

ESPRIT STONES LIMITED

(Formerly Known as 'Esprit Stones Private Limited')

Reg. office: - SP 1, Udyog Vihar, Sukher Industrial Area, Udaipur, Rajasthan-313004

CIN: U74999RJ2016PLC056284, Website: www.espritstones.com

Phone No. 9116652582

Email Id: legal@espritstones.com

September 06, 2024

To,
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051.
Symbol: ESPRIT

Sub: Annual Report for the FY 2023-24 including Notice of the 08th Annual General Meeting Pursuant to Regulation 30 & 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

We wish to inform the following:

1. The 08th Annual General Meeting ('AGM') of the Members of Company will be held on **Monday, 30th September, 2024 at 11.00 a.m. IST** through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') in accordance with Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, from time to time.
2. Pursuant to the said Circulars, AGM Notice and Annual Report for the Financial Year 2023-24 have been sent to all the members of the Company whose email addresses are registered with the Company /Depository Participant(s).
3. The Company has provided the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all the resolutions set out in the AGM notice to the members, who will be holding shares as on Cut-off date i.e. **Monday, the 23rd September, 2024**. The remote e-voting will commence at 9:00 a.m. (IST) on **Friday, September 27th, 2024 and end at 5:00 p.m. (IST) on Sunday, September 29th, 2024**. Detailed instructions for registering email addresses(s) and voting/attendance at the AGM are given in the AGM Notice.
4. Pursuant to the provisions of the Regulation 30 & 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the 'Listing Regulations'), we also enclose herewith the Annual Report of the Company for the Financial Year 2023-24 including Notice convening the 08th AGM of the Company for your record.

The same will also be available on the website of the Company at <http://www.espritstones.com/>

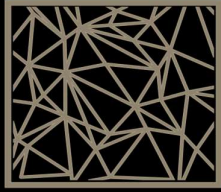
This is for your information and record.

Thanking you,
Yours faithfully,

For Esprit Stones Limited

Anjali Pandey
Company Secretary and Compliance Officer
Membership No: ACS 45660

Encl.: As above



**ESPRIT
STONES**

www.espritstones.com

ESPRIT STONES LIMITED

(Formerly known as Esprit Stones Private Limited)

8th Annual Report
Financial Year 2023-24

A New Age of
**ICONIC
LUXURY**

ELEVATED LIVING
haique[®]
— Luxury Surfaces —
QUARTZ | NEO MARBLE | TERRAZZO

EVERY HOME IS A HERITAGE!

Haiquesurfaces.com

ELEVATED LIVING
haique[®]
— Luxury Surfaces —
QUARTZ | NEO MARBLE | TERRAZZO



Unveil A World Where

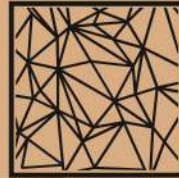
GLOBAL SOPHISTICATION & SUPERIOR QUALITY

Converge In Every Surface.



ELEVATED LIVING
haique[®]

— Luxury Surfaces —
QUARTZ | NEO MARBLE | TERRAZZO



ESPRIT
STONES

*Pioneering
A New Era Of Luxury With
Surfaces That Blend*

ELEGANCE

&

INNOVATION



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In accordance with SEBI Circular No. SEBI/HO/DDHS/P/CIR/2023/0164 dated 06th October, 2023 read with MCA General Circular No. 09/2023 dated 25th September 2023 respectively (collectively referred to as "MCA Circulars") issued by the Ministry of Corporate Affairs ("MCA") from time to time, compliance norms pertaining to requirement of sending physical copies of Annual Reports to Shareholders for General Meeting to be held up to September 30, 2024 has been dispensed off. In view of the above the Company will not be printing physical copies of the Annual Report.

The Annual Report and Notice of the AGM is being sent to members who have registered their email ID with the Company / Depositories. The Members who have not registered their email ID with the Company can access the Annual Report on the website of the Company www.espritstones.com

ABOUT ESPRIT STONES LIMITED...

Our Company was incorporated in the year 2016 and is promoted by two business houses from Udaipur, Rajasthan namely, Aravali group and Gattani group. We within a short span of less than six years since becoming operational, have expanded our manufacturing capacity and diversified our operations. Having set up our Quartz Surfaces Manufacturing Facility in the year 2017, we started the production of engineered quartz with a single press line and a polish line capable of producing around 24 lakhs sq.ft. engineered quartz per annum. As on date, the quartz manufacturing facility is equipped with three (3) pressing lines and two (2) polishing lines with a production capacity of around 72 lakhs sq.ft. per annum. Additionally, we commissioned the manufacturing facility for production of quartz grit and quartz powder which is the primary raw material for manufacturing of engineered quartz. Thereafter, in order to further reduce our dependency on third-party raw material suppliers of unsaturated polyester resin, which is an important ingredient for manufacturing of engineered stones, our Company, through our Subsidiary namely, Addwaya Chemicals, started manufacturing of unsaturated polyester resin having an annual capacity of around 18 thousand metric tonnes. As a result of this backward integration, our Company gained a better control on quality of key raw materials. In the year 2022, our Company through our Subsidiary, Haique Stones Private Limited (HSPL) has commenced manufacturing and processing of engineered marble surfaces which is equipped with one (1) pressing line, two (2) gangsaw and one (1) polishing line and having an annual capacity of around 74 lakhs sq. ft.

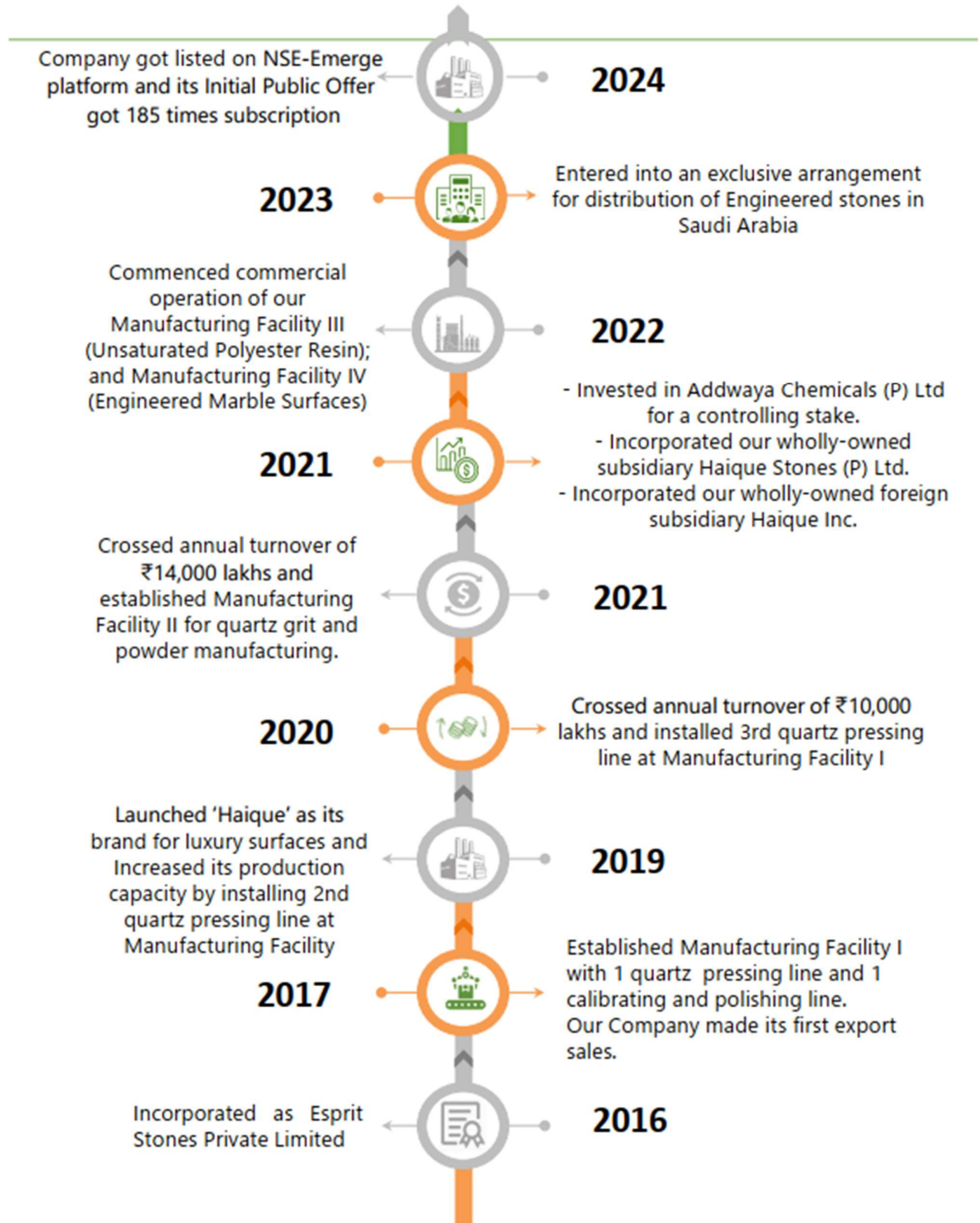
At present we are one of the key Engineered Stones players in the Indian Market (Source: CARE Report) and we market and sell our Engineered Stones in domestic as well as international markets through a combination of direct export sales and a network of independent distributors in the domestic market. As on the date of this annual report, we are exporting to over 10 countries including USA, Canada, Egypt, Bulgaria, UAE, Saudi Arabia, etc. under white labelling. A majority of our sales comprise of export sales. During the Fiscals 2024, 2023 and 2022, we derived 59.87%, 72.75% and 92.44% of our sales from exports, respectively. Further, out of our total exports, 94.43%, 97.51% and 96.47% are exported to USA during the Fiscals 2024, 2023 and 2022 respectively. Further during Fiscal 2024 and 2023 the Company made 64.43% and 25.73% of our export sales to USA through our foreign subsidiary, Haique Stones Inc.

Initially, the business of the Company was only export based. However, to capitalise the growing demand of Engineered Stones in domestic market, our Company launched our premium brand 'Haiqu' which was later renamed as "Haique". As on the date of this annual report, we have extended our reach to 15 states in the country through our distributors network. Our Company is in the process of setting up of an experience centre at Kishangarh, Rajasthan, the marble city of India. Additionally, our Company also has a storage facility and sales office in Mumbai, Maharashtra.

Our business model is aimed to consistently continue to strengthen our product portfolio through continued investment in product innovation supported by strong research and development initiatives, marketing activities and the establishment of long-term relationships with our existing and new customers.

We believe that we have invested considerable resources to position 'Haique' as a premium brand and as a symbol of elevated living. Presently, we are promoting our brand by skilled sales personnel and strive to actively support our brand through online and print advertising and exhibitions and events. At the same time, we intend to continue developing Engineered Stones with new and innovative characteristics related to colour, design, texture and thickness as well as promoting other applications for our products, such as high-end bathroom surfaces, countertops and wall cladding, to ensure that end-consumers continue to recognize 'Haique' as a luxury brand and a leading provider of premium-quality Engineered Stones.

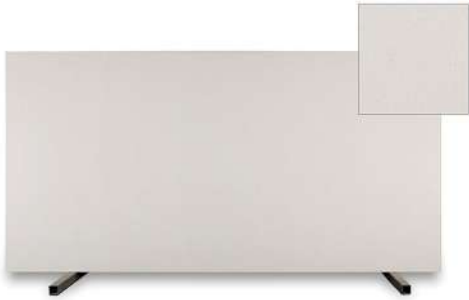
Journey of Esprit Stones Limited so far..



PRODUCT PORTFOLIO

Premium, Sustainable & Versatile

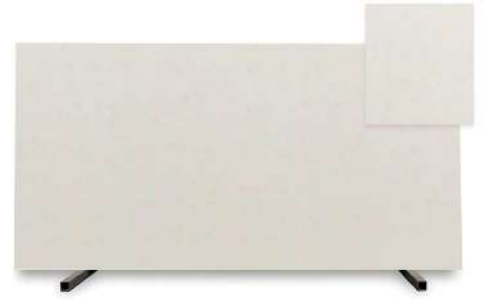
THE NEO MARBLE COLLECTION



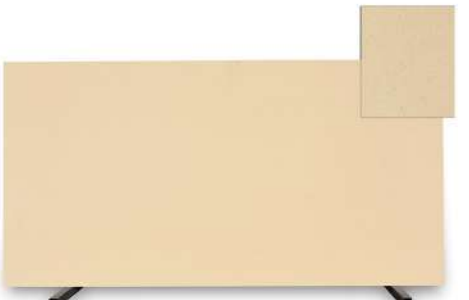
Akai Concrete



Camellias



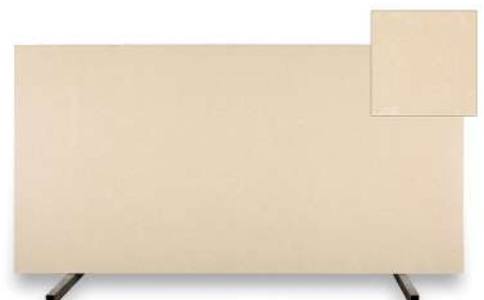
Kyoto Beige



Lincoln Beige

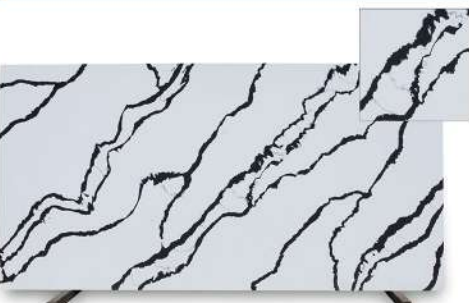


Citrica Beige

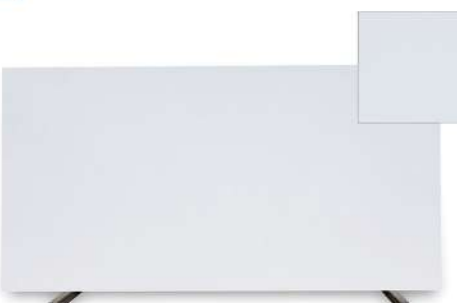


Topaz Cream

THE QUARTZ COLLECTION



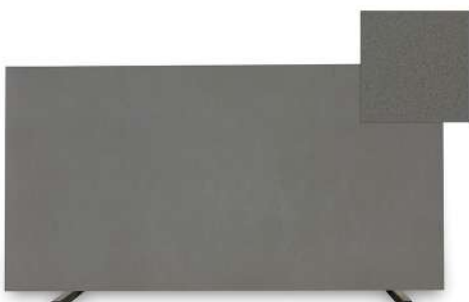
Profundo White



Kensington White



Flatiron Black Crystal



Brabican Grey



Soho White



Marmo Bernini Gold

THE TERRAZZO COLLECTION



Palazzo



Ice Berg



Alien Green



Green Exotica



Regium



Palazzo Black

Transforming

**ORDINARY
INTO
EXTRAORDINARY**

With Every Surface We Create.

