material accounting policies and other explanatory information

for the year ended 31 March 2024  
CIN : U51909WB1965PLC026556

(Rupees in lakhs, unless otherwise stated)

### Note : 59

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company is using Infor LN accounting software for maintaining its books of account and Darwin Box used for maintaining salary master, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software, except that the audit trail logs for direct changes in data at database level for accounting software, Infor LN, has not been enabled and in case of Darwin Box application, since the SOC Type 2 report and bridge letter does not contain the required information, hence presence of audit trail at database level cannot be confirmed. However, software for maintaining wages master of workers does not have the facility to record audit trail at application and database level.

### Note : 60 Proposed Dividend

The Board of directors have recommended dividend of ₹ 5\* (Previous Year ₹ 9\*) per equity share aggregating ₹ 558.93 (Previous Year ₹ 1,006.08) for the financial year ended 31 March 2024 and same is subject to approval of shareholders at the ensuing Annual General Meeting and hence it is not recognised as a liability.

\* Amount in absolute terms

### Note : 61 Subsequent events

No significant subsequent events have occurred post the balance sheet date 31 March 2024 which may require an adjustment to the financial statements.

### Note : 62 Previous year's figures

Previous year's figures have been regrouped/rearranged wherever necessary. The impact of the same is not material to the user and the financial statements.

As per our report of even date attached

For **Walker Chandok & Co LLP**  
Chartered Accountants  
Firm Registration Number : 001076N/N500013

For and on behalf of the Board of Directors

### Anamitra Das

Partner  
Membership Number : 062191  
Place : New Delhi  
Date : 7 August 2024

### Prakash Lohia

Chairman & Managing Director  
DIN : 00063274  
Place : Hapur (U.P)  
Date : 7 August 2024

### Sachin Selot

Chief Financial Officer  
  
Place : New Delhi  
Date : 7 August 2024

### Bala Ji

Company Secretary  
M. No.- F9919  
Place : New Delhi  
Date : 7 August 2024



# Merino Industries Limited

CIN: U51909WB1965PLC026556

Registered Office: 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata: 700 020 Phone: 033-2290-1214, Fax: 91-33-2287-0314, E-mail: balaji@merinoindia.com  
Website: www.merinoindia.com

## NOTICE

### TO THE MEMBERS,

**NOTICE** is hereby given that the 59<sup>th</sup> Annual General Meeting (“AGM”) of the members of Merino Industries Limited will be held on Friday, the 27<sup>th</sup> day of September, 2024 at 11:30 a.m. through Video Conference (VC) / Other Audio-Visual Means (OAVM) facility at the Registered Office at 5, Alexandra Court, 60/1, Chowringhee Road, Kolkata-700020 to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 together with the reports of the Board of Directors (“the Board”) and auditors thereon.
- To declare dividend of ₹5.00 per equity share for the financial year ended on 31<sup>st</sup> March, 2024.
- To appoint a Director in place of Shri Madhusudan Lohia, Whole-time Director (DIN 00063278), who retires by rotation and being eligible, offers himself for re-appointment and in this regard and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** subject to the approval of the members and in accordance with the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), the appointment of Shri Madhusudan Lohia (DIN: 00063278) as Whole-time Director of the company be made for further period of three years effective 1<sup>st</sup> day of October, 2024 and payment of the following remuneration to him for the said period be approved on the terms and conditions as are set out in the agreement to be entered into between the Company and Shri Madhusudan Lohia, a draft whereof is placed before this meeting for special sanction with liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the remuneration as specified in the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or any amendments thereto as may be agreed between the Board and Shri Madhusudan Lohia:

1.	Salary	₹ 18,42,800/- per month for the period from 01.10.2024 to 31.03.2025 and in the scale with effect from 01.04.2025 and ending on 30.09.2027 ₹ 18,42,800-1,84,280-2,02,708-22,29,800 with the increment falling due on 1 <sup>st</sup> April 2026 and 1 <sup>st</sup> April 2027.
2.	Perquisites	<p>Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company’s accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants’ salaries, society charges and property tax, club fees (for self only).</p> <p>The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Shri Madhusudan Lohia, shall not exceed ₹1,00,000/- per financial year.</p> <p>The perquisites amounting to ₹ 1,00,000/- (₹ One Lac only) as per the current service agreement shall not include, prospectively, any sum for medical facility including medical reimbursement and medical insurance premium for self for the purpose of availment of the said perquisites.</p> <p>Benefits of encashment of leave at the end of the tenure, use of company car with driver on official duty, telephone including internet facilities for official purposes, Company’s contribution to provident fund (@12% of the salary or at the rate as per statutory changes) and gratuity as provided by the Company shall not be included in the computation of perquisites as per provisions in Schedule V to the Act.</p>

3.	Additional Benefits	<p>The additional benefits by way of provision of medical facility (including reimbursement of medical expenses, mediclaim premium, travel expenses with one attendant, if required, in connection with the availment of medical treatment and other incidental expenses) on actual basis, for self, spouse and children to Shri Madhusudan Lohia, for treatment in India and abroad, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the current service agreement, whether earned or not, in addition to his existing remuneration.</p> <p>The said medical facility be and is hereby made admissible during the currency of the service agreement of Shri Madhusudan Lohia and the value of the unutilized portion, if any, of the aforesaid limit at the time of expiry of the current service agreement and medical expenditure incurred after the expiry of the service agreement be and are hereby made inadmissible for availment.</p>
4.	Minimum Remuneration	<p>In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof as may for the time being in force.</p>

**“RESOLVED FURTHER THAT** any Director of the Company, are authorized severally to file necessary forms with the Registrar of Companies, West Bengal, to give effect to this appointment and payment of remuneration after according of approval of the members”.

4. To appoint a Director in place of Shri Nripen Kumar Dugar (DIN: 00127790), who retires by rotation and being eligible, offers himself for re-appointment and in this regard and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the appointment of Shri Nripen Kumar Dugar (DIN: 00127790) as Whole-time Director of the Company for a further period of three years, effective 1<sup>st</sup> day of January, 2025 and payment of the following remuneration to him for the said period on the terms and conditions as are set out in the agreement to be entered into between the Company and Shri Nripen Kumar Dugar, a draft whereof is placed before this meeting for specific sanction with liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the remuneration as specified in the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or any amendments thereto as may be agreed between the Board and Shri Nripen Kumar Dugar:

1.	Salary	<p>₹ 6,47,930/- per month for the period from 01.01.2025 to 31.03.2025 and in the scale with effect from 01.04.2025 and ending on 31.12.2027 ₹ 7,12,723-78,400-8,62,395 with the increment falling due on 1<sup>st</sup> April 2026 and 1<sup>st</sup> April 2027.</p>
2.	Perquisites	<p>Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company’s accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants’ salaries, society charges and property tax, club fees, medical reimbursement, medical/accidental benefit insurance (for self only).</p> <p>The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Mr. Nripen Kumar Dugar, shall not exceed ₹1,00,000/- per financial year.</p> <p>Company’s contribution to provident fund and gratuity and entitlement of leave and special incentive, if any, payable in lumpsum per annum for any financial year in addition to the existing remuneration, will be applicable as per the rules of the Company.</p> <p>Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company’s contribution to provident fund and gratuity as provided by the Company shall be as per policy of the Company.</p>
4.	Minimum Remuneration	<p>In the event of loss or inadequacy of profits in any financial during the currency of tenure of service, the payment of remuneration shall be governed by Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof as may for the time being in force.”</p>

**“RESOLVED FURTHER THAT** any Director of the Company, are authorized severally to file necessary forms with the Registrar of Companies, West Bengal, to give effect to this appointment and payment of remuneration after according of approval of the members”

5. To appoint a Director in place of Shri Bikash Lohia (DIN: 00154013), Whole-time Director, who retires by rotation and being eligible, offers himself for re-appointment and in this regard and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded to the appointment of Shri Bikash Lohia (DIN: 00154013) as Whole-time Director of the company for a further period of three years, effective 1<sup>st</sup> day of October, 2024 and payment of the following remuneration to him for the said period on the terms and conditions as set out in the agreement to be entered into between the Company and Shri Bikash Lohia, a draft whereof is placed before the meeting for specific sanction with liberty to the Board of Directors (hereinafter referred to as ‘the Board’ which term shall be deemed to include the Nomination and Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the remuneration as specified in the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or any amendments thereto as may be agreed between the Board and Shri Bikash Lohia:

1.	Salary	₹ 15,30,700/- per month for the period from 01.10.2024 to 31.03.2025 and the Scale with effect from 01.04.2025 and ending on 30.09.2027 ₹ 16,83,800-1,85,220-20,37,400 with the increment falling due on 1 <sup>st</sup> April 2026 and 1 <sup>st</sup> April 2027.
2.	Perquisites	Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company’s accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants’ salaries, society charges and property tax, club fees (for self only).  The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Shri Bikash Lohia, shall not exceed ₹1,00,000/- per financial year.  The perquisites amounting to ₹ 1,00,000/- (₹ One Lac only) as per the current service agreement shall not include, prospectively, any sum for medical facility including medical reimbursement and medical insurance premium for self for the purpose of availment of the said perquisites.  Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company’s contribution to provident fund (@12% of the salary or at the rate as per statutory changes) and gratuity as provided by the Company shall not be included in the computation of perquisites as per provisions in Schedule V to the Act.
3.	Additional Benefits	The additional benefits by way of provision of medical facility (including reimbursement of medical expenses, mediclaim premium, travel expenses with one attendant, if required, in connection with the availment of medical treatment and other incidental expenses) on actual basis, for self, mother, spouse and children to Shri Bikash Lohia, for treatment in India and abroad, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the current service agreement, whether earned or not, in addition to his existing remuneration.  The said medical facility be and is hereby made admissible during the currency of the service agreement of Shri Bikash Lohia and the value of the unutilized portion, if any, of the aforesaid limit at the time of expiry of the current service agreement and medical expenditure incurred after the expiry of the service agreement be and are hereby made inadmissible for availment.
4.	Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof as may for the time being in force.

**“RESOLVED FURTHER THAT** any Director of the Company, are authorized severally to file necessary forms with the Registrar of Companies, West Bengal, to give effect to this appointment and payment of remuneration after according of approval of the members”.

**SPECIAL BUSINESS:**

6. To amend the Articles of Association and in this regard and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company (including any statutory modification or re-enactment thereof for the time being in force) and subject to such other approval(s) from the concerned Statutory Authority(ies), be and hereby altered, by amending clause 90 sub clause (i) and inserting the Clause 97 i.e. “Chairman Emeritus” after the present clause 96 of the Articles of Association of the Company which shall read as follows:

90. (i) The Board may elect a chairperson of its meetings or the company and determine the period for which he is to hold office. The Managing Director, Whole Time Director or Chief Executive Officer (CEO) of the Company may be appointed as Chairperson/Chairman of the company.

97. The Board shall be entitled to appoint any person who has rendered significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company. The company can have Chairman and Chairman Emeritus both at one point of time

The Chairman Emeritus shall hold office until he resigns. The Chairman Emeritus may attend any meetings of the Board or Committee thereof, where the Chairman Emeritus is not appointed as a board member. Moreover, it shall not have any right to vote or shall not be deemed to be a party to any decision of the Board or Committee thereof. However, where the Chairman Emeritus is appointed as Director, it shall be deemed to be a Director for any purposes of the Act or any other statute or Rules made thereunder or these Articles including for the purpose of determining the maximum number of directors which the Company can appoint.

Subject to the applicable statutory provisions, the Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.

**RESOLVED FURTHER THAT** the Board, be and is hereby authorized to take necessary steps to obtain confirmation of concerned Registrar of Companies, Ministry of Corporate Affairs under Section 13(9) of the Companies Act, 2013 in respect of the aforesaid alteration of Articles of Association and to agree to such modifications, terms & conditions in the new proposed sub clause as may be directed by the Registrar of Companies and to modify the same accordingly.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution."

7. To appoint Shri Rup Chand Lohia as Chairman Emeritus of the company and in this regard and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT**, pursuant to Section 188(1) and other applicable provisions of the Companies Act, 2013 ('the Act'), the rules made thereunder or any amendment thereto or modification thereof and such other approvals, permissions and sanctions, as may be required, and pursuant to the recommendations of the Nomination and Remuneration Committee and Board of Directors in their meeting held on 18<sup>th</sup> June, 2024, approval of Shareholders be and is hereby accorded for the appointment of Shri Rup Chand Lohia as Chairman Emeritus of the company at the remuneration provided below:

Shri Rup Chand Lohia shall be provided with the following honorary remuneration:

1.	Salary	₹ 11,61,100/- per month
2.	Perquisites	<p>Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company's accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants' salaries, society charges and property tax, club fees (for self only).</p> <p>The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Shri Rup Chand Lohia, shall not exceed ₹1,00,000/- per financial year.</p> <p>The perquisites shall not include, prospectively, any sum for medical facility including medical reimbursement and medical insurance premium for self for the purpose of availment of the said perquisites.</p> <p>Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company's contribution to provident fund (@12% of the salary or at the rate as per statutory changes) and gratuity as provided by the Company shall not be included in the computation of perquisites as per provisions in Schedule V to the Act.</p>
3.	Additional Benefits	<p>The additional benefits by way of provision of medical facility (including reimbursement of medical expenses, mediclaim premium, travel expenses with one attendant, if required, in connection with the availment of medical treatment and other incidental expenses) on actual basis, for self and spouse to Shri Rup Chand Lohia, for treatment in India and abroad, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the current service agreement, whether earned or not, in addition to his existing remuneration.</p> <p>The said medical facility be and is hereby made admissible during the currency of the service agreement of Shri Rup Chand Lohia and the value of the unutilized portion, if any, of the aforesaid limit at the time of expiry of the current service agreement and medical expenditure incurred after the expiry of the service agreement be and are hereby made inadmissible for availment.</p>

**RESOLVED FURTHER THAT** the Chairman Emeritus shall have such powers and responsibilities as per the Company's Articles of Association and applicable laws, if any.

**RESOLVED FURTHER THAT** any Director of the Company, are authorized severally to file necessary forms with the Registrar of Companies, West Bengal, to give effect to this appointment and payment of remuneration after according of approval of the members".

8. To appoint Shri Prakash Lohia as Chairman & Managing Director of the company and in this regard and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the applicable provisions of the companies act, 2013 along with rules made thereunder, as may be amended from time to time, change in designation of Shri Prakash Lohia, from Managing Director of the company to Chairman & Managing Director of the Company, as approved by the Board of Directors on 18<sup>th</sup>, June, 2024, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** The shareholders hereby approve and confirm the change in designation as aforementioned, subject to the compliance of all applicable laws and regulations.

**RESOLVED FURTHER THAT** the Chairman shall have such powers and responsibilities as are typically associated with the office of Chairman, as per the Company's Articles of Association and applicable laws.

**RESOLVED FURTHER THAT** all other terms and conditions of the said appointment including but not limited to Tenure, Remuneration shall remain unchanged.

**RESOLVED FURTHER THAT** any Director of the company, are authorized severally to file necessary forms with the Registrar of Companies, West Bengal, to give effect to this appointment and payment of remuneration thereon".

9. To ratify the remuneration payable to the Cost Auditor appointed by the Board of Directors of the Company for the financial year 2024-25 pursuant to Section 148 and all other applicable provisions of Companies Act, 2013, by passing with or without modification(s), the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the remuneration of ₹60,000/- (Rupees Sixty Thousand Only) excluding applicable Tax payable to M/s Rajendra Singh Bhati & Co., Cost Accountants, for conducting cost audit of the Company for the financial year 2024-25, as approved by the Board of Directors of the Company, be and is hereby ratified."

10. To approve the authority of the Board of Directors to create mortgage on the property(ies) of the Company and in this regard to consider and, if thought fit to pass, with or without modification(s) the following resolutions as **Special Resolutions**:

**"RESOLVED THAT** the consent of the shareholders be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board') in supersession of the earlier resolutions passed in the General Meetings in this regard and in terms of the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 to create mortgage and/or charge on all the immovable and/or movable properties of the Company, wherever situate, both present and future and/or conferring power to enter upon and to take possession of assets and the whole of the undertaking by any lender or holder of security including the Financial Institutions, Non-Banking Financial Companies and/or Banks in order to secure all kinds of credit facilities sanctioned by them in the form of loan/financial assistance of whatever nature either at a time or from time to time for securing the borrowings by the Company not exceeding ₹ 1,250 Crore (Rupees One Thousand Two Hundred and Fifty Crore only) together with interest thereon payable by the Company in terms of the loan agreement/documents executed between the Company and the Lender(s) as above containing such specific terms and conditions in respect of enforcement of the security as may be stipulated in that behalf and agreed to between the Board of Directors and the Lenders."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to finalise documents for creation of mortgage and/or charge and to do all such acts, deeds, matters and things and to execute all such documents as may be required for giving effect to the resolution."