MANAGEMENT COMMUNIQUE

Dear Shareholders,

We are pleased to present our 8th Annual Report and first one following our public listing, a significant milestone for Esprit Stones Limited. The overwhelming response to our recent IPO, with oversubscription of approximately 185 times, is a resounding success and a testament to the trust and confidence placed in us. This achievement is both humbling and energizing, inspiring us to pursue new opportunities and strive for greater success.

We extend our heartfelt gratitude to our stakeholders for their unwavering trust and support, which strengthens our resolve to deliver long-term value. We are delighted to have you as partners in our journey ahead and remain fully committed to excellence in all our endeavors.

Economic Overview

The global economy faced significant challenges in CY 2023 such as the ongoing Russia-Ukraine conflict, inflationary pressures, tightened monetary policies, tensions in the Middle East, etc. Despite this, it managed to record a growth rate of 3.2% and is projected to grow at same pace in CY 2024. Global economy remains remarkably resilient, with growth holding steady as inflation returns to target.

On the other hand, the Indian economy has shown remarkable resilience in the face of global uncertainties and sustained its performance, driven by strong investment outlay by the Government of India in the areas of manufacturing, infrastructure, supply chain, logistics, and more. The structural policy framework paves the way for a vision of sustainable and long-term growth for the nation. In addition, Central Bank's agility to address global shocks and inflationary pressures has been supporting the country's economic progress.

The engineered stone industry has gained significant momentum globally, driven by rising urbanization, real estate expansion, and increased investments in commercial and residential projects, leading to a surge in demand for premium engineered stone products that offer durability, low maintenance, and aesthetic appeal, thereby fuelling growth and innovation in the sector.

Performance Overview

We delivered stellar growth in both top line as well as bottom line in FY23-24. Our total revenue from operations on a consolidated basis grew to INR 272.9 crores—a significant rise from INR 174.4 crore from the previous year showcasing a robust growth of 56%. This performance highlights our strong market position and the success of our innovative strategies. Our operating profits soared to INR 31.3 crore, marking an 80.7% increase year-over-year, while our profit after tax (PAT) reached INR 10.2 crores, reflecting our operational efficiency and ability to respond to dynamic market trends with agility.

On the operational front as well, our performance has been robust. We reached over 50+ distributor in 15 states of India and are exporting to over 10+ countries worldwide. Our ability to significantly grow our distributor and client base showcase adaptability of our products. At the heart of our enduring success is a dedicated team comprising over 295 individuals running the execution engine. By fostering a supportive and empowered work environment, we ensure that our team of go-getters stays motivated and aligned with our broader objectives.

Staring At Robust Growth Opportunity

As we enter a new phase in our journey, we are excited about the immense opportunities ahead. The global engineered stone industry is expected to grow at 6% CAGR between 2027 to 2032 and expected to reach US\$ 48,104 million by 2032. The engineered quartz has been the major contributor in the engineered stone segment followed by the engineered marble stone.

The Indian engineered stone market is estimated to be valued at \$3,643 million in 2022. The industry is expected to grow at a CAGR of 7-8% in the projected years between 2022 to 2027. By the year 2032, the Indian engineered stone market is expected to reach \$ 7,355 million.

With a strong competitive position in this large industry with a robust client base and strong execution capabilities, Esprit is well-positioned to capitalize on this growth opportunity.

Fulfilling Our Commitments Towards Environment, Society and Governance

We, at Esprit, adopt a comprehensive approach to deliver on our commitments, aiming to foster sustainable practices and responsible business conduct across all aspects of our operations. By integrating environmental and society considerations into our business strategy, operations, and decision-making processes, we strive to create long-term value for our stakeholders, while contributing positively to the society we belong and the environment we thrive in. Continuously improving our corporate governance framework and working towards the creation of a sustainable future for all remain our organisational priority.

Looking Ahead

We are deeply appreciative of the dedication demonstrated by our team throughout our journey. We extend our heartfelt gratitude to our workforce for their tireless commitment, hard work, and dedication. On behalf of our colleagues on the Board, we wish to extend sincere thanks to you – our customers, employees, suppliers, business partners, and shareholders – for believing in our vision, embracing our endeavours and driving our growth momentum forward. With your ongoing support and encouragement, we are confident that we shall scale even greater heights in the years to come. With various initiatives, we eagerly anticipate another period of growth and success, driven by our collective efforts and shared commitment to excellence.

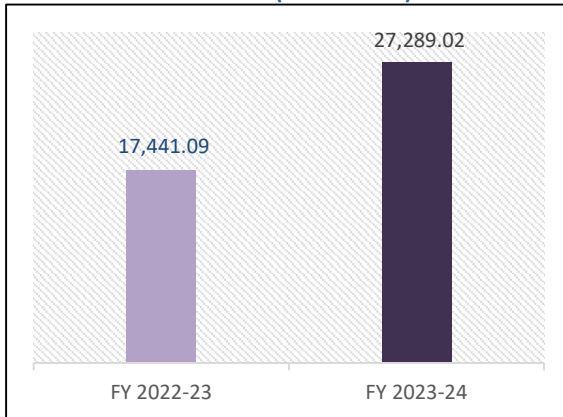
Yours' Sincerely,

Sunil Lunawath
Managing Director
DIN: 01105117

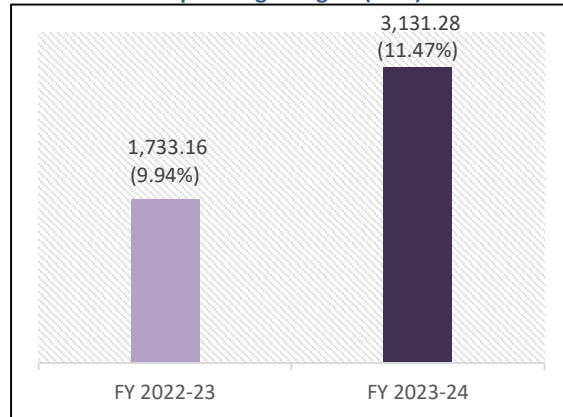
Nitin Gattani
Joint Managing Director
DIN: 00173258

FINANCIAL HIGHLIGHTS

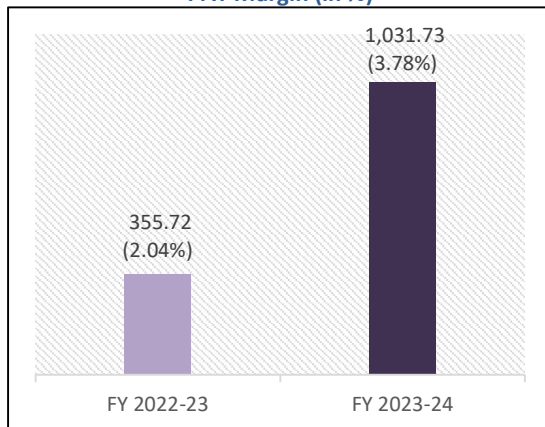
Revenue (in INR lakhs)



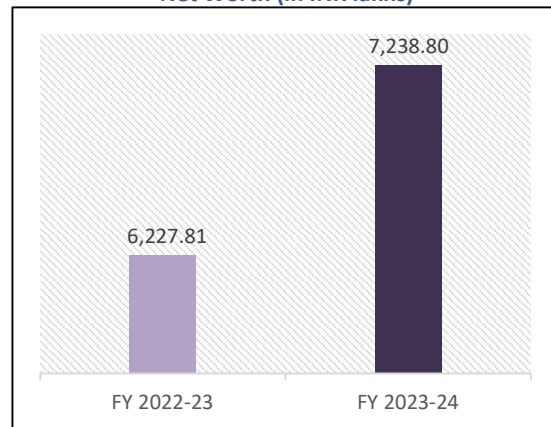
Operating profits (in INR lakhs)
Operating Margins (in %)



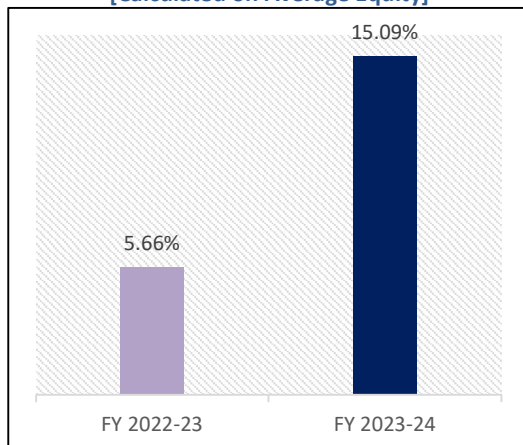
PAT (in INR lakhs)
PAT Margin (in %)



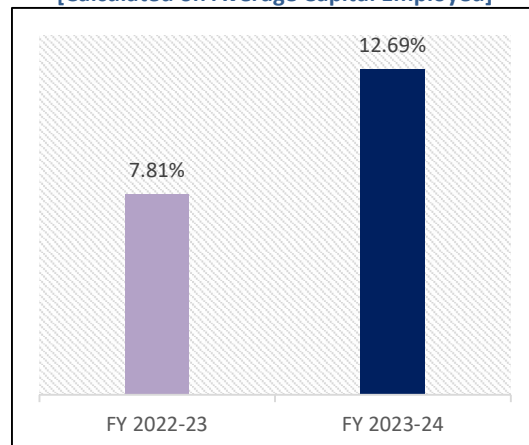
Net Worth (in INR lakhs)



Return on Equity (in %)
[Calculated on Average Equity]



Return on Capital Employed (in %)
[Calculated on Average Capital Employed]



BOARD COMPOSITION



Sunilkumar Lunawath
Managing Director

- Holds a degree of Bachelors in Commerce from Mohanlal Sukhadia University.
- He possesses over 25 years of experience in the fields of natural stones, mining, minerals, engineered stones and commercial leasing industries.
- Has been associated with our Company since October 19, 2016.



Nitin Gattani
Joint-Managing Director

- Holds a degree of Bachelors in Commerce from Mohanlal Sukhadia University.
- He possesses over 25 years of experience in the fields of trading and distribution of industrial products, natural stones, engineering stones, contract mining, commercial leasing and hospitality industries
- Has been associated with our Company since October 19, 2016



Pradeepkumar Lunawath
Executive Director

- He possesses over 21 years of experience in the fields of mining, minerals, natural stones, engineered stones, commercial leasing and hospitality industries.
- Has been associated with our Company since October 19, 2016.



Sunil Gattani
Non-executive Director

- Holds a degree of Bachelor of Engineering (Textiles) from RTE Society's Rural Engineering College, Karnataka.
- He possesses over 22 years of experience in the fields of mining, natural stones, engineered stones and chemical industries.
- Has been associated with our Company since October 19, 2016.



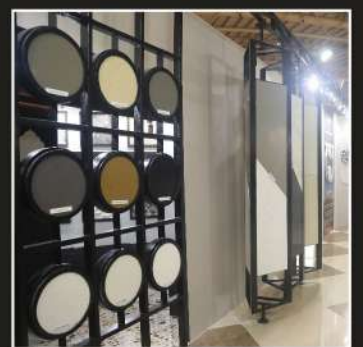
Neelam Tater
Independent Director

- Holds a degree of Bachelors of Commerce from Mohanlal Sukhadia University, Jaipur.
- She possesses over 6 years of experience in the field of accountancy and finance
- She has been associated with our Company since February 6, 2024.



Narendra Sharma
Independent Director

- Holds a degree of Bachelors of Commerce from Ajmer University, Rajasthan.
- He possesses over 30 years of experience in natural stones and engineering tools industry.
- Has been associated with our Company since February 6, 2024.





CERTIFICATIONS AND AWARDS



Rajasthan state export award - 2020

Recognition – Highest Growth & Export excellence award during the year 2019-2020

Manufacturing- medium enterprises category – December 2021
UCCI excellence award

Accorded the status of a Three-Star Export House in accordance with the provisions of the Foreign Trade Policy, 2023.

CORPORATE INFORMATION

Board of Directors and KMP

Mr. Sunilkumar Lunawath, DIN: 01105117 (Change in designation to Managing Director w.e.f. February 01, 2024)	Managing Director
Mr. Nitin Gattani, DIN: 00173258 (Change in designation to Joint Managing Director w.e.f. February 01, 2024)	Joint Managing Director
Mr. Pradeepkumar Lunawath , DIN: 01105096	Executive Director
Mr. Sunil Rameshwarlal Gattani, DIN: 02409338 (Change in designation to Professional Non-Executive Director w.e.f. February 05, 2024)	Non-Executive Director
Mrs. Neelam Tater, DIN: 07653773 (Appointment w.e.f. February 06, 2024)	Non-Executive Independent Director
Mr. Narendra Sharma, DIN: 01380061 (Appointment w.e.f. February 06, 2024)	Non-Executive Independent Director
Mr. Prakash Manghani (Appointment w.e.f. February 05, 2024)	Chief Financial Officer
Mrs. Anjali Pandey (Appointment w.e.f. February 05, 2024)	CS & Compliance Officer

COMMITTEES COMPOSITION

Audit Committee	Nomination & Remuneration Committee
Mr. Narendra Sharma (Appointment w.e.f. February 06, 2024), DIN: 01380061	Mr. Narendra Sharma (Appointment w.e.f. February 06, 2024), DIN: 01380061
Mrs. Neelam Tater Sharma (Appointment w.e.f. February 06, 2024), DIN: 07653773	Mrs. Neelam Tater Sharma (Appointment w.e.f. February 06, 2024), DIN: 07653773
Mr. Sunilkumar Lunawath, DIN: 01105117	Mr. Sunil Rameshwarlal Gattani DIN: 02409338

Stakeholder Relationship Committee	Corporate Social Responsibility Committee
Mr. Sunil Rameshwarlal Gattani, DIN: 02409338	Mr. Nitin Gattani, DIN: 00173258
Mrs. Neelam Tater (Appointment w.e.f. February 06, 2024)	Mr. Sunilkumar Lunawath, DIN: 01105117
Mr. Pradeepkumar Lunawath, DIN: 01105096	Mr. Narendra Sharma (Appointment w.e.f. February 06, 2024), DIN: 01380061

Statutory Auditors	Registrar & Share Transfer Agent
M/s A Bafna & Co. Chartered Accountants K-2, Keshav Path, Ahinsa Circle, C-Scheme, Jaipur-302001.	LinkIntime India Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060 E-mail : mumbai@linkintime.co.in



ESPRIT STONES LIMITED

Annual Report 2023-24

Bankers	Registered Office
HDFC Bank Limited Address: 16-C, 3rd Floor, Bank Street, Madhuban, Opp. Darshan Jewellers, Udaipur – 313 001, Rajasthan, India.	SP 1, Udyog Vihar, Sukher Industrial Area, Udaipur, Rajasthan-313004 E-mail: legal@espritstones.com URL : www.espritstones.com
	Corporate Office Kh No. 1106-1109, Revenue Village Bhilwada, Lakhawali, Udaipur - 313001, Rajasthan, India

Stock Exchange where Company's Securities are listed	NSE Limited
Symbol	ESPRIT
Company Secretary	Mrs. Anjali Pandey
Website	www.espritstones.com
Investor Relations Email ID	legal@espritstones.com

Plant Locations	
Unit at: Kh No. 1106-1109, Revenue Village Bhilwada, Lakhawali, Udaipur - 313001, Rajasthan, India	Unit at: 1096, Near Gss adkaliya, Behind Pawan Nursery, Kapurawato Ka Bada, Adkaliya, Salumber, Udaipur- 313027, Rajasthan, India.

Our Subsidiaries		
Addwaya Chemicals Private Limited	Haique Stones Private Limited	Haique Stones INC. USA
Address: 400, 4 Floor Arihant Plaza, Udaipur ,313001, Rajasthan, India.	Address: Khasra No 1106-1109, Village-Bhilwada Lakhawali, Udaipur - 313011, Rajasthan, India.	Address: 8, the Green, STE A, Dover, Kent – 19901 in the United States of America.



NOTICE

Notice is hereby given that the 8th Annual General Meeting ("AGM") of the members of Esprit Stones Limited will be held on Monday, the 30th Day of September, 2024 at 11.00 A.M. IST at the Registered Office of the Company at SP 1, Udyog Vihar, Sukher Industrial Area, Udaipur, Rajasthan-313004 through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") as per the relevant circulars of Ministry of Corporate Affairs and SEBI to transact the following business:

A. ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sunil Rameshwarlal Gattani (DIN: 02409338) who retires by rotation and being eligible, offers himself for re-appointment.

**By Order of the Board
For Esprit Stones Limited**
(Formerly Esprit Stones Private Limited)
CIN: U74999RJ2016PLC056284

Sd/-
(Anjali Pandey)
Company Secretary and Compliance Officer
Membership No ACS 45660

September 02, 2024, Udaipur
Email- legal@espritstones.com

Registered Office:
SP 1, Udyog Vihar,
Sukher Industrial Area,
Udaipur, Rajasthan-313004

NOTES

1. Pursuant to General Circular Nos.14/2020 dated 8th April 2020, No. 17/2020 dated 13th April 2020, No. 20/2020 dated 5th May 2020, No. 02/2021 dated 13th January 2021, No. 21/2021 dated 14th December 2021, No. 02/2022 dated 05th May, 2022, No. 10/2022 dated 28th December 2022 and No. 09/2023 dated 25th September 2023 respectively (collectively referred to as "MCA Circulars") issued by the Ministry of Corporate Affairs ("MCA") from time to time and in compliance with the provisions of Listing Regulations, 2015 and circulars issued by SEBI from time to time, the 8th Annual General Meeting ("AGM") of the Company is being held through VC / OAVM which does not require physical presence of members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.
2. Since this AGM is being held through VC / OAVM, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Institutional / Corporate Members (i.e. other than individuals/HUF/NRI etc.) are required to send scanned copy of Board Resolution authorizing their representative to attend the AGM through VC / OAVM on its behalf and to vote through remote E-voting to the Company's Registrar & Transfer Agent ("RTA"), Link Intime India Pvt. Ltd. at the email address:rnt.helpdesk@linkintime.co.in
5. The information regarding the Director/s who is/are proposed to be appointed/re- appointed, as required to be provided under Listing Regulations, 2015 and Secretarial Standard on General Meetings, is annexed hereto.
6. In compliance with the aforesaid MCA Circulars and SEBI Listing Regulations, 2015 the Notice of the 8th AGM of the Company along with the Annual Report for the year 2023-2024 is being sent only through electronic mode to those Members whose email addresses are registered with their respective Depository Participants ("Dps"), Company or Company's RTA. Members may note that the Notice of the AGM and the Annual Report for the year 2023-2024 will also be available on the Company's website at www.espritstones.com, and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., NSE National Stock Exchange of India Limited -www.nseindia.com. The Company has published a Public Notice by way of advertisement with the required details of 8th AGM, for information of the Members.
7. Members having more than one folio in identical names are requested to consolidate the same.
8. The Company has made necessary arrangements for the members to hold their shares in dematerialised form. Members holding shares in physical form are requested to dematerialise their shares by approaching any of the DPs.
9. All documents referred in the accompanying Notice and Statement setting out material facts will be available electronically for inspection for Members on all working days between 9.00 a.m. and 11.00 a.m upto Monday, 30th September, 2024 being the date of the AGM. Members seeking to inspect such documents can send an email at : legal@espritstones.com
10. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
11. **Remote e-Voting Instructions for shareholders:** As per the SEBI circular dated December 9, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.
Login method for Individual shareholders holding securities in demat mode is given below:

Individual Shareholders holding securities in demat mode with NSDL:

METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

- a) Visit URL: <https://eservices.nsd.com> and click on “Beneficial Owner” icon under “Login”.
- b) Enter user id and password. Post successful authentication, click on “Access to e-voting”.
- c) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

User who have not registered for NSDL IDeAS facility:

- a) To register, visit URL: <https://eservices.nsd.com> and select “Register Online for IDeAS Portal” or click on <https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp> “
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided with Login ID and password.
- d) After successful login, click on “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

- a) Visit URL: <https://www.evoting.nsd.com/>
- b) Click on the “Login” tab available under ‘Shareholder/Member’ section.
- c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
- d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see “Access to e-voting”.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with CDSL:

METHOD 1 – If registered with CDSL Easi/Easiest facility

Users who have registered for CDSL Easi/Easiest facility.

- a) Visit URL: <https://web.cdslindia.com/myeasitoken/home/login> or www.cdslindia.com.
- b) Click on New System Myeasi
- c) Login with user id and password
- d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users who have not registered for CDSL Easi/Easiest facility.

- a) To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration>
- b) Proceed with updating the required fields.
- c) Post registration, user will be provided Login ID and password.
- d) After successful login, user able to see e-voting menu.
- e) Click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL.

- a) Visit URL: <https://www.cdslindia.com/>
- b) Go to e-voting tab.
- c) Enter Demat Account Number (BO ID) and PAN No. and click on “Submit”.
- d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- e) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Shareholders holding securities in demat mode with Depository Participant:

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

- a) Login to DP website
- b) After Successful login, members shall navigate through “e-voting” tab under Stocks option.
- c) Click on e-voting option, members will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.
- d) After successful authentication, click on “LINKINTIME” or “evoting link displayed alongside Company’s Name” and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: <https://instavote.linkintime.co.in>
2. Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -

A. User ID:

Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

Shareholders holding shares in **physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above*

Shareholders holding shares in **NSDL form, shall provide ‘D’ above*

▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

▶ Click “confirm” (Your password is now generated).

3. Click on ‘Login’ under ‘SHARE HOLDER’ tab.

4. Enter your User ID, Password, and Image Verification (CAPTCHA) Code and click on **'Submit'**.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
4. After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on **'No'** and accordingly modify your vote.

Guidelines for Institutional shareholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Registration

- a) Visit URL: <https://instavote.linkintime.co.in>
- b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"
- c) Fill up your entity details and submit the form.
- d) A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. 2 above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.
- e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.
- f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on "Investor Mapping" tab under the Menu Section
- c) Map the Investor with the following details:
 - a. 'Investor ID' -
 - i. *Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678*
 - ii. *Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.*
 - b. 'Investor's Name' - Enter full name of the entity.
 - c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.
 - d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.
- d) Click on Submit button and investor will be mapped now.
- e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) Click on 'Votes Entry' tab under the Menu section.
- c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.
- d) Enter '16-digit Demat Account No.' for which you want to cast vote.
- e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).
- f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.
- g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

- a) Visit URL: <https://instavote.linkintime.co.in> and login with credentials as received in Step 1 above.
- b) You will be able to see the notification for e-voting in inbox.
- c) Select 'View' icon for 'Company's Name / Event number '. E-voting page will appear.
- d) Download sample vote file from 'Download Sample Vote File' option.
- e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.
- f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Helpdesk for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at rnt.helpdesk@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Individual shareholders holding securities in physical form has forgotten the password:

If an Individual shareholder holding securities in physical form has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

User ID for Shareholders holding shares in NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID

User ID for Shareholders holding shares in CDSL demat account is 16 Digit Beneficiary ID.

Institutional shareholders (“Corporate Body/ Custodian/Mutual Fund”) has forgotten the password:

If a Non-Individual Shareholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on the e-Voting website of Link Intime: <https://instavote.linkintime.co.in>

- Click on ‘Login’ under ‘Corporate Body/ Custodian/Mutual Fund’ tab and further Click ‘forgot password?’
- Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#\$%&), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Other e-voting Instructions

- i. The remote e-voting period commences on **Friday, 27th September, 2024 at 9.00 a.m. and ends on Sunday, 29th 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 **Monday, 23rd September, 2024 (the cut- off date)** may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter.
- ii. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on **Monday, 23rd September, 2024.**
- iii. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting and voting during the AGM.
- iv. Mr. Abhik Jain, Proprietor, M/s Abhik Jain and Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- v. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website at www.espritstones.com within two days of the 8th AGM of the Company to be held on Monday, 30th September, 2024.
- vi. The contact details for Registrar and Transfer Agent: Link Intime India Pvt. Ltd., Tel. No.: 022 4918 6270, E-mail: rnt.helpdesk@linkintime.co.in.

12. Instructions for Members to attend the AGM through (VC/OAVM) :

Members are entitled to attend the AGM through VC/OAVM provided by RTA, Link Intime Pvt. Ltd., by following the below mentioned process:

- i. Facility for joining the AGM through VC/OAVM shall open 15 minutes before the time scheduled for the AGM and shall be kept open till the expiry of 15 minutes after the scheduled time on first-come-first basis.

ii. Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.

Process and manner for attending the General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in> & Click on “Login”.

► Select the “Company” and ‘Event Date’ and register with your following details: -

A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

13. Instructions for Shareholders/ Members to Speak during the General Meeting through InstaMeet:

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
- c) Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
- d) Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- e) Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

14. Instructions for Shareholders/ Members to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- a) On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- b) Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
- c) After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- d) Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- e) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.

1. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

NOTES ON DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 of ICSI, particulars of Director/s who is/are to be appointed/re-appointed are given below:

Name and designation of Director	Shri Sunil Rameshwarlal Gattani (Professional Non-Executive Non-Independent Director)
DIN	02409338
Date of Birth & Age	December 19, 1964 & 59 Years
Nationality	Indian
Date of First Appointment in the Board	19.10.2016
Terms and conditions of appointment/ re-appointment and details of remuneration sought and remuneration last drawn	As per terms and conditions decided by management and mutually agreed upon.
Brief profile, Qualification, Experience, and Expertise in specific functional area	He completed the degree of Bachelor of Engineering (Textiles) from RTE Society's Rural Engineering College, Karnataka. He has been associated with our Company since October 19, 2016, as a Director of our Company. He possesses over 22 years of experience in the fields of mining, natural stones, engineered stones and chemical industries. He has also been associated with Shree Logistics Private Limited, and Malwa Petro Products Private Limited as a director.
Skills and capabilities required for the role and manner in which the requirements are met with and justification for appointment	He possesses over 22 years of experience in the fields of mining, natural stones, engineered stones and chemical industries.
Shareholding in the company	Nil
Relationship with other Directors, Manager and Other KMP/SMP	Father of Sumit Gattani, Chief Operating Officer
No. of Meeting of Board attended during the year 2023-24.	20
List of Directorship held in other Companies	Shree Logistics Private Limited, and Malwa Petro Products Private Limited
Chairman/ Membership of other Committee	1. Chairman of Stakeholder Relationship Committee 2. Member of Nomination and Remuneration Committee.
Board Membership of other listed Companies as on March 31, 2024	NA
Listed Entities from which the person has resigned in past three years	NA
Last remuneration drawn	1.5 Lakhs per Month
In case of Independent Directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	NA

**By Order of the Board
For Esprit Stones Limited**
(Formerly Esprit Stones Private Limited)
CIN: U74999RJ2016PLC056284



ESPRIT STONES LIMITED

Annual Report 2023-24

Sd/-

(Anjali Pandey)

Company Secretary and Compliance Officer

Membership No ACS 45660

September 02, 2024, Udaipur

Email- legal@espritstones.com

Registered Office:

SP 1, Udyog Vihar,
Sukher Industrial Area,
Udaipur, Rajasthan-313004

DIRECTORS' REPORT

**TO THE MEMBERS OF
ESPRIT STONES LIMITED,**

Your Director's take pleasure in presenting the Eighth Annual Report on the business and operations of the company for the financial year ended on March 31, 2024.

1. FINANCIAL HIGHLIGHTS

The financial performance of your company for the year ending March 31, 2024 is summarized below:

Particulars	Standalone (Amount in INR lakhs)	
	FY. 2023-24	FY. 2022-23
Revenue from Operations	16,000.82	13,127.17
Other Income	521.95	229.77
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	2,338.54	1,394.01
Less: Depreciation and Amortisation expenses	(570.65)	(522.29)
Profit before Finance Costs, Exceptional items and Tax Expense	1,767.89	871.72
Less: Finance Costs	(377.38)	(368.06)
Profit before Exceptional items and Tax Expense	1,390.51	503.66
Add: Exceptional items	-	-
Profit Before Tax Expense	1,390.51	503.66
Less: Tax Expense (Current & Deferred)	(361.77)	(137.43)
Profit for the year	1,028.74	366.23
Balance of profit for earlier years	5,330.37	4,964.14
Less: Utilized for issue of bonus shares	(665.00)	-
Balance carried forward	5,694.11	5330.37

Particulars	Consolidated (Amount in INR lakhs)	
	FY. 2023-24	FY. 2022-23
Revenue from Operations	27,289.02	17,441.09
Other Income	188.80	165.43
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	3,320.08	1,898.59
Less: Depreciation and Amortisation expenses	(913.29)	(733.11)
Profit before Finance Costs, Exceptional items and Tax Expense	2,406.79	1,165.48
Less: Finance Costs	(997.11)	(634.24)
Profit before Exceptional items and Tax Expense	1,409.68	5,31.24
Add: Exceptional items	-	-
Profit Before Tax Expense	1,409.68	531.24
Less: Tax Expense (Current & Deferred)	(377.95)	(175.52)
Profit for the year	1,031.73	355.72
Less: Minority interest	(15.96)	(12.40)
Profit for the year (attributable to owners of the company)	1,015.77	343.32
Balance of profit for earlier years	5,286.64	4,943.32
Less: Utilized for issue of bonus shares	(665.00)	-
Balance carried forward	5,637.41	5,286.64

2. STATE OF COMPANY AFFAIRS

The Company has earned a profit of Rs. 1,028.74 Lakhs as per standalone financials during the F.Y 2023-24 as compared to profit of Rs. 366.23 Lakhs in the previous year and a profit of Rs. 1,015.77 Lakhs as per consolidated financials during the F.Y 2023-24 as compared to profit of Rs. 343.22 Lakhs in the previous year.

3. DIVIDENDS

The Board of Directors thought it prudent not to recommend any Dividend for the financial year ended 31st March, 2024.

4. TRANSFER TO RESERVES

The Board of Directors didn't propose to transfer any sum to the General Reserve.

5. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"), is presented in a separate section forming part of the Annual Report.

6. MATERIAL CHANGES AFFECTING THE COMPANY AND COMMITMENT

Since the closure of the Financial Year i.e. since March 31, 2024, the Company vide Prospectus dated July 31, 2024 issued its securities via Initial Public Offering and the Company got listed on NSE Emerge stock exchange on August 02, 2024. Therefore, the Company now being a Listed Company the position of the Company is varied. During the period under review, there have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and till the date of this report.