11. To approve the authority of the Board of Directors to borrow money on behalf of the Company and in this regard to consider and, if thought fit to pass, with or without modification(s) the following resolution as **Special Resolution:**

**“RESOLVED THAT** the consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’) in super-session of the earlier resolutions passed in the General Meetings in this regard and in terms of the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company as it may deem proper notwithstanding that the moneys to be so borrowed together with moneys already borrowed by the Company, if any, (apart from temporary loans obtained from the Company’s bankers in ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves provided that the total amount of the moneys to be so borrowed by the Board together with moneys already borrowed shall not exceed ₹ 1,250 Crore (Rupees One Thousand Two Hundred and Fifty Crore only) outstanding at any one time and that for the implementation of this resolution the Board may act through any member thereof or any other person duly authorised by the Board in that behalf.”

By order of the Board  
For **Merino Industries Limited**

**Bala Ji**

Company Secretary  
Membership No: F9919

Place: New Delhi

Date: 07.08.2024

**Regd. Office:**

**MERINO INDUSTRIES LIMITED**

CIN: U51909WB1965PLC026556

5, Alexandra Court,

60/1, Chowringhee Road, Kolkata - 700020

Phone: 033 2290-1214

Fax: 033 2287-0314

E-mail: balaji@merinoindia.com

Website: www.merinoindia.com

## NOTES:

1. The Ministry of Corporate Affairs (MCA), in continuation of its General Circulars vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular no. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022, General Circular no. 09/2023 issued dated 25.09.2023 (collectively “MCA Circulars”), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, the 59<sup>th</sup> AGM of the Company is being convened and conducted through VC/OAVM.
2. The Company has enabled the Members to participate at the 59<sup>th</sup> AGM through VC facility. The instructions for participation by Members are given in the subsequent pages. Participation at the AGM through VC shall be allowed on a first-come-first-served basis. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, physical attendance of the Members at the AGM venue is not required. Hence, Members have to attend and participate in the ensuing AGM through VC/OAVM.
3. Those Shareholders having their shares in physical mode and whose email IDs are not registered, are requested to register their email ID with M/s C B Management Services (P) Limited, Rasoi Court 5<sup>th</sup> Floor 20, Sir R N Mukherjee Road, Kolkata 700001, the Registrar and Share Transfer Agent (RTA) of the Company at [rta@cbmsl.com](mailto:rta@cbmsl.com), by providing their Name as registered with the RTA, Address, email ID, PAN, DPID/Client ID or Folio Number and Number of shares held by them. The shareholders having their shares in DEMAT mode are requested to update their email ids with their DP.
4. Central Depository Services (India) Limited (“CDSL”) will be providing facility for voting through remote e-Voting, for participation in the 59<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 59<sup>th</sup> AGM.
5. Members may join the 59<sup>th</sup> AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 11-00 a.m. IST i.e. 30 minutes before the time scheduled to start the 59<sup>th</sup> AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 59<sup>th</sup> AGM.
6. Members may note that the VC/OAVM Facility, provided by CDSL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 59<sup>th</sup> AGM without any restriction on account of first-come-first-served principle.
7. The attendance of the Members attending the 59<sup>th</sup> AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. The statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 concerning the items of special business as per the agenda items to be transacted at this Annual General Meeting is annexed hereto.
9. The notice convening this Annual General Meeting circulated to the members of the Company is made available on the Company’s website at [www.merinoindia.com](http://www.merinoindia.com). All documents referred to in the Notice calling the AGM and the Explanatory Statement are also available on the website of the Company for inspection by the Members.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. 27<sup>th</sup> September, 2024. Members seeking to inspect such documents can send an email to [balaji@merinoindia.com](mailto:balaji@merinoindia.com).
11. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by CDSL.

12. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM together with annual report has been uploaded on the website of the Company at [www.merinoindia.com](http://www.merinoindia.com). The Notice of AGM together with annual report is also available on the website of CDSL (agency for providing the Remote Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com).
13. The Register of Members and Share Transfer Books of the Company will remain closed from 21<sup>st</sup> September, 2024 to 27<sup>th</sup> September, 2024 (both days inclusive).
14. Members are requested to make all correspondences in connection with shares held by them by addressing letters quoting their folio numbers directly to Messrs. C B Management Services (P) Limited, Rasoi Court 5<sup>th</sup> Floor 20, Sir R N Mukherjee Road, Kolkata 700001, the Registrar and Share Transfer Agent of the Company.
15. Members are requested to notify immediately any change of address to their Depository Participants (DPs) in respect of their electronic share accounts, or to the Registrar and Share Transfer Agent of the Company in respect of their physical share folios quoting their Folio Number(s) with a self-attested copy of address proof, i.e. Voter Identity Card, Aadhaar Card, Electric / Telephone (BSNL) Bill or Driving License or Passport. Members are also requested to kindly inform their Bank Account details to Messrs. C B Management Services (P) Limited, the Registrar and Share Transfer Agent of the Company.
16. Members who are holding shares in identical order of names in more than one folio are requested to send to the Registrar and Share Transfer Agent of the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
17. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
18. Members holding shares in dematerialized mode are requested to intimate the changes pertaining to their bank account details, NECS mandates, email addresses, nominations, change of addresses, change of names etc. if any, to their Depository Participant (DP) before 1<sup>st</sup> September, 2024. Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.
19. Members are requested to intimate beforehand to the Company their queries, if any, regarding the accounts/ notice/statutory registers at least ten days before the meeting to enable the management to keep the information required readily available at the meeting.
20. The Equity Shares of the Company are in the depository set up by the National Securities Depository Limited and Central Depository Services (India) Limited. The shares of the Company are in the dematerialization list with ISIN No. INE662B01017.
21. Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Rules framed thereunder the dividend for the year 2016-2017 and onwards will be deposited with the Investor Education and Protection Fund established by the Central Government as per the table given hereunder:

Financial Year	Date of declaration of Dividend	Date of Transfer to Unpaid Dividend Account	Due date of lodging claim with company	Due date of transfer to IEPF
2016-2017	27.08.2016	04.10.2016	03.09.2023	03.10.2023
2017-2018	25.09.2017	02.11.2017	01.10.2024	01.11.2024
2018-2019	14.09.2018	22.10.2018	21.09.2025	21.10.2025
2019-2020	23.09.2019	30.10.2019	29.09.2026	29.10.2026
	23.03.2020	29.04.2020	28.03.2027	28.04.2027
2020-2021	30.09.2021	10.10.2021	09.09.2028	09.10.2028
2021-2022	30.09.2022	03.11.2022	02.10.2029	02.11.2029
2022-2023	29.09.2023	02.11.2023	01.10.2030	30.10.2030

Details of the unpaid/unclaimed dividend are also uploaded on the website of the Company at [www.merinoindia.com](http://www.merinoindia.com). Members who have not encashed dividend declared by the Company, are advised to write to the Company immediately along with relevant Folio No. or DP ID and Client ID, duly discharged, or to the Company's Registrar and Share Transfer Agent to facilitate payment of the dividend.

22. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend does not exceed ₹5,000. In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with

their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address for updating at [balaji@merinoindia.com](mailto:balaji@merinoindia.com).

23. The dividend/s, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participants.
24. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/ documents by email to reach the Company's email address [balaji@merinoindia.com](mailto:balaji@merinoindia.com).
  - a. A signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
    - i) Name and Branch of Bank and Bank Account type;
    - ii) Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
    - iii) 11-digit IFSC Code;
  - b. self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
  - c. self-attested scanned copy of the PAN Card; and
  - d. self-attested scanned copy of any document (such as AADHAR Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

25. In the event the Company is unable to pay the dividend to any member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member, at the earliest once the normalcy is restored.
26. The Ministry of Corporate Affairs (MCA), Government of India, has by its Circular Nos. 17 / 2011 and 18 / 2011, dated April 21, 2011 and April 29, 2011 respectively, permitted companies to send official documents to the shareholders electronically as a part of its green initiatives in corporate governance. Recognizing the spirit of the circular issued by the MCA, the Notice convening the General Meeting will be sent to the e-mail addresses as provided by the shareholders, recorded with their depositories.
27. The voting rights of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date of 20<sup>th</sup> September, 2024.
28. Ms. Dasvinder Kaur, Practicing Company Secretary (Membership No. A33095) Proprietor of M/s. D.K. Chawla & Co., Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
29. The Scrutinizer shall, immediately after conclusion of voting at the AGM, first count the votes cast at the Meeting by e voting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, forthwith to the Company Secretary of the Company.
30. The Results shall be declared within 48 hours of conclusion of the ANNUAL GENERAL MEETING of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.merinoindia.com](http://www.merinoindia.com) and on the website of CDSL immediately after the result is declared by the Company Secretary.
31. The Chairman shall at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow e-voting with the assistance of the Scrutinizer by use of e-voting platform of CDSL for all those members who have not cast their votes earlier either by remote e-voting.