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

No significant or material orders were passed by the regulators or courts or tribunals which impact the going concern status and company's Operations in future

8. 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 Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure 1 and is attached to this report.

9. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has in place a Risk Management Policy, pursuant to Section 134 of the Companies Act 2013. This robust Risk Management framework enables identification and evaluation of business risks and opportunities, seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage.

The Company has laid down a well-defined risk management mechanism commensurate with its size and the nature of business covering risk mapping, risk exposure and risk mitigation process. The Company's Risk Management Policy has been developed to include various categories such as Human Resources, Financial, Business Processes and Systems, Strategy, Corporate Governance and Compliance and Information Security.

Further, the Board ensures risk reporting and updates, risk policy compliances and provide overall guidance and support to business risk owners.

10. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has a Policy on Corporate Social Responsibility and the same has been posted on the website of the Company i.e. <https://www.espritstones.com>. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out during the financial year ended March 31, 2024 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as Annexure 2.

11. ANNUAL RETURN

As required under the provisions of Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company shall be placed on the website of the Company. It can be accessed at <https://www.espritstones.com>

12. SHARE CAPITAL

The Authorised Share Capital of the Company as on March 31, 2024 is Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 2,50,00,000 (2 Crore and Fifty Lakh) Equity Shares having Face Value of Rs. 10/- (Rupees Ten Only) each and the Paid-up Equity Share Capital of the Company as on March 31, 2024 is Rs. 16,15,00,000/- (Rupees Sixteen Crores and Fifteen Lakhs Only) consisting of 1,61,50,000 (One Crore Sixty-One Lakhs and Fifty Thousand) Equity Shares having Face Value of Rs. 10/- (Rupees Ten Only) each.

The Authorised Share Capital of the Company increased from Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore) Equity Shares having Face Value of Rs. 10/- (Rupees Ten Only) each to Rs. 25,00,00,000/- (Rupees Twenty-Five Crores Only) divided into 2,50,00,000 (2 Crore and Fifty Lakh) Equity Shares having Face Value of Rs. 10/- (Rupees Ten Only) each during the FY 2023-24.

Further, during the period under review, the paid-up Share Capital of the Company increased from Rs. 9,50,00,000/- (Rupees Nine Crores Fifty Lakhs Only) consisting of 95,00,000 (Ninety-Five Lakhs) Equity Shares having Face Value of Rs. 10/- (Rupees Ten Only) each to Rs. 16,15,00,000/- (Rupees Sixteen Crores Fifteen Lakhs Only) through Bonus Issue of Rs. 6,65,00,000/- (Rupees Six Crores Sixty-Five Lakhs Only) divided into 66,50,000 (Sixty-Lakhs Fifty Thousand only) Equity Shares of Rs. 10/- (Rupees Ten Each) [i.e. 7 (Seven) fully paid up equity shares of nominal value of Rs. 10/- (Rupees Ten) each as bonus shares for every 10(Ten) equity share held out of the Reserves or Securities Premium Account of the Company on December 29, 2023.

Post Financial year 2023-24, the Company through Initial Public Issue dated July 26-30, 2024 i.e. during the FY 2024-25, issued 57,95,200 (Fifty-Seven Lakh Ninety-Five Thousand and Two Hundred) Equity Shares having Face Value of Rs. 10/- (Rupees Ten Only) each at a Premium of Rs. 77/- (Rupee Seventy-Seven Only) (Discount of 10% to the eligible employees of the Company) amounting to Rs. 50,35,42,400/- (Rupees Fifty Crores Thirty-Five Lakhs Forty-Two Thousand and Four Hundred Only), allotment was done on July 31, 2024, thereby increase in the paid up capital of the Company from Rs. 16,15,00,000/- (Rupees Sixteen Crores Fifteen Lakhs Thirty Thousand Six Hundred Only) divided into 1,61,50,000 (One Crore Sixty-One Lakhs and Fifty Thousand) Equity Shares having Face Value of Rs. 10/- (Rupees Ten Only) each to Rs. 21,94,52,000 (Twenty-One Crores Ninety-Four Lakhs and Fifty-Two Thousand only) divided into 2,19,45,200 (Two Crore Nineteen-Lakh Forty Five Thousand and Two Hundred only) Equity Shares having Face Value of Rs. 10/- (Rupees Ten Only) each.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans and advance granted, Investments made and Guarantees given during the year by the Company under review, covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

14. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions are entered during the Financial Year are in compliance to the provisions of law, the Policy on Materiality of and dealing with Related Party Transactions ("Related Party Policy") and were entered with the approval of Audit Committee, Board and Shareholders, if and as applicable. All related party transactions were entered into were on arm's length basis and in ordinary course of business. There were some related party transactions which could be considered material. Accordingly, the disclosure in Form AOC-2 pursuant to compliance of Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is applicable to the Company for 2023-24 and hence does form part of this report as Annexure 3 and all related party transaction on arm's length basis forms parts to notes to the Financial Statements.

Further, in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the transactions with person/entity belonging to the promoter/ promoter group holding 10% or more shareholding in the Company are as under:

Name of the Person/Entity	% Holding in the Company	Amount (₹ in Lakhs)	Nature of Transaction
Pradeep kumar Lunawath	08.67%*	19.50	Salary Paid
Sunilkumar Lunawath	13.68%	19.50	Salary Paid
Nitin Gattani	28.11%	19.50	Salary Paid
Shubh Gattani	04.50%*	13.00	Salary Paid

*shareholding reduced below 10% during the year because of transfer of shares

15. COMPLIANCE WITH THE SECRETARIAL STANDARDS

During the period under review, the Company has complied Secretarial Standards-1(SS-1) and Secretarial Standards-2 (SS-2) issued by the Institute of Company Secretaries of India.

16. AUDITORS AND AUDITORS' REPORT

16.1 STATUTORY AUDITORS & THEIR REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules made thereunder, M/s. A Bafna & Company (FRN No. 003660C), Chartered Accountants have been appointed as statutory auditors of the company at Fifth Annual General Meeting held on November 30, 2021 for a term of five consecutive years from the conclusion of Fifth Annual General Meeting till the conclusion of the 10th (Tenth) Annual General Meeting of the Company.

Pursuant to Section 139 and 141 of the Companies Act, 2013 and relevant Rules prescribed there under, the Company has received certificate from the Auditors to the effect, inter-alia, confirming that their appointment continues to be within the limits laid down by the Act, is as per the term provided under the Act, that they are not disqualified for continuing such appointment under the provisions of applicable laws and also that there are no pending proceedings against them or any of their partners with respect to professional matters of conduct.

The Audit Report for the financial year 2023-24 is attached herewith. The report does not contain any reservation, qualification or adverse remark. Information referred in the Auditor Report are self-explanatory and do not call for any further comments.

16.2 COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit Amendment) Rules, 2014, the cost audit records maintenance is not applicable on the company.

16.3 SECRETARIAL AUDIT

Secretarial Audit is not applicable for financial year ended 31st March, 2024 as the Company does not fall into the criteria mentioned under Section 204 of Companies Act, 2013 and it was not a listed public company as on 31st March, 2024.

16.4 INTERNAL AUDITOR

Internal Auditor was not required to be appointed by the company during the year under review.

17. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as Annexure 4.

18. POLICY RELATING TO DIRECTORS APPOINTMENT AND REMUNERATION ETC.

In compliance with the requirements of Section 178 of the Companies Act, 2013 the Company has laid down a Nomination and Remuneration Policy.

The salient features of the NRC Policy are as under:

1. Setting out the objectives of the Policy
2. Definitions for the purposes of the Policy
3. Policy for appointment and removal of Director, KMP and Senior Management
4. Policy relating to the Remuneration for the Managerial Personnel, KMP, Senior Management Personnel & other employees
5. Remuneration to Non-Executive/ Independent Director.

Policy can be accessed at <https://www.espritstones.com>

19. ANNUAL EVALUATION OF BOARD'S PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to Section 134(3)(p) of the Companies Act, 2013, annual evaluation of board's performance, its committees and individual directors was not applicable for financial year ended 31st March, 2024 as the Company does not fall into the criteria mentioned under Section 134 and rules thereunder of Companies Act, 2013 and it was not a listed public company as on 31st March, 2024.

20. BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2023-24

During the Financial Year 2023-24, the Company held Twenty Board Meetings of the Board of Directors as per Section 173 of Companies Act, 2013 on 10/04/2023, 18/04/2023, 30/05/2023, 14/06/2023, 15/07/2023, 27/07/2023, 04/09/2023, 29/09/2023, 07/11/2023, 17/11/2023, 20/11/2023, 16/12/2023, 29/12/2023, 16/01/2024, 29/01/2024, 05/02/2024, 06/02/2024, 15/02/2024, 27/02/2024, and 15/03/2024.

The provisions of Companies Act, 2013 were adhered to while considering the time gap between two meetings.

21. DIRECTORS RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Board of Directors, in respect of the year ended 31st March, 2024, hereby confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down proper internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

22. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year, no company has become or ceased to be a subsidiary, joint venture or associate of the Company.

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures in prescribed format AOC-1 is attached as “Annexure 5”.

Details of Subsidiary/ JV/ Associate Company is given below:

Sr. No	Name of Company	Relation	Date of Incorporation
1.	Addwaya Chemicals Private Limited	Subsidiary	August 20, 2020
2.	Haique Stones Private Limited	Wholly Owned Subsidiary	August 19, 2021
3.	Haique Stones Inc, USA	Wholly Owned Subsidiary	August 06, 2021

23. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors of the Company, confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

The Independent directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent directors maintained with the Indian Institute of Corporate affairs in terms of Section 150 of the act read with rule 6 of the Companies (appointment & Qualification of directors) rules, 2014.

The Board is of the opinion that all the Independent Directors of the Company possess requisite qualifications, experience (including the proficiency) and expertise in their domain areas and that they hold highest standards of integrity.

24. CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of Business of the Company during the year under review. However, w.e.f. February 05, 2024 the Company is converted into a Public Limited Company vide a Special Resolution passed at an Extra Ordinary General Meeting dated December 29, 2023.

Further, the Company vide Prospectus dated July 31, 2024 issued its securities via Initial Public Offering and on August 02, 2024 the Company’s Securities were listed on NSE Emerge Platform.

25. INSURANCE

The Company has taken adequate insurance to cover the risks to its employees, property (land and buildings), plant, equipment, other assets and third parties as may be applicable.

26. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL

There has been changes in the Key Managerial Personnel and the constitution of Board of Directors during the year under review. The details of the change are as below:

Sr. No.	Name of the Director / Key Managerial Personnel	Designation	Date of Appointment/Date of Change in Designation/Date of Cessation	Reason
1	Mr. Sunilkumar Lunawath, DIN: 01105117	Managing Director	01.02.2024	Change in Designation
2	Mr Nitin Gattani DIN: 0173258	Joint Managing Director	01.02.2024	Change in Designation
3	Mr Sunil Gattani DIN: 02409338	Professional Non-Executive Director	05.02.2024	Change in Designation
4	Mr Mangi Lal Lunawath DIN: 00281445	Director	16.12.2023	Cessation
5	Mr Prakash Manghani	Chief Financial Officer	05.02.2024	Appointment
6	Mrs Anjali Pandey	CS and Compliance Officer	05.02.2024	Appointment
7	Mr Narendra Sharma DIN: 01380061	Independent Director	06.02.2024	Appointment
8	Mrs Neelam Tater DIN: 07653773	Independent Director	06.02.2024	Appointment
9	Mr Sunil Gattani DIN: 02409338	Promoter Non-Executive Director	16.12.2023	Change in Designation

Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Mr. Sunil Rameshwarlal Gattani (DIN: 02409338), Director of the Company will retire by rotation at the ensuing AGM, and being eligible, offers himself for re-appointment.

27. COMMITTEES OF THE BOARD

The Board of Directors have the following Committees:

- A. Audit Committee (Formed on 06/02/2024)
- B. Nomination and Remuneration Committee (Formed on 06/02/2024)
- C. Stakeholders' Relationship Committee (Formed on 06/02/2024)
- D. Corporate Social Responsibility Committee (Re-Constituted on 06/02/2024)

The terms of reference of Audit Committee and Nomination and Remuneration Committee are in compliance with applicable provisions, rules and regulations of Companies Act, 2013 as amended from time to time and Listing regulations of SEBI.

Committees Composition-

- A. **Audit Committee**
 - Narendra Sharma – Independent Director (Chairman), DIN: 01380061
 - Neelam Tater – Independent Director (Member); DIN: 07653773 and
 - Sunilkumar Lunawath – Managing Director (Member), DIN: 01105117

One audit committee meeting was held during the year. The dates on which the said meetings were held are as follows: 15.02.2024. The necessary quorum was present at the meetings.

B. Nomination and Remuneration Committee

- Neelam Tater – Independent Director (Chairperson), DIN: 07653773
- Narendra Sharma – Independent Director (Member); DIN: 01380061
- Sunil Rameshwarlal Gattani – Non-Executive Non-Independent Director (Member), DIN: 02409338

No Nomination and Remuneration Committee meetings were held during the year.

C. Stakeholders' Relationship Committee

- Mr. Sunil Rameshwarlal Gattani – Non-Executive Director (Chairman), DIN: 02409338
- Mrs. Neelam Tater – Independent Director (Member); DIN: 07653773 and
- Mr. Pradeepkumar Lunawath – Executive Director (Member), DIN: 01105096

No Stakeholders' Relationship Committee meetings were held during the year.

D. Corporate Social Responsibility Committee

- Nitin Gattani – Joint Managing Director (Chairman), DIN: 00173258
- Sunilkumar Lunawath – Managing Director (Member); DIN: 01105117 and
- Narendra Sharma – Independent Director (Member), DIN: 01380061.

Four Corporate Social Responsibility Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 10.04.2023, 21.07.2023, 04.09.2023, 15.03.2024. The necessary quorum was present at the meetings.

28. DEPOSITS

The company has not accepted any deposits from public and neither from directors during the year 2023-24.

29. DEPOSITORY SYSTEM

The Company has entered into agreement with the National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in a dematerialized form. The Company also offers simultaneous dematerialization of the physical shares lodged for transfer.

30. DISCLOSURE UNDER SECTION 164 OF THE COMPANIES ACT, 2013

The Company has received disclosures in Form DIR – 8 from all the Directors' of the Company and has noted that the none of the Director is disqualified under Section 164 of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014.

31. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal financial controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements.

These include those policies and procedures that i) pertain to the maintenance of records which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Financial Statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures are being made only in accordance with authorizations of the Management and the Directors of the Company and iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the assets that can have a material effect on the Financial Statements.

The Management assessed the effectiveness of the internal financial controls over financial reporting as of March 31, 2024, and the Board believes that the controls are adequate.

The company was not required to appoint internal auditor during the financial year 2023-24 as it does not fall under the criteria prescribed under Section 138 of the Companies Act 2013 and rules thereunder.

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

The Company is committed to provide a safe and conducive work environment to its employees. The Company has constituted the Internal Complaints Committee to redress complaints received regarding sexual harassment. During the year under review, no complaint was received by the Company.

33. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to section 177(9) & (10) of the Companies Act, 2013 and Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, the Board had approved a vigil mechanism (Whistleblowing Policy). The Policy provides an independent mechanism for reporting and resolving complaints pertaining to unethical behaviour, actual or suspected fraud and violation of the code of conduct of the Company. The policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: <https://www.espritstones.com>

34. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements required pursuant to section 129(3) of the Companies Act, 2013 (read with rule 6 of the Companies (Accounts) Rule, 2014 as amended from time to time) have been prepared in accordance with the relevant accounting standards as per the Companies (Accounting Standard) Rules, 2006. The Audited Consolidated financial statements is provided along with the Standalone Financial Statements.

35. PREVENTION OF INSIDER TRADING

In compliance with the provisions of Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board has adopted a code of conduct and code of practices and procedures for fair disclosure of unpublished price sensitive information to preserve the confidentiality of price sensitive information, prevent misuse thereof and regulate the trading by Insiders. The code of practice and procedures for fair disclosure of unpublished price sensitive information is also available on the Company's website i.e. <https://www.espritstones.com>.

36. DETAILS OF APPLICATION/ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

Neither any application was made nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

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

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

38. CORPORATE GOVERNANCE REPORT

The Company Being Listed on SME Platform of NSE, the provisions of Corporate Governance are not applicable to the Company. Non-Applicability of submission of Report on Corporate Governance is given in Annexure 6.

39. CFO CERTIFICATION:

Compliance Certificate as Required Under Regulation 17(8) Of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is Given in Annexure 7.

40. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR



The Company Being Listed on SME Platform of NSE, the provisions regulation 25(7) of the SEBI (LODR) Regulations, 2015 are not applicable to the Company.

41. REPORTING OF FRAUD, COMMENTS BY BOARD ON EVERY QUALIFICATION, RESERVATION, ADVERSE REMARK OR DISCLAIMER

For the Financial year 2023-24, the Statutory Auditor has not reported any instances of frauds committed in the Company by its Officers or Employees under section 143(12) of the Companies Act, 2013.

42. CODE FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Company has laid down a code of conduct for the members of the board and senior management personnel of the Company. The code of conduct has been posted on the Company's website <https://www.espritstones.com>.

The code of conduct has been circulated to all the members of the Board and Senior Management personnel and they have affirmed their compliance with the said code of conduct for the financial year ended 31st March, 2024. A declaration to this effect signed by Mr. Sunil Kumar Lunawath, Managing Director, DIN: 01105117 and Mr. Nitin Gattani, Joint Managing Director, DIN: 00173258 of the Company is appended at the end of this report as Annexure 8.

43. GENERAL:

During the Financial year 2023-24 following transaction were reported: -

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) During the year the company has not Issue sweat equity shares, bonus shares or employees stock option plan except the discount of Rs. 5/- per share given on premium to certain employees during Initial Public offer post financial year under review.
- c) None of the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- d) Disclosure of certain type of agreements binding listed entities: There were no agreements entered as such.

44. ACKNOWLEDGEMENT

Your directors wish to place on record their deep appreciation for the co-operation extended by the bankers and the services rendered by the employees at all levels and their dedication.

**By the Order of Board of Directors
For ESPRIT STONES LIMITED**

Sd/-
Sunil Kumar Lunawath
DIN: 01105117
Managing Director
Add: L-3 / 53 Jay Shree Colony
Near Dhulkot Chouraha, Udaipur, Rajasthan-313001

Sd/-
Nitin Gattani
DIN: 00173258
Joint Managing Director
Add: Shree Niketan, 380-Ashok Nagar,
Udaipur, Rajasthan-313001

Date: 02-09-2024

Place: Udaipur

ANNEXURE-1

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 read along with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption are as mentioned below as on 31.03.2024:

(A) Conservation of energy–

(i) the steps taken or impact on conservation of energy; The Company does not belong to the category of power intensive industry and hence consumption of power is not significant. However, the management gives due importance to conservation of energy wherever feasible, and also reviews from time to time, the measures taken / to be taken for reduced and prudent consumption and conservation of energy.

(ii) the steps taken by the company for utilising alternate sources of energy; Though the activities undertaken by the Company not energy intensive, the Company shall explore alternative sources of energy, as and when the necessity arises.

(iii) the capital investment on energy conservation equipments; NIL

(B) Technology absorption-

(i) the efforts made towards technology absorption; NIL

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution; NIL

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported; Not applicable

(b) the year of import; Not applicable

(c) whether the technology been fully absorbed; Not applicable

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable

(iv) the expenditure incurred on Research and Development. NIL

(C) Foreign exchange earnings and outgo during the year:

Particulars	Value in INR Lakhs
Foreign Exchange earned	13,111.51
Foreign Exchange outgo	361.51

**By the Order of Board of Directors
For ESPRIT STONES LIMITED**

Sd/-
Sunil Kumar Lunawath
DIN: 01105117
Managing Director
Add: L-3 / 53 Jay Shree Colony
Near Dhulkot Chouraha,
Udaipur, Rajasthan-313001

Sd/-
Nitin Gattani
DIN: 00173258
Joint Managing Director
Add: Shree Niketan, 380-Ashok Nagar, Udaipur,
Rajasthan-313001

Date: 02-09-2024

Place: Udaipur

ANNEXURE 2
ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2023-24

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY

ESL will volunteer its resources to the extent it can reasonably afford to contribute towards enhancing the quality of life thereby the standard of living of people, particularly those belonging to the marginalized section of society. It will take up projects and /or carry out activities under broad programs i.e Education, Empowerment, Health, Relief, Infrastructure and Conservation within the scope of activities prescribed under Schedule VII of the companies Act, 2013.

2. COMPOSITION OF CSR COMMITTEE

CSR Committee was further reconstituted on 06/02/2024 and below was the composition:

Sr. No	Name of Director & Nature of Directorship	Designation in the Committee	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Sunil Kumar Lunawath Non-Independent, Executive Director, DIN: 01105117	Chairperson	4	4
2.	Nitin Gattani Non-Independent, Executive Director DIN: 00173258	Member	4	4
3.	Sunil Rameshwarlal Gattani. Non-Independent, Non-Executive Director DIN: 02409338	Member (Till 05.02.2024)	4	3
4.	Mr. Narendra Sharma Independent, Non- Executive Director DIN: 01380061	Member (w.e.f. 06.02.2024)	4	1

Four Corporate Social Responsibility Committee meetings were held during the year. The dates on which the said meetings were held are as follows: 10.04.2023, 21.07.2023, 04.09.2023 ,15.03.2024. The necessary quorum was present at the meetings.

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.

It can be accessed at <https://www.espritstones.com/>

4. Provide the executive summary along with web links 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, as average CSR obligation in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years is less than threshold prescribed in the Act.

5. CSR OBLIGATION

Sr No.	Particulars	Amount in INR lakhs
(a)	Average net profit of the company as per section 135(5)	1,724.37
(b)	Two percent of average net profit of the company as per section 135(5)	35.00
(c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	0.00
(d)	Amount required to be set off for the financial year, if any	4.66
(e)	Total CSR obligation for the financial year (5b+5c-5d).	30.34

6. DETAILS OF CSR FOR FINANCIAL YEAR:

Sr No.	Particulars	Amount in INR lakhs			
(a)	Amount spent on CSR Projects (both Ongoing Projects & and other than Ongoing Projects)	35.56			
(b)	Amount spent in Administrative Overheads	NIL			
(c)	Amount spent on Impact Assessment, if applicable	NIL			
(d)	Total amount spent for the Financial Year (6a+6b+6c)	35.56			
(e)	CSR amount spent or unspent for the financial year:				
	Total Amount Spent for the Financial Year. (in INR lakhs)	Amount Unspent (in Rs.)			
		Total Amount transferred to Unspent CSR Account as per section 135(6).	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
		Amount.	Date of transfer	Name of the Fund	Amount.
35.56	Nil	N.A.	N.A.	Nil	N.A.
(f)	Excess amount for set-off, if any:		(in INR lakhs)		
	(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	35.00		
	(ii)	Total amount spent for the Financial Year*	40.22		
	(iii)	Excess amount spent for the financial year [(ii)-(i)]	5.22		
	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-		
	(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	5.22		

* including excess amount of INR 4.66 lakhs spent in previous financial year(s)

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

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

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

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

8. 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- No

(asset-wise details)

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

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

**By the Order of Board of Directors
For ESPRIT STONES LIMITED**

Sd/-
Sunil Kumar Lunawath
DIN: 01105117
Chairman, CSR Committee and Managing Director
Add: L-3 / 53 Jay Shree Colony
Near Dhulkot Chouraha,
Udaipur, Rajasthan-313001

Sd/-
Nitin Gattani
DIN: 00173258
Joint Managing Director
Add: Shree Niketan, 380-Ashok Nagar, Udaipur,
Rajasthan-313001

Date: 02-09-2024

Place: Udaipur

ANNEXURE-3
PARTICULARS OF EMPLOYEES

The information under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- A. The ratio of the remuneration of each director to the Median Remuneration of the Employees (MRE) of the Company and percentage increase in remuneration of each director:

Name of directors	Remuneration in FY 2023-24 (in INR lakhs)	Remuneration in FY 2022-23 (in INR lakhs)	% Inc./ (Dec) in Remuneration	Ratio of Remuneration to MRE
Mr. Sunilkumar Lunawath	19.50	19.35	0.78%	6.24
Mr. Nitin Gattani	19.50	19.35	0.78%	6.24
Mr. Pradeepkumar Lunawath	19.50	19.35	0.78%	6.24
Mr. Sunil Rameshwar Lal Gattani*	-	-	-	-
-Mr. Narendra Sharma*	-	-	-	-
Ms. Neelam Tater*	-	-	-	-

*Independent directors were not paid any remuneration other than sitting fees.

- B. The ratio of the remuneration of KMPs to the Median Remuneration of the Employees (MRE) of the Company and percentage increase in remuneration of KMPs:

Name of directors	Remuneration in FY 2023-24 (in INR lakhs)	Remuneration in FY 2022-23 (in INR lakhs)	% Inc./ (Dec) in Remuneration	Ratio of Remuneration to MRE
Mr. Prakash Manghani <i>Chief Financial Officer</i>	4.39	-	NA.	10.36
Ms. Anjali Pandey <i>Company Secretary</i>	0.65	-	NA.	2.71

- C. The median remuneration of employees was Rs. 312,252 in financial year 2023-24.
 D. The total number of permanent employees on the rolls of Company as at 31.03.2024: 226
 E. The percentage increase in the median remuneration of employees in the financial year: 14.24%
 F. Remuneration paid during the year ended 31st March, 2024 is as per the Remuneration Policy of the Company.
 G. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: There is no significant increase in remuneration of the directors and KMPs are appointed for first time in this financial year hence no further disclosure can be made.
 H. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed below:-

Information as per Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Report of the Board of Directors for the year ended 31st March, 2024-

Details of Top Ten Employees in terms of remuneration drawn as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No	Name of the Employee <i>Designation Type of employment / Age Educational qualification</i>	Remuneration Received (Rs. in Lakhs)	Experience (in yrs.)	Date of commencement of employment	Last employment held by such employee before joining the Company	Whether Relative of the Director, if yes name of the Director
1	Siddhanth Lunawath <i>Chief Marketing Officer On-roll Age- 29 years Bachelor of Science in Public Affairs</i>	31.85	6	01-Jun-19	Aravali Minerals & Chemicals Private Limited	Son of Pradeep Lunawath
2	Arnav Lunawath <i>Assistant Vice President (International Sales) On-roll Age- 24 years Masters of Science in Marketing</i>	28.60	3	01-Apr-21	Aravali Minerals & Chemicals Private Limited	Son of Sunil Lunawath
3	Raghavan Vedanthan <i>Assistant Vice President (Sales & Marketing) On-roll Age- 48 years Diploma in Business Management & Foreign Trade</i>	27.74	25	01-Feb-22	Asahi India Glass Limited	-
4	Rohit Alexander D'Silva <i>Assistant Vice President (International Sales) On-roll Age- 47 years Bachelor or Arts (B.A.)</i>	21.00	24	16-Feb-23	Marble World LLC	-
5	Ramisetty Rajani Kanth <i>General Manager On-roll Age- 46 years Bachelor or Arts (B.A.)</i>	20.29	24	15-Oct-21	Satya Exports	-
6	Sunil Lunawath <i>Managing Director On-roll Age- 48 years Bachelor of Commerce</i>	19.50	25	19-Oct-16	Own Business	Brother of Pradeep Lunawath
7	Pradeep Lunawath <i>Executive Director On-roll Age- 50 years Secondary Education</i>	19.50	21	19-Oct-16	Own Business	Brother of Sunil Lunawath
8	Nitin Gattani <i>Joint Managing Director On-roll Age – 48 years Bachelor of Commerce</i>	19.50	25	19-Oct-16	Own Business	-
9	Saumya Gattani <i>Vice President (Sales & Marketing) On-roll Age – 26 years Bachelor in Fashion Mechandising</i>	15.60	6	01-Jun-19	Own Business	Daughter of Nitin Gattani
10	Sumit Sunil Gattani <i>Chief Operating Officer On-roll Age – 31 years Masters in Business Administration (MBA)</i>	15.60	8	01-Oct-17	Self employed	Son of Sunil Gattani

Notes:



1. None of the employees of the Company are covered under Rule 5 (2) (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as none of the employee is in receipt of remuneration in excess of remuneration drawn by Managing Director & Whole Time Directors and holding more than 2% of the paid-up capital of the Company.
2. Except above, none of the person was employed for the full year and was in receipt of remuneration of Rs. 102 Lakhs or more and employed for part of the year and was in receipt of remuneration aggregating to Rs. 8.50 Lakhs or more per month.