## **CDSL E-VOTING SYSTEM – FOR E-VOTING AND JOINING VIRTUAL MEETINGS.**

1. The general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular no. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022 (collectively "MCA Circulars"). The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.merinoindia.com](http://www.merinoindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular no. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 2/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022.

## **THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p>A. The voting period begins on Tuesday, 24<sup>th</sup> September, 2024, at 9:00 a.m. and ends on Thursday, 26<sup>th</sup> September, 2024, at 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 20<sup>th</sup> September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.</p> <p>B. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.</p> <p>C. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.</p> | <p>In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.</p> <p>D. Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.</p> |
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Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- E. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any Company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

PAN	Enter your 10 digit alphanumeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- F. After entering these details appropriately, click on "SUBMIT" tab.
- G. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- H. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- I. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- J. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- K. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- L. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- M. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- N. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- O. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- P. Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; balaji@merinoindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
  10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E- VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at balaji@merinoindia.com (Company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at balaji@merinoindia.com (Company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cDSLindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cDSLindia.com or call on 022-23058542/43.

By order of the Board  
For **Merino Industries Limited**

**Bala Ji**

Place: New Delhi  
Date: 07.08.2024

Company Secretary  
Membership No: F9919

**Regd. Office:**

**MERINO INDUSTRIES LIMITED**

CIN: U51909WB1965PLC026556

5, Alexandra Court,

60/1, Chowringhee Road, Kolkata - 700020

Phone: 033 2290-1214

Fax: 033 2287-0314

E-mail: balaji@merinoindia.com

Website: www.merinoindia.com

# ANNEXURE TO THE NOTICE

Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Items of Special and Ordinary Business set out in the Notice convening the 59<sup>th</sup> Annual General Meeting of the Company to be held on 27<sup>th</sup> September, 2024:

## ORDINARY BUSINESS:

### ITEM NO. 3

#### APPOINTMENT OF A DIRECTOR IN PLACE OF SHRI MADHUSUDAN LOHIA, WHOLE-TIME DIRECTOR (DIN 00063278), WHO RETIRES BY ROTATION, OFFERS HIMSELF FOR RE-APPOINTMENT

Shri Madhusudan Lohia has been associated with a group company as Whole-time Director from 1<sup>st</sup> June, 2005 before being appointed as Whole-time Director of the Company w.e.f. 1<sup>st</sup> October, 2006. Considering his experience of around 22 years in manufacture and marketing of Furniture, Furniture Solutions, Decorative Laminates etc., the Board recommends that it would be in the interest of the Company to appoint Shri Madhusudan Lohia as Whole-time Director of the Company for a period of three years with effect from 1<sup>st</sup> October, 2024. To effect his appointment, a special resolution is required to be passed by the shareholders of the Company at this meeting and accordingly the resolution appointing Shri Madhusudan Lohia as Whole-time Director is placed before the shareholders for approval.

#### INFORMATION ABOUT THE WHOLE-TIME DIRECTOR

1	Background details	Shri Madhusudan Lohia, is a Graduate in Business Process Management, (Operations and International Business) from Indiana University, holds Masters Degree in Manufacturing Management and is an MBA from Pennsylvania State University, USA. He is aged about 44 years and is associated with the Company as a Whole-time Director from 1 <sup>st</sup> October, 2006. His present term expires on 30 <sup>th</sup> September, 2024.
2	Past Remuneration	₹ 18,42,800/- per month along with remuneration details as provided in the resolution above.
3	Job Profile and his suitability	<p>Overseeing sales and marketing of the Company's furniture and panel products division and new product introduction. Shri Lohia has about 22 years experience in manufacture and marketing of Furniture, Furniture Solutions, Decorative Laminates etc. and is well conversant with the business requirements and complexities.</p> <p>In addition to his specific task, he has been entrusted with additional responsibility of driving the particle board project which includes detailed supervision of all the activities including acquisition of assets, coordinating with the suppliers, local agencies, statutory authorities, etc. The project is commissioned and require his significant time and attention for carrying out commercial activity at the plant.</p>
4	Remuneration proposed	<p>Salary : ₹ 18,42,800/- per month for the period from 01.10.2024 to 31.03.2025 and in the scale with effect from 01.04.2025 and ending on 30.09.2027 ₹ 18,42,800-1,84,280-2,02,708-22,29,800 with the increment falling due on 1<sup>st</sup> April 2026 and 1<sup>st</sup> April 2027.</p> <p>Perquisites: Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company's accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants' salaries, society charges and property tax, club fees (for self only).</p> <p>The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Shri Madhusudan Lohia, shall not exceed ₹1,00,000/- per financial year.</p> <p>The perquisites amounting to ₹ 1,00,000/- (₹ One Lac only) as per the current service agreement shall not include, prospectively, any sum for medical facility including medical reimbursement and medical insurance premium for self for the purpose of avilment of the said perquisites.</p> <p>Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company's contribution to provident fund (@12% of the salary or at the rate as per statutory changes) and gratuity as provided by the Company shall not be included in the computation of perquisites as per provisions in Schedule V to the Act.</p> <p>Additional Benefits: The additional benefits by way of provision of medical facility (including reimbursement of medical expenses, mediclaim premium, travel expenses with one attendant, if required, in connection with the avilment of medical treatment and other incidental expenses) on actual basis, for self, spouse and children to Shri Madhusudan Lohia, for treatment in India and abroad, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the current service agreement, whether earned or not, in addition to his existing remuneration.</p> <p>The said medical facility be and is hereby made admissible during the currency of the service agreement of Shri Madhusudan Lohia and the value of the unutilized portion, if any, of the aforesaid limit at the time of expiry of the current service agreement and medical expenditure incurred after the expiry of the service agreement be and are hereby made inadmissible for avilment.</p>

		Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof as may for the time being in force.”
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Even broad benchmarking of remuneration profile in an industry absolutely comparable in terms of size, complexity of operations
6	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Except in the proposed capacity of Whole-time Director and also as a promoter shareholder of the Company, Shri Lohia enjoys no other pecuniary relationship with the Company. He is directly concerned or interested in this resolution along with his father Shri Prakash Lohia, Managing Director and Key Managerial Personnel (KMP). Other KMP i.e. Shri Rup Chand Lohia, Chairman Emeritus, Shri Prasan Lohia, Miss Ruchira Lohia, Shri Bikash Lohia, Shri Manoj Lohia, Shri Deepak Lohia, Whole-time Directors are his relatives who are indirectly related to him and are considered to be interested or concerned in the resolution to the extent of their relationship with him. However, Shri Anil Jajoo, Whole Time Director, Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary also falling under the category of KMP and Shri K T Prasad, Non Executive Director, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, are not interested or concerned in the resolution in any way.

#### OTHER INFORMATION

1	Reasons for loss or inadequate profits	The Company has not incurred any loss.
2	Steps taken or proposed to be taken for improvement	The Management continues in its endeavor to optimize resources, make value additions, increase revenue and curtail wastage. The management is optimistic that in the future years your Company would witness improved performance and profitability.
3	Expected increase in productivity and profits in measurable terms	The Directors feel that the present rate of growth of performance would be sustained, and can be improved in the years to come.

#### DISCLOSURES

**Information on the remuneration package to the shareholders of the Company:** This information has been detailed in the notice and explanatory statement attached to the respective resolution.

**Disclosures mentioned in the Board of Directors’ Report under the heading ‘Corporate Governance’, if any, attached to the annual report:** Not applicable

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors had considered the re-appointment of Shri Madhusudan Lohia as Whole-time Director with effect from 1<sup>st</sup> October, 2024 for a period of three years and proposed remuneration and terms and conditions of his service be approved by the shareholders in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force). Schedule V stipulates obtaining approval of shareholders through Special Resolution for the appointment of managerial personnel and to fix their remuneration. In accordance with the provisions of Section II of Part II of Schedule V requires approval of the shareholders by way of Special Resolution. The terms of remuneration specified in the said Special

Resolution are now placed before the shareholders, for their approval. Your directors recommend the approval of the resolution.

Save and except Shri Madhusudan Lohia, Whole-time Director and Key Managerial Personnel (KMP) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / KMP of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 3 of the Notice.

The above item of ordinary business does not relate to or affect any other company.

#### **ITEM NO.4: TO APPOINT A DIRECTOR IN PLACE OF SHRI NRIPEN KUMAR DUGAR (DIN: 00127790), WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT**

Shri Nripen Kumar Dugar has been a Whole-time Director of the Company since 1987. Considering his vast experience in overall Business Administration and his valuable contribution towards the development of this Company, the Board recommends that it would be in the interest of the Company to re-appoint Shri Nripen Kumar Dugar as Whole-time Director of the Company for further period of three years with effect from 1<sup>st</sup> January, 2025. The job profile of Shri Nripen Kumar Dugar mainly involves overseeing sales

and marketing of the Company's Decorative Laminates division, Branch co-ordination and Base Paper management. He has been continuously contributing towards the growth and success of the company. It is proposed to re-appoint Shri Nripen Kumar Dugar as Whole-time Director of the Company for a further period of three years effective 1<sup>st</sup> January, 2025. Further the nomination and remuneration committee of the company has recommended his re-appointment. A draft service agreement in respect of his appointment was approved. It was also informed that the proposed remuneration being offered were within the limits as prescribed under the Companies Act, 2013 or any amendment thereto or modification thereof. Since Shri Nripen Kumar Dugar - Director is interested in the resolution, hence shall not participate in the item. To effect his appointment, a special resolution is required to be passed by the shareholders of the Company at this meeting and accordingly the resolution appointing Shri Nripen Kumar Dugar as Whole-time Director is placed before the shareholders for approval.

### INFORMATION ABOUT THE WHOLE-TIME DIRECTOR

1	Background details	Shri Nripen Kumar Dugar, B.Com., aged about 62 years, has been associated with the Company as Director since 1986 and was appointed as Whole-time Director with effect from 1 <sup>st</sup> day of January, 1987 with subsequent re-appointments to the said post and his present term expires on 31 <sup>st</sup> December, 2024.
2	Past Remuneration	₹ 6,47,930/- per month along with remuneration details as provided in the resolution above.
3	Job Profile and his suitability	Overseeing sales and marketing of the Company's Decorative Laminates division, Branch co-ordination and Base Paper management. Shri Dugar has about 35 years' experience in sale and marketing of Decorative Laminates etc. and is well conversant with the business requirements and complexities.
4	Remuneration proposed	<p>Salary: ₹ 6,47,930/- per month for the period from 01.01.2025 to 31.03.2025 and in the scale with effect from 01.04.2025 and ending on 31.12.2027 ₹ 7,12,723-78,400-8,62,395 with the increment falling due on 1<sup>st</sup> April 2026 and 1<sup>st</sup> April 2027.</p> <p>Other benefits: Company's contribution to provident fund and gratuity and entitlement of leave and special incentive, if any, payable in lumpsum per annum for any financial year in addition to the existing remuneration, will be applicable as per the rules of the Company.</p> <p>Perquisites: Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company's accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants' salaries, society charges and property tax, club fees, medical reimbursement, medical/accidental benefit insurance (for self only). The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Mr. Nripen Kumar Dugar, shall not exceed ₹1,00,000/- per financial year.</p> <p>Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company's contribution to provident fund and gratuity as provided by the Company shall be as per policy of the Company.</p> <p>Minimum Remuneration: In the event of loss or inadequacy of profits in any financial during the currency of tenure of service, the payment of remuneration shall be governed by Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof as may for the time being in force."</p>
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and Person	Even broad benchmarking of remuneration profile in an industry absolutely comparable in terms of size, complexity of operations and profile of the proposed appointee would not be appropriate. However, at a meeting of the Nomination and Remuneration Committee held on 18 <sup>th</sup> June, 2024, the Committee recommended fixing the remuneration of Shri Nripen Kumar Dugar on the same terms as per his immediately preceding period of office with the Company.
6	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Except in the proposed capacity of Whole-time Non-Promoter Director and also as a shareholder of the Company, Shri Dugar enjoys no other pecuniary relationship with the Company.

## OTHER INFORMATION

1	Reasons for loss or inadequate profits	The Company has not incurred any loss
2	Steps taken or proposed to be taken for improvement	The Management continues in its endeavor to optimize resources, make value additions, increase revenue and curtail wastage. The management is optimistic that in the future years your Company would witness improved performance and profitability
3	Expected increase in productivity and profits in measurable terms	The Directors feel that the present rate of growth of performance would be sustained, and can be improved in the years to come

## DISCLOSURES

**Information on the remuneration package to the shareholders of the Company:** This information has been detailed in the notice and explanatory statement attached to the respective resolution.

**Disclosures mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report:** Not applicable.

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors had considered the appointment of Shri Nripen Kumar Dugar as Whole-time Director with effect from 1<sup>st</sup> January, 2025 for a period of three years and proposed remuneration and terms and conditions of his service be approved by the shareholders in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force). Schedule V stipulates obtaining approval of shareholders through Ordinary Resolution for the appointment of managerial personnel and to fix their remuneration. In accordance with the provisions of Schedule V, his appointment requires approval of the shareholders by way of Special Resolution (as specified in Item No. 4). The terms of remuneration specified in the said Special Resolution and also described fully in the draft service agreement of Shri Dugar as Whole-time Director are now placed before the shareholders at this Annual General Meeting, for their approval.

Your directors recommend the approval of the resolution, which may also be treated as an abstract of the draft agreement between the Company and Shri Dugar pursuant to Section 190 of the Companies Act, 2013. The draft agreement entered into by the Company with Shri Dugar and all other relevant documents are available for inspection at the registered office of the Company on all working days starting from the date of notice of this meeting upto the date of the Annual General Meeting, between business hours, without payment of any fee.

Save and except Shri Nripen Kumar Dugar, Whole-time Director and Key Managerial Personnel (KMP) and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / KMP of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 4 of the Notice.

The above item of ordinary business to be transacted at this meeting of the company does not relate to or affect any other company.

## **ITEM NO.5: TO APPOINT A DIRECTOR IN PLACE OF SHRI BIKASH LOHIA (DIN: 00154013), WHOLE-TIME DIRECTOR, WHO RETIRES BY ROTATION AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT**

Shri Bikash Lohia has been appointed as a Whole-time Director of the Company in the year 2006 with subsequent re-appointment to the said post. Considering his experience of around 32 years in production of Decorative Laminates, Plywood and Import of Design papers, raw materials, chemicals etc. and his contributions towards the development of the Company and his expertise in managing information & technology issues of the Company, the Board recommends that it would be in the interest of the Company to appoint Shri Bikash Lohia as a Whole-time Director of the Company for a further period of three years with effect from 1<sup>st</sup> October, 2024. To effect his appointment, a special resolution is required to be passed by the shareholders of the Company at this meeting and accordingly the resolution appointing Shri Bikash Lohia as a Whole-time Director is placed before the shareholders for approval.

## INFORMATION ABOUT THE WHOLE-TIME DIRECTOR

1	Background details	Shri Bikash Lohia, aged about 54 years, privately educated and attended M.E.P of the Indian Institute of Management, Ahmedabad, has been on the Board of the company since 1 <sup>st</sup> October, 2006. His present term expires on 30 <sup>th</sup> September, 2024.
2	Past Remuneration	₹ 15,30,700/- per month along with remuneration details as provided in the resolution above.
3	Job Profile and his suitability	Overseeing factory operations and overall management and addressing Information Technology related issues. Shri Lohia has about 26 years of experience in production of Company's products and his contributions towards the development of the Company are significant.
4	Remuneration proposed	<p>Salary: ₹ 15,30,700/- per month for the period from 01.10.2024 to 31.03.2025 and the Scale with effect from 01.04.2025 and ending on 30.09.2027 ₹ 16,83,800-1,85,220-20,37,400 with the increment falling due on 1<sup>st</sup> April 2026 and 1<sup>st</sup> April 2027.</p> <p>Perquisites: Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company's accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants' salaries, society charges and property tax, club fees (for self only). The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Shri Bikash Lohia, shall not exceed ₹1,00,000/- per financial year. The perquisites amounting to ₹ 1,00,000/- (₹ One Lac only) as per the current service agreement shall not include, prospectively, any sum for medical facility including medical reimbursement and medical insurance premium for self for the purpose of avilment of the said perquisites. Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company's contribution to provident fund (@12% of the salary or at the rate as per statutory changes) and gratuity as provided by the Company shall not be included in the computation of perquisites as per provisions in Schedule V to the Act.</p> <p>Additional Benefits: The additional benefits by way of provision of medical facility (including reimbursement of medical expenses, mediclaim premium, travel expenses with one attendant, if required, in connection with the avilment of medical treatment and other incidental expenses) on actual basis, for self, mother, spouse and children to Shri Bikash Lohia, for treatment in India and abroad, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the current service agreement, whether earned or not, in addition to his existing remuneration. The said medical facility be and is hereby made admissible during the currency of the service agreement of Shri Bikash Lohia and the value of the unutilized portion, if any, of the aforesaid limit at the time of expiry of the current service agreement and medical expenditure incurred after the expiry of the service agreement be and are hereby made inadmissible for avilment.</p> <p>Minimum Remuneration: In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service, the payment of remuneration shall be governed by Schedule V to the Companies Act, 2013 including any statutory modification or re-enactment thereof as may for the time being in force.</p>
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Even broad benchmarking of remuneration profile in an industry absolutely comparable in terms of size, complexity of operations and profile of the Whole-time Director would not be appropriate. However, at a meeting of the Nomination and Remuneration Committee held on 18 <sup>th</sup> June, 2024, the Committee recommended fixing the remuneration of Shri Lohia as a Whole-time Director based on his present job responsibilities and size of the Company.