**By the Order of Board of Directors
For ESPRIT STONES LIMITED**

Sd/-

Sunil Kumar Lunawath
DIN: 01105117
Managing Director
Add: L-3 / 53 Jay Shree Colony
Near Dhulkot Chouraha,
Udaipur, Rajasthan-313001

Sd/-

Nitin Gattani
DIN: 00173258
Joint Managing Director
Add: Shree Niketan, 380-Ashok Nagar,
Udaipur,
Rajasthan-313001

Date: 02-09-2024

Place: Udaipur

**ANNEXURE-4
FORM NO. AOC-2**

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

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

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

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

Sr. No.	Particulars	Details		
A.	Name(s) of the related party and nature of relationship	Siddhanth Lunawath (Relative of Director)	Addwaya Chemicals Private Limited (Subsidiary Company)	Haique Stones INC, USA (Wholly owned Subsidiary Company)
B.	Nature of contracts/arrangements/transactions	Remuneration	Purchases	Sales
C.	Duration of the contracts/arrangements/transactions	NA	Continuous	Continuous
D.	Salient terms of the contracts or arrangements or transactions including the value, if any:	The related party transactions(RPTs) entered during the year were in the ordinary Course of business and on arm's length basis.		
E.	Date of approval by the Board, if any	Since these related party Transactions are in the ordinary course of business and are at arm's length basis but approval of the Shareholders is also taken for Related Party Transaction. However, necessary approvals were granted by the Audit Committee from time to time.		
F.	Amount paid as advances, if any:	NA	NA	NA

**By the Order of Board of Directors
For ESPRIT STONES LIMITED**

Sd/-
Sunil Kumar Lunawath
DIN: 01105117
Managing Director
Add: L-3 / 53 Jay Shree Colony
Near Dhulkot Chouraha,
Udaipur,Rajasthan-313001

Sd/-
Nitin Gattani
DIN: 00173258
Joint Managing Director
Add: Shree Niketan,380-Ashok Nagar, Udaipur,
Rajasthan-313001

Date: 02-09-2024

Place: Udaipur

**ANNEXURE -5
FORM NO. AOC -1**

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

Statement containing salient features of the Financial Statements of Subsidiaries/Associate Companies/ Joint Ventures as on 31.03.2024

Part "A": Subsidiaries

(Amount in Lakhs)

Particulars	Subsidiaries		
	1	2	3
Sl. No.			
Name of Subsidiary	Addwaya Chemicals Private Limited	Haique Stones Private Limited	Haique Stones INC,USA
The date since when subsidiary was acquired	February 01, 2021	August 20, 2021	April 04, 2022
Reporting period for the Subsidiary Concerned, if different from the holding company's reporting period	NA	NA	NA
Share Capital	15.00	1.00	8.19
Reserve & Surplus	57.72	59.72	71.78
Total Assets	7,404.34	6,235.60	2,446.43
Total Liabilities	7,404.34	6,235.60	2,446.43
Investments	-	-	-
Turnover	11,494.91	1,692.00	9,839.57
Profit before taxation	39.20	16.57	31.95
Current Tax	-	-	6.96
Deferred Tax	6.62	2.60	-
Profit after taxation	32.58	13.97	24.99
Proposed dividend	NIL	NIL	NIL
% of Shareholding	51%	100%	100%

Notes:

1. Name of Subsidiaries which are yet to commence operation: NA
2. Name of Subsidiaries which have been liquidated or sold during the year: NIL

Part B – Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	NA
1. Latest audited Balance Sheet Date	31.03.2024
2. Date on which the Associate or Joint Venture was associated or acquired	NA
3. Shares of Associate or Joint Ventures held by the company on the year end	
(a) No. Of Shares held	NA
(b) Amount of Investment in Associate/Joint Venture	NA
(c) Extent of holding %	NA
4. Description of how there is significant influence	NA
5. Reason why the associate/joint venture is not consolidated	NA
6. Networth attributable to shareholding as per latest audited Balance Sheet	NA
7. Profit or Loss for the year	NA
i. Considered in Consolidation	NA
ii. Not Considered in Consolidation	NA

Notes:

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

**By the Order of Board of Directors
For ESPRIT STONES LIMITED**

Sd/-

Sunil Kumar Lunawath
DIN: 01105117
Managing Director
Add: L-3 / 53 Jay Shree Colony
Near Dhulkot Chouraha,
Udaipur, Rajasthan-313001

Sd/-

Nitin Gattani
DIN: 00173258
Joint Managing Director
Add: Shree Niketan, 380-Ashok Nagar, Udaipur,
Rajasthan-313001

Date: 02-09-2024

Place: Udaipur

ANNEXURE – 6

NON APPLICABILITY OF SUBMISSION OF REPORT ON CORPORATE GOVERNANCE AS PER EXEMPTION GIVEN IN REGULATION 15 (2) (b) OF CHAPTER IV OF SEBI (LODR) REGULATIONS, 2015

To the Members of the ESPRIT STONES LIMITED,

This is to certify that the equity shares of the Company are listed on Small and Medium Enterprise (SME) exchange of NSE Limited and hence, as per Regulation 15 (2) (b) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the corporate governance provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is exempt to the Company.

Therefore, it is not required to submit Report on Corporate Governance.

By the Order of Board of Directors
For ESPRIT STONES LIMITED

Sd/-
Sunil Kumar Lunawath
DIN: 01105117
Managing Director
Add: L-3 / 53 Jay Shree Colony
Near Dhulkot Chouraha,
Udaipur, Rajasthan-313001

Sd/-
Nitin Gattani
DIN: 00173258
Joint Managing Director
Add: Shree Niketan, 380-Ashok Nagar,
Udaipur,
Rajasthan-313001

Date: 02-09-2024

Place: Udaipur

ANNEXURE -7
CFO'S CERTIFICATION

The Board of Directors
Esprit Stones Limited
SP 1, Udyog Vihar,
Sukher Industrial Area,
Udaipur, Rajasthan-313004

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2024 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2023-2024 which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
1. There are no significant changes in internal control over financial reporting during the year;
 2. There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. There are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: September 02, 2024
Place: Udaipur

Sd/-
Prakash Manghani
Chief Financial Officer

ANNEXURE-8

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has received from the Senior Management team of the Company and the Members of the Board, a declaration of compliance with the code of Conduct as applicable to the them in respect of the year ended March 31, 2024.

**By the Order of Board of Directors
For ESPRIT STONES LIMITED**

Sd/-
Sunil Kumar Lunawath
DIN: 01105117
Managing Director
Add: L-3 / 53 Jay Shree Colony
Near Dhulkot Chouraha,
Udaipur, Rajasthan-313001

Sd/-
Nitin Gattani
DIN: 00173258
Joint Managing Director
Add: Shree Niketan, 380-Ashok Nagar, Udaipur,
Rajasthan-313001

**Date: 02-09-2024
Place: Udaipur**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Please note statement in this Management's Discussion and Analysis detailing the Company's objectives, projections, estimates, estimates, expectations or predictions are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations

I. COMPANY OVERVIEW

Esprit Stones Limited is primarily engaged in the manufacturing of Engineered Stones such as: (i) engineered quartz surfaces; and (ii) engineered marble surfaces. Our Company majorly manufactures engineered quartz surfaces and through our Subsidiary, Haique Stones Private Limited, we manufacture engineered marble surfaces. We are one of the key Engineered Stones players in India. (Source: CARE Report). Engineered Stones are composite material formed out of crushed stone that is held together by an adhesive. Engineered Stone's non-porous characteristics, offer superior scratch, stain and heat resistance, making them extremely durable and therefore get an edge over competing products such as natural stones, laminate and other manufactured solid surfaces. The strength, consistency, durability and appearance of our Engineered Stones, as well as their low maintenance makes it ideal for its application for vanities & bathroom surfaces, kitchen countertops, floors and wall cladding furniture, and other interior surfaces that are used in a variety of residential and non-residential applications. Through our innovative design and manufacturing processes, we are able to offer our product in wide variety of colors, styles, designs and textures.

II. ECONOMIC OUTLOOK

Global Economy

According to IMF World economic Outlook (Apr-2024), Economic activity was surprisingly resilient through the global disinflation of 2022–23. As global inflation descended from its mid-2022 peak, economic activity grew steadily, defying warnings of stagflation and global recession. Growth in employment and incomes held steady, reflecting supportive demand developments including greater than expected government spending and household consumption and a supply-side expansion amid, notably, an unanticipated boost to labour force participation. The unexpected economic resilience, despite significant central bank interest rate hikes aimed at restoring price stability, also reflects the ability of households in major advanced economies to draw on substantial savings accumulated during the pandemic. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine, weak growth in productivity and increasing geo-economics fragmentation. Global headline inflation is expected to fall from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. The latest forecast for global growth five years from now at 3.1 percent is at its lowest in decades. Risks to the global outlook are now broadly balanced. On the downside, new price spikes stemming from geopolitical tensions, including those from the war in Ukraine and the conflict in Gaza and Israel, could, along with persistent core inflation where labour markets are still tight, raise interest rate expectations and reduce asset prices. A divergence in disinflation speeds among major economies could also cause currency movements that put financial sectors under pressure. Monetary policy remains focused on aligning inflation with the target to pave the path for sustained growth in the medium term. (Source: IMF World Economic Outlook April 2024)

Indian Economy Review

Amid a challenging global economic landscape and deteriorating geopolitical conditions, India continues to shine as a bright spot. It is the fifth-largest economy in the world and is poised to retain its position as the world's fastest-growing major economy. Its GDP growth remained buoyant at 8.2% in FY 2023-24 as against 7.0% in FY 2022- 23, supported by robust domestic demand, moderate inflation, a stable interest rate environment, and

strong foreign exchange reserves. Furthermore, an accelerated pace of economic reforms and increased capital expenditure paved the way for construction activities and large-scale employment opportunities in the country. The International Monetary Fund (IMF) commended

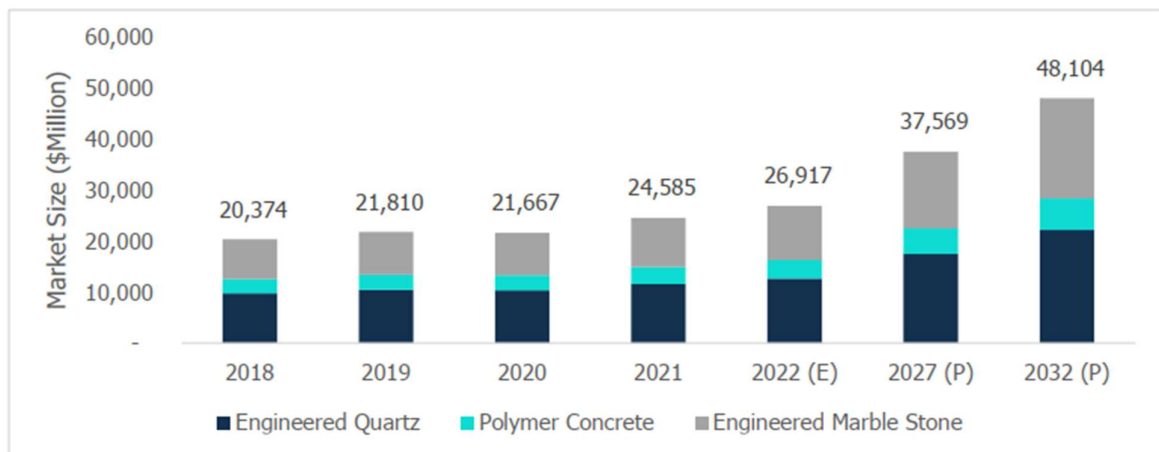
India's economic resilience, robust growth, and notable progress in formalization and digital infrastructure. India had successfully harnessed inflation in FY 2023-24 which is still plaguing major advanced economies. India's Consumer Price Index (CPI) inflation rate further decreased to 4.83% (provisional) in April 2024 against 4.85%(final) in March 2024. The RBI, in its efforts to control inflation and boost economic growth, decided to keep the policy repo rate unchanged at 6.50%. Due to increasing disposable income levels, there is a surge in household consumption in both urban and rural regions, boosting the demand across sectors. India's economic outlook is optimistic as it reaps the benefits of demographic dividend, physical and digital infrastructure enhancements, increased capital expenditure and the government's proactive policy measures such as Production Linked Incentive (PLI) Schemes. According to the IMF, the Indian economy is expected to expand steadily at 6.8% in 2024.

III. INDUSTRY STRUCTURE, DEVELOPMENT AND OUTLOOK

Engineered Stone – Quartz & Engineered Marble Industry

Global Engineered Stone Market by Type (\$ Million)

In the projected period from 2022 to 2027, the engineered stone market is expected to grow at a CAGR of 7-8% and reach \$37,569 million, thereafter the industry is expected to reach \$ 48,104 million in 2032.



Source: Research Dive, CareEdge Research

Region wise contribution:

➤ North America Engineered Stone Market by Type (\$Million)

Type	2018	2019	2020	2021	2022 (E)	2027 (P)	2032 (P)
Engineered Quartz	2,135	2,252	2,205	2,346	2,543	3,372	4,095
Polymer Concrete	607	637	621	675	729	953	1,141
Engineered Marble Stone	1,711	1,817	1,791	1,969	2,147	2,932	3,667
Total	4,453	4,707	4,617	4,990	5,419	7,258	8,902

Source: Research Dive, CareEdge Research

➤ Europe Engineered Stone Market (\$Million)

Type	2018	2019	2020	2021	2022 (E)	2027 (P)	2032 (P)
Engineered Quartz	1,510	1,617	1,608	1,797	1,951	2,615	3,212
Polymer Concrete	435	463	459	506	548	724	876
Engineered Marble Stone	1,202	1,296	1,297	1,483	1,621	2,237	2,828
Total	3,146	3,377	3,363	3,786	4,120	5,576	6,916

Source: Research Dive, CareEdge Research

➤ Asia-Pacific Engineered Stone Market (\$Million)

Type	2018	2019	2020	2021	2022 (E)	2027 (P)	2032 (P)
Engineered Quartz	5,226	5,628	5,624	6,430	7,057	9,965	12,903
Polymer Concrete	1,502	1,610	1,601	1,875	2,053	2,860	3,653
Engineered Marble Stone	4,162	4,512	4,539	5,348	5,904	8,584	11,441
Total	10,889	11,749	11,764	13,654	15,014	21,410	27,997

Source: Research Dive & CareEdge Research

➤ LAMEA Engineered Stone Market (\$Million)

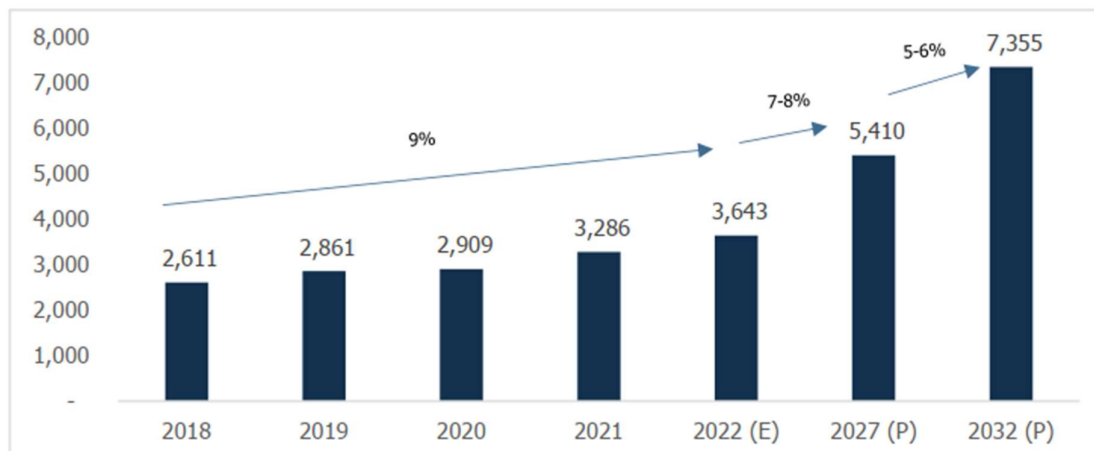
Type	2018	2019	2020	2021	2022 (E)	2027 (P)	2032 (P)
Engineered Quartz	906-	947	920	1,017	1,113	1,550	1,980
Polymer Concrete	259	269	260	298	325	447	563
Engineered Marble Stone	721	760	743	841	926	1,328	1,746
Total	1,886	1,977	1,923	2,156	2,364	3,325	4,289

Source: Research Dive, CareEdge Research

Indian Engineered Stone Industry

The industry mainly consists of unorganized players. Besides catering to the Indian market, India is a major exporter of engineered or quartz stones in countries like the U.S, Europe and U.A.E. The demand for engineered stones has increased tremendously owing to its wide range of applications, cost effectiveness, and many other characteristics such as strength, durability, and availability in various color pellets.