6	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Except in the proposed capacity of Whole-time Director and also as a promoter shareholder of the Company, Shri Lohia enjoys no other pecuniary relationship with the Company. He is directly concerned or interested in this resolution along with his brother Shri Deepak Lohia, Whole-time Director and one of the KMP. Other KMP i.e. Shri Rup Chand Lohia, Chairman Emeritus, Shri Prakash Lohia, Chairman & Managing Director, Shri Prasan Lohia, Miss Ruchira Lohia, Shri Manoj Lohia and Shri Madhusudan Lohia, Whole-time Directors are his relatives who are indirectly related to him and are considered to be interested or concerned in the resolution to the extent of their relationship with him. However, Shri Anil Jajoo, Whole Time Director, Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary also falling under the category of KMP and Shri K T Prasad, Non-Executive Director, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, are not interested or concerned in the resolution in any way.
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#### OTHER INFORMATION

1	Reasons for loss or inadequate profits	The Company has not incurred any loss.
2	Steps taken or proposed to be taken for improvement	The Management continues in its endeavor to optimize resources, make value additions, increase revenue and curtail wastage. The management is optimistic that in the future years your Company would witness improved performance and profitability.
3	Expected increase in productivity and profits in measurable terms	The Directors feel that the present rate of growth of performance would be sustained, and can be improved in the years to come.

#### DISCLOSURES

**Information on the remuneration package to the shareholders of the Company:** This information has been detailed in the notice and explanatory statement attached to the respective resolution.

**Disclosures mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report:** Not applicable

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors had considered the appointment of Shri Bikash Lohia as a Whole-time Director with effect from 1<sup>st</sup> October, 2024 for a period of three years and proposed remuneration and terms and conditions of his service be approved by the shareholders in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force). Schedule V stipulates obtaining approval of shareholders through Special Resolution for the appointment of managerial personnel and to fix their remuneration. In accordance with the provisions of Section II of Part II of Schedule V requires approval of the shareholders by way of Special Resolution (as specified in Item No. 5). The terms of remuneration specified in the said Special Resolution and also described fully in the draft service agreement of Shri Lohia as Whole-time Director are now placed before the shareholders at this Annual General Meeting, for their approval.

Your directors recommend the approval of the resolution, which may also be treated as an abstract of the draft agreement between the Company and Shri Lohia pursuant to Section 190 of the Companies Act, 2013. The draft agreement entered into by the Company with Shri Lohia and all other relevant documents are available for inspection at the registered office of the Company on all working days starting from the date of notice of this meeting upto the date of the Annual General Meeting, between business hours, without payment of any fee.

Shri Bikash Lohia, Whole-time Director and Key Managerial Personnel (KMP) and his brother Shri Deepak Lohia, Whole-time Director and KMP and their relatives, to the extent of their shareholding interest, if any, in the Company, are directly concerned or interested, financially or otherwise in the resolution. Shri Rup Chand Lohia, Executive Chairman, Shri Prakash Lohia, Managing Director, Miss Ruchira Lohia, Shri Prasan Lohia, Shri Manoj Lohia and Shri Madhusudan Lohia, Whole-time Directors and KMPs and their relatives, to the extent of their shareholding interest, if any, in the Company, are indirectly concerned or interested, financially or otherwise in the resolution. Shri Nripen Kumar Dugar, Whole-time Director, Shri Anil Jajoo, Whole Time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary also falling under the category of KMP and Shri K T Prasad, Non-Executive Director, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, including their relatives, are not in any way concerned or interested, financially or otherwise, in the resolution set out in Item No. 5 of the Notice.

The above item of ordinary business to be transacted at this meeting of the company does not relate to or affect any other company.

## **SPECIAL BUSINESS:**

### **RELATING TO ITEM NO. 6: TO AMEND THE ARTICLES OF ASSOCIATION FOR AMENDMENT AND INSERTION OF CLAUSE- SPECIAL RESOLUTION**

The members to be informed that Clause 90(i) has to be amended by inserting the provisions of appointing the Managing Director as Chairman/Chairperson of the company and accordingly the said clause is to be amended as per the clause provided in the resolution.

Further the company in their Board Meeting held on 18<sup>th</sup> June, 2024 decides to create a new position by appointing Shri Rup Chand Lohia as Chairman Emeritus of the company. The said appointment was approved by the board temporarily subject to approval of Shareholders and creating a provision in the Articles of Association of the company. Accordingly a new clause no 97 has to be inserted in the Articles of Association of the company with terms as explained in the resolution.

The Board recommends that the proposed alterations in the Article of Association of the Company, as specified in this notice, be approved by the members in furthering the business interests of the Company and to enhance the value of the business.

The Board of Directors of the Company at its meeting held on 18<sup>th</sup> day of June, 2024, has, subject to the approval of the Shareholders of the Company by way of special resolutions and approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved to amend the Articles of Association of the company.

The said amendment requires shareholders' approval in a General Meeting as per provisions of the Companies Act, 2013 and the Board recommends that these proposed alteration by insertion of new clause in Articles of Association of the Company as specified in the notice be approved by the members at this General Meeting, for furthering the business interest of the Company, your Directors recommend the resolution set out in item no. 6 for your approval.

A copy of the Articles containing the proposed amendment, is available for inspection by the members at the Registered Office of the Company on all working days i.e., from Monday to Friday (except holidays) from 10.00 a.m. to 12.30 p.m. from the date of dispatch of the notice, up to the last date of voting i.e., September 26<sup>th</sup>, 2024 and will also be available on the website of the Company

In compliance with the provisions of Section 108 of the Companies Act, 2013 and other applicable provisions, the Company is offering facility of e-voting to all Shareholders to enable them to cast their votes electronically. Shareholders are requested to follow the procedure as stated in the notes for casting of votes by e-voting.

Necessary documents in this regard are available for inspection by the Shareholders in electronic mode on the website of the Company at <https://www.merinoindia.com/downloads.php>.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested, directly or indirectly, financially or otherwise, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

### **RELATING TO ITEM NO. 7: TO APPOINT SHRI RUP CHAND LOHIA AS CHAIRMAN EMERITUS OF THE COMPANY - SPECIAL RESOLUTION**

The members shall be informed that Shri Rup Chand Lohia has been designated as Chairman of the company. Shri Rup Chand Lohia has been on the Board since 1<sup>st</sup> January, 2002. He was further redesignated as Executive Chairman of the company with effect from 01<sup>st</sup> July, 2020. Shri Rup Chand Lohia has been monitoring, controlling the management and superintendence of the business operations of the company.

As a visionary leader, Shri R C Lohia has steered the Merino Industries Limited, during a very challenging and exciting phase in the industry's evolution and transformation in India. He was an early adopter of quality initiatives in India.

Recognizing his contribution towards growth of the Company, his vast expertise, experience and knowledge of the industry especially in areas like business strategies, human resource, Management, Information Technology, etc., and subject to the recommendation of this Committee, the management is of the opinion that the continued association of Shri R C Lohia, in an advisory/mentorship role as Chairman Emeritus, would be in the long-term interest of the Company and all its stakeholders and would immensely benefit from his tremendous experience, knowledge and wisdom in the industry.

Shri Rup Chand Lohia shall be associated with the company in the capacity of the Chairman Emeritus and shall continue to attend the meetings of the company from time to time.