The Indian engineered stone market is estimated to be valued at \$3,643 million in 2022. The industry is expected to grow at a CAGR of 7-8% in the projected years between 2022 to 2027. By the year 2032, the Indian engineered stone market is expected to reach \$ 7,355 million

Indian Engineered Stone Market (\$Million)


Source: Research Dive, CareEdge Research

IV. OPPORTUNITIES AND THREATS:

Opportunities or Growth drivers for engineered stones:

The engineered stones market is expected to expand in the USA and UAE, driven by the growing demand for building and construction activities. Further, the increased demand for countertops in new construction and renovations is expected to boost the engineered stone market in the USA. The engineered quartz has been the highest contributor to the engineered stone market in the USA and UAE in the historical period. In future, the engineered marble stone is expected to grow at a higher CAGR between 5%-6%.

The worldwide construction sector has experienced significant expansion, improving the market's outlook. Natural stones like granite and marble are now being replaced by engineered stones like quartz and composite marble to enhance visual attractiveness. Accordingly, the market expansion is being supported by the increasing number of engineering, procurement, and construction (EPC) projects in the infrastructure sector. The increasing trend for home renovation and re-modelling is positively impacting the market growth since engineered stones help in modifying and enhancing aesthetics in residential and commercial complexes. Apart from this, rising expenditure capacities of consumers and the implementation of various government initiatives to promote infrastructural development are anticipated to drive the market toward growth.

Further, In India the surging demand for residential and commercial hard surface countertops is accelerating product sales in India. The increasing count of restaurants, hospitals and hotels in the country, coupled by a robustly expanding Indian population, is expanding opportunities for engineered stones. Also, continuous evolution of the real estate sector in India is projected to develop significant prospects for key players.

Threats or Challenges for the engineered stones:

Our manufacturing activity is subject to availability of raw material such as quartz grit and powder, marble grit, calcite powder, resin, other chemicals and pigments and the costs of the raw materials. Any shortage in availability or fluctuations in raw material prices, may have effect on our business. While, we have not experienced any significant disruption in supply or fluctuation in the prices of raw material in the past, there can be no assurance that we will not face such situation in future.

We have historically derived a significant portion of our revenues from exports to the United States of America. Accordingly, any adverse social, political or economic development, natural calamities, civil disruptions, regulatory developments or changes in the policies of the government in the USA could affect our manufacturing and distribution activities, result in modification of our business strategy. For instance, sales of engineered quartz surface products from India are presently subject to antidumping and countervailing duties which has ultimately resulted in lower export of our engineered quartz surfaces to the USA market. As on date, there is no substantial antidumping duty on export of engineered quartz surfaces to USA.

V. RISK AND CONCERNS:

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

VI. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an internal control system, which ensures that (a) its financial reports are reliable, (b) its operations are effective and efficient, and (c) its activities comply with applicable laws and regulations. Further, for the FY 24-25, the Company will appoint an Internal Auditor to carry out the Internal Audit process which is designed to review the adequacy of internal control checks in the system and covers all the significant areas of the Company's operations as per regulatory requirement.

The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of the internal control systems and tracks the implementation of corrective actions. Significant audit observations and corrective actions will be taken by the Management and will be presented to the Audit Committee. To maintain its objectivity and independence, the Internal Audit reports will be submitted to the Chairman of the Audit Committee. Audit Committee plays a key role in providing assurance to the Board of Directors.

VII. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

During the period under review, the personal and industrial relations with the employees remained cordial in all respects. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company recognizes talent and has judiciously followed the principle of rewarding performance. During the year, Company has adopted Human Rights Policy Statement to express Company's commitment to do business with ethical values and embrace practices that supports human rights, and labour laws on a continuous basis. We owe our success to our talented and dedicated employees. We have a comprehensive HR policy to ensure a positive, motivating, and equitable work environment. Regular upskilling and personal development training keep our employees aligned with business needs. Our employee-friendly policies enhance productivity, satisfaction, and retention. This people-centric approach builds strong loyalty and unity among employees and attracts new talent. As of 31 March, 2024, we have over 225+ employees.

VIII. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:
Consolidated financial performance:

Particulars	FY 23-24 in ₹ Lakhs	FY 22-23 in ₹ Lakhs	Change in ₹ Lakhs	Change in %
Income				
Sale of products	27,009.90	17,015.69	9,994.21	58.74%
Other operating revenue	279.12	425.40	-146.28	-34.39%
Revenue from operations	27,289.02	17,441.09	9,847.93	56.46%
Operating Expenses	(24,157.74)	(15,707.93)	8,449.81	53.79%
Operating profits (not including other income)	3,131.28	1733.16	1,398.12	80.67%
Finance costs	997.11	634.24	362.87	57.21%
Depreciation and amortisation expenses	913.29	733.11	180.18	24.58%
Other income	188.80	165.43	23.37	14.13%
Profit / (Loss) before tax	1,409.68	531.24	878.44	165.36%
Tax expense:				
(a) Current tax expense for current year	386.11	106.46	279.65	262.68%
(b) Deferred tax expenses	-10.62	69.09	-79.71	-115.37%
(c) Prior year(s)	2.46	-0.03	2.49	-8300.00%
Profit / (Loss) for the year	1,031.73	355.72	676.01	190.04%

Notes on financial performance:

On consolidated basis the sale of products is increased by 58.74% to INR 27,009.90 Lakhs in Financial Year ended March 31, 2024 from INR 17,015.69 Lakhs in Financial Year ended March 31, 2023. The reason of growth is mainly because of following reasons:

- a) The Company's sale of engineered quartz increased from INR 14,349.08 Lakhs in FY 2022-23 to INR 17,236.40 lakhs in FY 23-24. This is because the Company suffered a setback in Financial Year 2023 pursuant to publication of preliminary administrative review on Anti-dumping duty by US Department of Commerce on certain Quartz surfaces imported from India. Hence the Company's export sales of engineered quartz from India to U.S.A had decreased substantially FY 2022-23. Post the favorable result of administrative review by the US Department of Commerce, the company's business of export sale of engineered quartz started recovering in FY 23-24.
- b) Company's sale of engineered marble increased from INR 103.39 lakhs in FY 2022-23 to INR 1,622.99 lakhs in FY 23-24. This is because sale of engineered marble was partially operational in Financial Year 22-23 which became fully operational in Financial Year 23-24 however the capacity utilization of the plant was below 15% for the new unit.
- c) Company's sale of polyester resins increased from INR 2,563.22 lakhs in Financial Year 2022-23 to INR 8,150.51 lakhs in Financial Year 2023-24. In FY 22-23 the capacity utilization was 33.21% of the total capacity which further increased to 61.55% of total capacity in the financial year 23-24. This ultimately contributed to increase in sales in FY 23-24.

Further, due to increase in revenue, higher capacity utilization and other decrease in overall expenses, the operating margins has increased from 9.94% in FY 22-23 to 11.48% in FY 23-24.

IX. SEGMENT-WISE PERFORMANCE:

- Business Segment-wise breakup of consolidated revenue from operations:

Particulars	FY 23-24 in ₹ Lakhs	FY 22-23 in ₹ Lakhs
Engineered Stones	19,138.51	14,877.87
Unsaturated Polyester Resin	8,113.87	2,381.67
Other operations	36.64	181.55
Total revenue from operations	27,289.02	17,441.09

- Geographical Segment-wise breakup of consolidated revenue from operations:

Particulars	FY 23-24 in ₹ Lakhs	FY 22-23 in ₹ Lakhs
From customers in India	11,425.64	4,636.37
From customers outside India	15,863.38	12,804.72
Total revenue from operations	27,289.02	17,441.09

X. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Ratios	FY 23-24	FY 22-23	% Change
Debtors Turnover	4.79	5.27	-9%
Inventory Turnover	4.77	3.96	20%
Debt Service Coverage Ratio	1.64	2.54	-35%
Current Ratio	1.05	1.03	2%
Debt Equity Ratio	1.73	1.91	-9%
Operating Profit Margin % (excluding other income)	11.47%	9.94%	15%
Net Profit Margin %	3.78%	2.04%	85%
Return on Capital Employed (calculated on average capital employed)	12.69%	7.81%	62%

Notes for significant change in ratios as compared to previous financial year:

1. The Debt Service Coverage ratio has reduced though Company's operating cash profits have increased in current year but the interest cost and loan repayment is increased in current year.
2. The Net Profit ratio is increased as net profit is increased due to consistent sales in current year. The Company has achieved growth in its revenue as compare to last year and also company's other income due to interests and foreign exchange fluctuation has increased. Also, in last year the business was slow down for few months and hence Company was unable to maintain the profits last year and last year net profit was exceptional low.
3. The Return on Capital Employed has increased drastically as Company's operations were consistent during the current year and last year the margins were really low due to inconsistent operations.

**By the Order of Board of Directors
For ESPRIT STONES LIMITED**

Sd/-
Sunil Kumar Lunawath
DIN: 01105117
Managing Director
Add: L-3 / 53 Jay Shree Colony
Near Dhulkot Chouraha,
Udaipur, Rajasthan-313001

Sd/-
Nitin Gattani
DIN: 00173258
Joint Managing Director
Add: Shree Niketan, 380-Ashok Nagar, Udaipur,
Rajasthan-313001

Date: 02-09-2024

Place: Udaipur

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To
The Members of
Esprit Stones Limited
(Formerly Known as Esprit Stones Private Limited))

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Esprit Stones Limited (Formerly Known as Esprit Stones Private Limited)**, which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact, since these reports are expected to be made available to us after the date of this audit report hence currently, we have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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.

- 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.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure I** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to adequacy of Internal Financial Controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure II**. Our report expresses an Unmodified Opinion on the adequacy and operating effectiveness of the company internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 27 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note No. 36(k))
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note No. 36(k))
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (a) and (b) above contain any material misstatement.
- v. The company has not paid any dividend during the year hence the reporting under this clause is not applicable.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For A Bafna & Co.
Chartered Accountants
FRN: 003660C

(C.A. Vivek Gupta)

Partner

Membership No. 400543

UDIN : 24400543BKXSJ6689

Place : Udaipur

Date : 5th July 2024

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT OF ESPRIT STONES LIMITED (FORMERLY KNOWN AS ESPRIT STONES PRIVATE LIMITED)

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2024, we report that:

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of Intangible assets.
 - b) According to the information and explanation given to us and on the basis of our examination of records of the company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, Plant & Equipment are verified at least once in three year. Pursuant to this program, Property, Plant and Equipment were physically verified by the Management during the year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanation given to us and on the basis of our examination of records of the company, the title deed of the immovable properties (Other than properties where the company is a lessee & the lease agreement is dully executed in favour of the lessee) disclosed in the financial statements are held in the name of the company as at the balance sheet date.
 - d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency together with coverage & procedure of verification are reasonable, further the management has not found discrepancies of more than 10% or more in the aggregate for each class of inventory.
(b) According to the information and explanation given to us and on the basis of our examination of records of the company, the company has been sanctioned working capital limits in excess of five crores, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the company with such bank or financial institutions are generally in agreement with the books of accounts of the company and no material deviations were observed.

3. (a) The Company has not made investment in any other company during the year and has not provided or stood guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or any other parties except—

Party name	Nature of Transaction	Amount (Rs. In Lacs)
Addwaya Chemicals Private Limited (51% Subsidiary)	Investment	7.65
Haique Stones Private Limited (Wholly Owned Subsidiary)	Investment	1.00
Haique Stones Inc. (Wholly Owned Subsidiary)	Investment	8.19
Addwaya Chemicals Private Limited (51% Subsidiary)	Loans or Advances	516.50
Addwaya Chemicals Private Limited (51% Subsidiary)	Corporate Guarantee	4650.00
Haique Stones Private Limited (Wholly Owned Subsidiary)	Loans or Advances	960.45
Haique Stones Private Limited (Wholly Owned Subsidiary)	Corporate Guarantee	3000.00

(b) In our opinion, the investments made and the terms and conditions of the grant of loans, Guarantee given during the year, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally being regular as per stipulation.

(d) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

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

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

4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and securities.
5. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
6. According to the information & explanation given to us, maintenance of Cost records is not mandatory for the company hence this clause is not applicable.
7. In respect of statutory dues:

- a) In our opinion, the Company has been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they become payable.

- b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 except as following:-

Name of the Statute	Nature of dues	Amount (in Lakhs)	Period to which the amount relates	Forum where dispute is pending
GST Act	ITC	362.88	2018-19, 2019-20 & 2020-21	Appellate Authority, Jodhpur
GST Act	ITC	21.63	2018-19	The company is in process of filing the appeal, as explained to us the same would be filed within the due date.

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

9.
 - (a) According to the records of the company examined by us and as per the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any financial institution or banks or lender.
 - (b) According to the records of the company examined by us and as per the information and explanations given to us, The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
 - (c) According to the records of the company examined by us and as per the information and explanations given to us, term loans availed by the company have been used for the purpose for which they were raised.