It is further proposed to provide a monthly remuneration to Shri Rup Chand Lohia as per details provided in the resolution for providing guidance to the executive management.

The term of appointment shall be governed by articles of association of the company.

The Board at its meeting held on June 18<sup>th</sup>, 2024 considered the matter in detail and based on the recommendations of the Nomination and Remuneration Committee, approved the proposal and requested Shri Rup Chand Lohia to provide his services to the group as Chairman Emeritus.

The particulars to be disclosed pursuant to para. 3 of explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

<b>Name of Related Party</b>	Shri Rup Chand Lohia
<b>Name of Director of Key Managerial Personnel (KMP) who is related</b>	Except in the proposed capacity of Chairman Emeritus and also as a promoter shareholder of the Company, Shri Lohia enjoys no other pecuniary relationship with the Company. He is directly concerned or interested in this resolution along with his sons, Shri Prasan Lohia and Shri Manoj Lohia, Whole-time Directors and Key Managerial Personnel (KMP). Other KMP i.e. Shri Prakash Lohia, Chairman and Managing Director, Shri Bikash Lohia, Miss Ruchira Lohia, Shri Deepak Lohia, Shri Madhusudan Lohia, Whole-time Directors are his relatives who are indirectly related to him and are considered to be interested or concerned in the resolution to the extent of their relationship with him. However, Shri Anil Jajoo, Whole Time Director, Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary also falling under the category of KMP and Shri K T Prasad, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, are not interested or concerned in the resolution in any manner.
<b>Nature of relationship</b>	As explained in para above
<b>Nature, material terms, monetary value and particulars of the contract or arrangement</b>	<p><b>1. Salary:</b> ₹ 11,61,100/- per month</p> <p><b>2. Perquisites:</b> Perquisites (valuation as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases) will include the Company's accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishing, repairs, servants' salaries, society charges and property tax, club fees (for self only). The total value of the perquisites (evaluated in terms of cost/Income Tax Rules as applicable) as per the rules of the Company or as may be agreed to by the Board of Directors and Shri Rup Chand Lohia, shall not exceed ₹1,00,000/- per financial year. The perquisites shall not include, prospectively, any sum for medical facility including medical reimbursement and medical insurance premium for self for the purpose of avilment of the said perquisites. Benefits of encashment of leave at the end of the tenure, use of Company car with driver on official duty, telephone including internet facilities for official purposes, Company's contribution to provident fund (@12% of the salary or at the rate as per statutory changes) and gratuity as provided by the Company shall not be included in the computation of perquisites as per provisions in Schedule V to the Act.</p> <p><b>3. Additional Benefits</b> The additional benefits by way of provision of medical facility (including reimbursement of medical expenses, mediclaim premium, travel expenses with one attendant, if required, in connection with the avilment of medical treatment and other incidental expenses) on actual basis, for self and spouse to Shri Rup Chand Lohia, for treatment in India and abroad, subject to the ceiling limit of annual salary on the basis of average salary of three years as per the current service agreement, whether earned or not, in addition to his existing remuneration. The said medical facility be and is hereby made admissible during the currency of the service agreement of Shri Rup Chand Lohia and the value of the unutilized portion, if any, of the aforesaid limit at the time of expiry of the current service agreement and medical expenditure incurred after the expiry of the service agreement be and are hereby made inadmissible for avilment.</p>
<b>Duration of contract</b>	As per Articles of the company
<b>Shareholding in the Company</b>	Shri Rup Chand Lohia holds 6.33% (7,07,789 equity shares) in the equity share capital of the Company

#### OTHER INFORMATION

1	Reasons for loss or inadequate profits	The Company has not incurred any loss.
2	Steps taken or proposed to be taken for improvement	The Management continues in its endeavor to optimize resources, make value additions, increase revenue and curtail wastage. The management is optimistic that in the future years your Company would witness improved performance and profitability.
3	Expected increase in productivity and profits in measurable terms	The Directors feel that the present rate of growth of performance would be sustained, and can be improved in the years to come.

## DISCLOSURES

**Information on the remuneration package to the shareholders of the Company:** This information has been detailed in the notice and explanatory statement attached to the respective resolution.

**Disclosures mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report:** Not applicable

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors had considered the appointment of Shri Rup Chand Lohia as a Chariman Emeritus with effect from 18<sup>th</sup> June, 2024 and proposed remuneration and terms and conditions of his service be approved by the shareholders in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force). Schedule V stipulates obtaining approval of shareholders through Special Resolution for the appointment of managerial personnel and to fix their remuneration. In accordance with the provisions of Section II of Part II of Schedule V requires approval of the shareholders by way of Special Resolution. The terms of remuneration specified in the said Special Resolution and also described fully in the draft service agreement of Shri Lohia as Chairman Emeritus are now placed before the shareholders at this Annual General Meeting, for their approval.

Your directors recommend the approval of the resolution, which may also be treated as an abstract of the draft agreement between the Company and Shri Lohia pursuant to Section 190 of the Companies Act, 2013. The draft agreement entered into by the Company with Shri Lohia and all other relevant documents are available for inspection at the registered office of the Company on all working days starting from the date of notice of this meeting upto the date of the Annual General Meeting, between business hours, without payment of any fee.

The Board recommends passing of the resolution as set out in item no. 7 of this notice as an special resolution.

## RELATING TO ITEM NO. 8: TO APPOINT SHRI PRAKASH LOHIA AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY - SPECIAL RESOLUTION

The members are informed that Shri Prakash Lohia – Managing Director of the company has been a Director of the company since 1976 and had held the post of a Managing Director of the Company from 1995. Considering his vast experiences in managing the entire business, the Board in their meeting held on 18<sup>th</sup> June, 2024 decided further to appoint him as Chairman/Chairperson of the company w.e.f. 18<sup>th</sup> June, 2024 subject to approval of Shareholders in the general meeting. Further the Nomination and Remuneration committee meeting held on 18<sup>th</sup> June, 2024 decide not to change in Remuneration structure of Shri Prakash Lohia till subsistence of his existing agreement with the company in the capacity of Managing Director executed on 14<sup>th</sup> February, 2023.

## INFORMATION ABOUT THE WHOLE-TIME DIRECTOR

1	Background details	Shri Prakash Lohia, B. Tech. (Chem.) – IIT Delhi, M.E.P (IIM - Ahmedabad), is aged about 70 years. Shri Lohia has been a Director of the Company since 1976 and had held the post of a Managing Director of the Company from 1995 with subsequent re-appointments to the said post and his present term will expire on 28 <sup>th</sup> February, 2026.
2	Past Remuneration	Remuneration shall be as per Agreement Executed which shall be ₹ 22,20,110.00 per month plus other benefits as stipulated in the agreement.
3	Job Profile and his suitability	Management of the business and affairs of the Company as a whole. Shri Lohia has about 46 years of work experience and he has contributed immensely towards the growth and success of the Company.
4	Remuneration proposed	There shall not be any change in Remuneration and shall be paid as per existing terms executed. Further a fresh supplement deed with regard to appointment as Chairman and Managing Director shall be executed between the Company and Shri Prakash Lohia.
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	Even broad benchmarking of remuneration profile in an industry absolutely comparable in terms of size, complexity of operations and profile of the Chairman and Managing Director would not be appropriate.

6	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any	Except in the proposed capacity of Chairman and Managing Director and Key Managerial Personnel (KMP) and also as a promoter shareholder of the Company, Shri Lohia enjoys no other pecuniary relationship with the Company. He is directly concerned or interested in this resolution along with his son, Shri Madhusudan Lohia, Whole-time Director and one of the KMP. Other KMP i.e. Shri Rup Chand Lohia, Chairman Emeritus, Shri Prasan Lohia, Shri Bikash Lohia, Miss Ruchira Lohia, Shri Manoj Lohia, Shri Deepak Lohia, Whole-time Directors, are his relatives who are indirectly related to him and are considered to be interested or concerned in the resolution to the extent of their relationship with him. However, Shri Anil Jajoo, Whole Time Director, Shri Nripen Kumar Dugar, Whole-time Director, Shri Sachin Selot, Chief Financial Officer and Shri Bala Ji, Company Secretary who are also falling under the category of KMP and Shri K T Prasad, Shri Bama Prasad Mukhopadhyay and Shri Prabal Kumar Sarkar, Independent Directors, are not interested or concerned in the resolution in any manner.
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#### OTHER INFORMATION

1	Reasons for loss or inadequate profits	The Company has not incurred any loss.
2	Steps taken or proposed to be taken for improvement	The Management continues in its endeavor to optimize resources, make value additions, increase revenue and curtail wastage. The management is optimistic that in the future years your Company would witness improved performance and profitability.
3	Expected increase in productivity and profits in measurable terms	The Directors feel that the present rate of growth of performance would be sustained, and can be improved in the years to come.

#### DISCLOSURES

**Information on the remuneration package to the shareholders of the Company:** This information has been detailed in the notice and explanatory statement attached to the respective resolution.

**Disclosures mentioned in the Board of Directors' Report under the heading 'Corporate Governance', if any, attached to the annual report:** Not applicable

As per recommendations of the Nomination and Remuneration Committee, the Board of Directors had considered the appointment of Shri Prakash Lohia as a Chairman and Managing Director with effect from 18<sup>th</sup> June, 2024 for period upto 28<sup>th</sup> Feb, 2026 (his current tenure) and proposed remuneration as per his existing terms only to be approved by the shareholders in accordance with the provisions of Sections 196 and 197 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force). Schedule V stipulates obtaining approval of shareholders through Special Resolution for the appointment of managerial personnel and to fix their remuneration. In accordance with the provisions of Section II of Part II of Schedule V requires approval of the shareholders by way of Special Resolution (as specified in Item No. 8). The terms of remuneration specified in the said Special Resolution and also described fully in the draft service agreement of Shri Lohia as Chairman and Managing Director, are now placed before the shareholders at this Annual General Meeting, for their approval.

Your directors recommend the approval of the resolution, which may also be treated as an abstract of the draft agreement between the Company and Shri Lohia pursuant to Section 190 of the Companies Act, 2013. The draft agreement entered into by the Company with Shri Lohia and all other relevant documents are available for inspection at the registered office of the Company on all working days starting from the date of notice of this meeting upto the date of the Annual General Meeting, between business hours, without payment of any fee.

The above item of special business to be transacted at this meeting of the company does not relate to or affect any other company.

#### RELATING TO ITEM NO. 9: TO RATIFY THE REMUNERATION PAYABLE TO COST AUDITOR FOR FY 2024-25 - ORDINARY RESOLUTION

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Rajendra Singh Bhati & Co., Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2025 at a remuneration of ₹ 60,000/- plus out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be determined by the shareholders of the Company. Accordingly, your consent is sought for passing an Ordinary Resolution as set out in Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31<sup>st</sup> March, 2025.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 9 of the Notice.

**RELATING TO ITEM NO. 10**

The Company, for its routine capital expenditure and working capital requirements, borrowed/will borrow by way of Rupee Term Loans, Corporate Loans, Foreign Currency Loans and/or Working Capital Limits and any other form of loan of whatever nature either at a time or from time to time from the Financial Institutions, Non-Banking Financial Companies, Lenders and/or Commercial Banks/ Nationalised Banks for amounts not exceeding ₹ 1,250 Crore (Rupees One Thousand Two Hundred Fifty Crores only). The said limit is required to be enhanced from ₹ 1,000 crores to ₹ 1,250 crores considering the expansion plans company has with new project at Halol in Gujarat. Section 180(1)(a) of the Companies Act, 2013, provides, inter-alia, that the Board of Directors of a company shall not, without the consent of members in a general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. Therefore, it is necessary for the members to pass a resolution under this Section of the Act.

In view of the above, the resolutions set out in item No.10 of the Agenda is recommended to be passed as Special Resolutions.

None of the Directors / Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

**RELATING TO ITEM NO. 11**

Pursuant to the provisions of Clause (c) of sub-section (1) of Section 180 of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. At the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2021 consent of the members had been obtained for the Directors to borrow up to a maximum amount of ₹ 1000 crore (apart from temporary loans obtained from the Company's bankers in ordinary course of business). The expansion programmes of the Company is being continuously carried out in full swing and taking into account the further requirements of additional finance for the same, your Directors place before you the proposal to increase the maximum borrowing limit to ₹ 1,250 crores.

In view of the above, the resolution set out in item No.11 of the Agenda is recommended to be passed as a Special Resolution.

None of the Directors / Key Managerial Personnel or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution.

**Brief particulars of Directors proposed to be Directors proposed to be appointed / re-appointed:**

<b>Name</b>	<b>Shri Madhusudan Lohia</b>
Age	44 Years
Qualification	Graduate in Business Process Management, (Operations & International Business) – Indiana University, USA. Masters in Manufacturing Management, MBA – Pennsylvania State University, USA
Specialized Expertise	Overseeing sales and marketing of the Company’s furniture and panel products division and new product introduction. Shri Lohia has about 22 years experience in manufacture and marketing of Furniture, Furniture Solutions, Decorative Laminates etc. and is well conversant with the business requirements and complexities. In addition to his specific task, he has been entrusted with additional responsibility of driving the particle board project which includes detailed supervision of all the activities including acquisition of assets, coordinating with the suppliers, local agencies, statutory authorities, etc. The project is commissioned and require his significant time and attention for carrying out commercial activity at the plant.
Number of shares held in Company	396235 Equity Shares (3.54% of the paid-up share capital of the company)
Directorship in other companies	<ul style="list-style-type: none"> <li>• Merino Properties Private Limited</li> <li>• Mankumar Lohia Agro Limited</li> <li>• Premchand Lohia Agro Limited</li> </ul>
Relationship with other Directors	Son of Shri Prakash Lohia, Chairman and Managing Director and Key Managerial Personnel (KMP).

<b>Name</b>	<b>Shri Nripen Kumar Dugar</b>
Age	62 Years
Qualification	B.E. (Mech.)
Specialized Expertise	Overseeing sales and marketing of the Company’s Decorative Laminates division, Branch co-ordination and Base Paper management. Shri Dugar has about 35 years’ experience in sale and marketing of Decorative Laminates etc. and is well conversant with the business requirements and complexities.
Number of shares held in Company	600 Equity Shares (0.01% of the paid-up share capital of the company)
Directorship in other companies	NIL
Relationship with other Directors	No relation with any Director

<b>Name</b>	<b>Shri Bikash Lohia</b>
Age	57 Years
Qualification	Privately Educated & M.E.P (IIM Ahmedabad)
Specialized Expertise	Overseeing factory operations and overall management and addressing Information & Technology related issues. Shri Bikash Lohia has about around 34 years of experience and has contributed immensely towards the growth and success of the Company.
Number of shares held in Company	452196 Equity Shares (4.05% of the paid-up share capital of the company)
Directorship in other companies	<ul style="list-style-type: none"> <li>• Merino Consulting Services Limited</li> <li>• Merino Properties Private Limited</li> </ul>
Relationship with other Directors	Brother of Shri Deepak Lohia, Whole-time Director and Father of Shri Anurag Lohia, Whole-time Director and not related to any other Director / Key Managerial Personnel as per Companies Act, 2013.

<b>Name</b>	<b>Shri Rup Chand Lohia</b>
Age	84 years
Qualification	B.M.E. (Mech)
Specialized Expertise	Advisory to the Board considering his contribution towards growth of the Company, his vast expertise, experience and knowledge of the industry especially in areas like business strategies, human resource, Management, Information Technology, etc.,
Number of shares held in Company	707789 Equity Shares (6.33% of the paid-up share capital of the company)
Directorship in other companies	Nil
Relationship with other Directors	He is father of Shri Prasan Lohia and Shri Manoj Lohia, Whole-time Directors and Key Managerial Personnel (KMP).

<b>Name</b>	Shri Prakash Lohia
Age	70 Years
Qualification	B. Tech. (Chem) – IIT Delhi M.E.P (IIM-Ahmedabad)
Specialized Expertise	Vast experience in Laminates industry. Shri Prakash Lohia, is aged about 66 years and has been a Director of the Company since 1976 and had held the post of a Managing Director of the Company from 1995. He has about 46 years' experience and has contributed immensely towards the growth and success of the group in general.
Number of shares held in Company	473161 Equity Shares (4.23% of the paid-up share capital of the company)
Directorship in other companies	<ul style="list-style-type: none"> <li>• Merino Consulting Services Limited</li> <li>• Merino Properties Private Limited</li> </ul>
Relationship with other Directors	Father of Shri Madhusudan Lohia, Whole-time Director and not related to any other Director / Key Managerial Personnel as per Companies Act, 2013.

By order of the Board  
For **Merino Industries Limited**

Place: New Delhi  
Date: 07.08.2024

**Bala Ji**  
Company Secretary  
Membership No: F9919

# Merino Industries Limited

CIN: U51909WB1965PLC026556

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E-mail: [balaji@merinoindia.com](mailto:balaji@merinoindia.com)

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

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