- (d) According to the records of the company examined by us and as per the information and explanations given to us, on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the records of the company examined by us and as per the information and explanations given to us, on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate companies.
- (f) According to the records of the company examined by us and as per the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on clause (ix) (f) of the Order is not applicable to the Company.
10. (a) The Company has not raised money(s) by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable
11. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to information & explanation given to us the requirement of having Internal Audit System is not applicable to the company.
15. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. (a) According to information & explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934
(b) According to information & explanation given to The company has not conducted any NBFC business during the year, hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
(d) The group does not have more than one CIC.
17. The Company has not incurred cash losses during the financial year covered by our audit.
- 18.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty

exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither, give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

20. According to information and explanation given to us and based on our examination of the records of the company, the provisions of Section 135 related to Corporate Social Responsibility (CSR) are applicable on the company – Refer Note 38 to the Financial Statements.
21. There are no qualifications or adverse remarks in CARO report of subsidiaries included in the Consolidated Financial Statements

For A Bafna & Co.
Chartered Accountants
FRN: 003660C

(C.A. Vivek Gupta)

Partner

Membership No. 400543

UDIN : 24400543BKCXSJ6689

Place : Udaipur

Date : 5th July 2024

ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF ESPRIT STONES LIMITED (FORMERLY KNOWN AS ESPRIT STONES PRIVATE LIMITED)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Esprit Stones Limited (Formerly Known as Esprit Stones Private Limited)** as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

- (1) pertain to the maintenance of records that, in reasonable detail ,accurately and fairly reflect the transactions and dispositions of the assets of the 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 authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For A Bafna & Co.
Chartered Accountants
FRN: 003660C

(C.A. Vivek Gupta)
Partner
Membership No. 400543
UDIN : 24400543BKCXSJ6689
Place : Udaipur
Date : 5th July 2024

Standalone Balance Sheet

As at 31 March 2024

Currency : in Lakhs INR (₹)

Particulars	Note	31 March 2024	31 March 2023
A EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,615.00	950.00
Reserves and surplus	4	5,694.11	5,330.37
Non-current liabilities			
Long-term borrowings	5	565.69	1,440.72
Deferred tax liabilities (net)	6	429.27	449.11
Long-term provisions	7	49.17	34.90
Current liabilities			
Short-term borrowings	8	3,817.33	4,175.10
Trade payables	9		
(a) total outstanding dues of micro and small enterprises; and		229.70	1,114.18
(b) total outstanding dues of other than micro and small enterprises		2,967.66	1,485.60
Other current liabilities	10	737.09	624.62
TOTAL		16,105.02	15,604.60
B ASSETS			
Non-current assets			
Property, Plant and Equipments and Intangible assets			
Tangible assets	11	6,089.06	6,520.76
Intangible assets		5.13	7.00
Capital work-in-progress		331.33	-
Non-current investments	12	16.84	16.65
Long-term loans and advances	13	1,719.51	1,172.82
Current assets			
Inventories	14	3,778.58	3,654.49
Trade receivables	15	2,706.39	2,642.78
Cash and bank balances	16	218.35	263.53
Short-term loans and advances	17	1,039.48	1,221.69
Other current assets	18	200.35	104.88
TOTAL		16,105.02	15,604.60
Significant accounting policies	2		
Notes to accounts	3 to 42		

The accompanying notes are integral part of these financial statements

As per our report attached
For **A. Bafna & Co.**
Chartered Accountants
Firm Reg. No. : 003660C

For and on behalf of Board of Directors of
Esprit Stones Limited
SP-1, Udyog Vihar Sukher Industrial Area, Udaipur
CIN: U74999RJ2016PLC056284

Vivek Gupta
Partner
Membership Number : 400543

Sunil Lunawath
Managing Director
DIN : 01105117

Nitin Gattani
Joint Managing Director
DIN: 00173258

Place : Udaipur
Date : 05 July 2024

Prakash Manghani
CFO

Anjali Pandey
Company Secretary
ICSI Membership Number : A45660

Standalone Statement of Profit and Loss

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
1 Revenue from operations	19	16,000.82	13,127.17
2 Other income	20	521.95	229.77
3 Total income (1+2)		16,522.77	13,356.94
4 Expenses			
(a) Cost of materials consumed	21	8,416.12	7,324.75
(b) Purchases of stock-in-trade	22	281.33	286.71
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(145.12)	(300.89)
(d) Employee benefits expenses	24	1,554.97	1,342.59
(e) Finance costs	25	377.38	368.06
(f) Depreciation and amortisation expenses	11	570.65	522.29
(g) Other expenses	26	4,076.93	3,309.77
Total expenses		15,132.26	12,853.28
5 Profit/ (Loss) before exceptional and extraordinary items and tax (3 - 4)		1,390.51	503.66
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		1,390.51	503.66
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 ± 8)		1,390.51	503.66
10 Tax expense:			
(a) Current tax expense for current year		(379.15)	(83.56)
(b) Deferred tax expenses		19.84	(53.90)
(c) Prior year(s)		(2.46)	0.03
11 Profit / (Loss) from continuing operations (9 ± 10)		1,028.74	366.23
12 Profit / (Loss) for the year		1,028.74	366.23
Earning per equity share of face value of Rs. 10/-each Basic and diluted (not annualised)	29	6.37	2.27
Significant accounting policies	2		
Notes to accounts	3 to 42		

As per our report attached

For A. Bafna & Co.
Chartered Accountants

Firm Reg. No. : 003660C

For and on behalf of Board of Directors of

Esprit Stones Limited

SP-1, Udyog Vihar Sukher Industrial Area, Udaipur

CIN: U74999RJ2016PLC056284

Vivek Gupta
Partner

Membership Number : 400543

Sunil Lunawath
Managing Director

DIN : 01105117

Nitin Gattani
Joint Managing Director

DIN: 00173258

Place : Udaipur

Date : 05 July 2024

Prakash Manghani
CFO
Anjali Pandey
Company Secretary

ICSI Membership Number : A45660

Standalone Cash Flow Statement

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A Cash flow from operating activities		
Profit/(Loss) before tax	1,390.51	503.66
Adjustments for:		
Depreciation and amortization expenses	570.65	522.29
Finance cost	377.38	368.06
Interest income	(208.99)	(147.66)
Unrealised foreign currency translation gain/ loss	(49.37)	(37.38)
Provision for doubtful debts	133.33	-
Operating profit before working capital changes	2,213.51	1,208.97
Changes in working capitals		
Increase in long-term provisions	14.27	11.75
Increase/ (Decrease) in trade payables	597.58	(1,720.17)
(Decrease)/ Increase in other current liabilities	(25.07)	(178.82)
(Increase) in long-term loan and advances	(2.55)	(2.77)
(Increase) in inventories	(74.72)	(156.86)
(Increase) in trade receivables	(120.91)	(99.93)
(Decrease)/ Increase in short-term loans and advances	69.62	(284.36)
Cash generated from operations	2,671.73	(1,222.19)
Less: Income-tax paid (net)	(108.12)	(114.80)
Net cash flow from operating activities	(A) 2,563.61	(1,336.99)
B Cash flow from investing activities		
Purchase of fixed assets and changes in Capital work-in-progress	(441.19)	(459.55)
Investment in fixed deposits	(207.53)	(198.09)
Proceeds from maturity of fixed deposits	198.09	1,070.74
Loans and advances to subsidiaries	(666.45)	287.93
Investment in subsidiaries	(0.19)	(8.00)
Interest Income	113.52	168.25
Net cash flow from/ (used in) investing activities	(B) (1,003.75)	861.28
C Cash flow from financing activities		
Proceeds/ (Repayment) of long-term loans from banks	(705.15)	(202.29)
Proceeds/ (Repayment) of long-term loans from others	-	-
Proceeds/ (Repayment) of short-term loans from banks	(527.65)	1,098.24
Interest expenses paid	(381.68)	(366.39)
Net cash flow from/ (used in) financing activities	(C) (1,614.48)	529.56
D Net increase/ (decrease) in cash and cash equivalents	(54.62)	53.85
Add: Cash and cash equivalents at the beginning of the period	65.44	11.59
E Cash and cash equivalents at the end of the period	10.82	65.44

Note:

The above Cash flow Statement has been prepared using Indirect method of preparation of Cash flow statement as per AS-3

The accompanying notes are integral part of these financial statements

As per our report attached

For A. Bafna & Co.

Chartered Accountants

Firm Reg. No. : 003660C

Vivek Gupta

Partner

Membership Number : 400543

Place : Udaipur

Date : 05 July 2024

For and on behalf of Board of Directors of

Esprit Stones Limited

SP-1, Udyog Vihar Sukher Industrial Area, Udaipur

CIN: U74999RJ2016PLC056284

Sunil Lunawath

Managing Director

DIN : 01105117

Nitin Gattani

Joint Managing Director

DIN: 00173258

Prakash Manghani

CFO

Anjali Pandey

Company Secretary

ICSI Membership Number : A45660

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

1 Background of the Company:

Esprit Stones Limited [Formerly known as Esprit Stones Private Limited] ('the Company') is a public limited company domiciled and incorporated in India under the Companies Act 2013 on 19 October 2016. The Company is public limited company with effect from 02 February 2024 vide the new CIN U74999RJ2016PLC056284. A fresh certificate of incorporation consequent to the conversion of private to public limited company was issued by the Registrar of Companies, Jaipur on 05 February 2024 under section 18 of the Companies Act, 2013 to give the effect of conversion.

The Company is primarily involve in artificial quartz surfaces which is a luxurious substitute of natural marble and granite. Its export customers are from USA, Canada and European countries. The Company market its product in India and UAE under its brand "Haique".

The Company's registered office is at SP-1, Udyog Vihar, Sukher Industrial Area, Udaipur, Rajasthan, India, 313004 and its manufacturing unit is located at Lakhawali, Udaipur, Rajasthan, India, 313011.

2 Significant accounting policies

2.1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on accrual basis to comply in all material aspects and in accordance with Indian Generally Accepted Accounting Principles (GAAP), which comprises of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The accounting policies have been consistently applied by the Company unless otherwise stated.

2.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include, the useful life of tangible and intangible fixed assets, allowances for doubtful debts / advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case, the difference is recognised in the period in which the results are known.

2.3 Revenue Recognition

- The company recognises revenues on the sale of products, net of discounts, when the products are dispatched / delivered to the customer/ dealer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the customer/ dealer.
- Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Dividend income is recognized when the company's right to receive dividend is established.
- Export entitlements under the duty remission scheme are recognized as income on accrual basis

2.4 Recognition of Expenditure

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities.

2.5 Tangible fixed assets

- Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any.
- The cost of Fixed Asset comprises its purchase price including non-refundable taxes & duties and directly attributable cost of bringing the asset (including leasehold improvements) to its working condition for its intended use. Subsequent upgradation / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not regular nature are written off over the estimated useful life of relevant assets.
- All costs, including borrowing costs till commencement of commercial production, attributable to fixed assets are capitalized.

- The depreciation has been charged as per below useful life:

Asset Name	Useful life
Buildings	05 to 30 years
Solar plants	15 years
Plant and machinery	15 years
Electrical installations	10 years
Furniture and fixtures	10 years
Office equipments	5 years
Lab equipments	10 years
Vehicles	8 years
Computers	3 to 6 years

2.6 Intangible Assets and amortization

Intangible assets are stated at cost less accumulated amortization. Intangible assets are amortized on a straight line basis over their estimated useful life of 3 years

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

2.7 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

2.8 Capital Work-in-Progress

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

2.9 Depreciation and amortization

(a) Owned assets

- (i) Depreciation on fixed assets is provided on straight line method, at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. In case of plant and machinery used for double or triple shift, depreciation is increased to 150% and 200% of normal depreciation respectively.
- (ii) Significant components of assets having a life shorter than the main asset, if any is depreciated over the shorter life.

(b) Leased assets:

- (i). Leasehold lands are amortised over the period of lease.
- (ii). Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period is beyond the life of the building.
- (iii). In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

2.10 Investments

Current investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are carried at lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. However, provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

2.11 Inventories

Inventories are valued at the lower of cost and net realizable value. Obsolete, slow moving and defective inventories are identified at the time of physical verification and necessary provision is made for such inventories. The cost is determined using the weighted average cost method for all categories of inventories. Cost includes in case of Raw materials, Stores & spares, Packing material and consumables the purchase price and attributable direct cost less discounts. In case of Work-in-Progress and finished goods cost includes direct labour, material costs and production overheads

2.12 Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are normally recorded on the initial recognition in the reported currency using the exchange rates prevailing on the date of transaction.
- (b) Monetary assets & liabilities denominated in foreign currencies are restated at the appropriate rates of exchange prevailing on the date of Balance Sheet. The Company uses exchange rates from Foreign Exchange Dealer's Association of India (FEDAI) and the resultant gain or loss is accounted in the period in which they arise.
- (c) Any income or expense on account of exchange difference either on settlement or on translation of monetary items are recognized in the Statement of Profit and Loss for the period in which they arise.
- (d) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets / liabilities. Further, in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellations / renewals of forward contracts is recognized during the year. In case of option contracts, the losses are accounted on mark to market basis.

2.13 Earning Per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

As per Accounting Standard -20 on Earning Per Share, If the number of equity or potential equity shares outstanding increases as a result of a bonus issue or share split or decreases as a result of a reverse share split (consolidation of shares), the calculation of basic and diluted earnings per share should be adjusted for all the periods presented. If these changes occur after the balance sheet date but before the date on which the financial statements are approved by the board of directors, the per share calculations for those financial statements and any prior period financial statements presented should be based on the new number of shares. Accordingly the EPS has been calculated on number of shares after bonus issue made on 29 December 2023 for all reporting period.

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

2.14 Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalized. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over 12 months) to get ready for its intended use or sale. Other interest and borrowing costs are charged to statement of Profit & Loss.

2.15 Employee Benefits

(a) Short Term Employee Benefits:

All employee benefits payable wholly within 12 months of rendering service are classified as short term employee benefit. Benefits such as Salaries, Wages, performance incentives, expected cost of bonus, exgratia are recognised during the period in which employee renders related service.

(b) Post-employment Benefits:

Defined contribution plans: Company's contribution paid / payable during the year to employees state insurance scheme and Provident Fund are recognised during the period.

Defined benefit plans: For defined benefit schemes in the form of gratuity fund, the cost of providing benefits is determined using the Project Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discounting rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations.

Actuarial gains/losses are recognised in full in the statement of profit and loss, for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligations recognised in the balance sheet represents that present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of the scheme of assets.

(c) Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred.

2.16 Leases

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The Company as a lessee:

(i) **Operating lease:** Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease.

(ii) **Finance leases:** Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

2.17 Provisions, Contingent Liabilities, Contingent Assets and commitments

(a) 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 the Balance sheet date and are not discounted to its present value.

(b) 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.

(c) Contingent Assets:

Contingent Assets are neither recognised nor disclosed in the financial statements

(d) Commitments:

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

2.18 Accounting for Taxes on Income

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(b) Current and Deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date.

2.19 Government Grants

The Company has received government grants related to revenue expenses, which are deducted from related revenue expenses for the year.

2.20 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

31 March 2024 31 March 2023

3 Equity Share Capital

(a) Authorised share capital 2,50,00,000 equity shares of ₹ 10 each (As at 31 March 2023: 1,00,00,000 equity shares of ₹ 10 each)	2,500.00	1,000.00
(b) Issued, subscribed and paid up share capital 1,61,50,000 equity shares of ₹ 10 each (As at 31 March 2023: 95,00,000 equity shares of ₹ 10 each)	1,615.00	950.00
	1,615.00	950.00

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

<i>Equity Shares</i>	31 March 2024		31 March 2023	
	No of shares	Amount	No of shares	Amount
At the beginning of the period	95,00,000	950	95,00,000	950
Add: Bonus Shares Issued during the year	66,50,000	665	-	-
At the end of the period	1,61,50,000	1,615	95,00,000	950

Note:

- The Company has increased its authorised share capital from INR 10 crores to INR 25 crores on 16 December 2023.
- The Company has issued 66.50 lakhs bonus shares dated 29th December 2023 to its existing shareholders as 7 shares for every 10 shares held as on record date 20th December 2023, effect of this bonus issue has been considered to calculate EPS.

- (d) The company has only one class of shares referred to as equity shares having at par value Rs. 10/- each holder of equity shares is entitled to one vote per share. In the event of liquidation, the ordinary shareholders are entitled to receive the remaining assets of the company after payment of all preferential amounts, in proportion to their shareholdings.
- (e) The Company does not have any Holding Company/ Ultimate Holding Company.
- (f) No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestments as at the Balance Sheet date.
- (g) No Shares have been bought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.
- (h) No Securities converted into Equity/preference Shares have been issued by the Company during the year.
- (i) No Calls are unpaid by any Director or Officer of the Company during the year.
- (j) Further there are no shares that have been allotted by the Company without payment being received in cash, or by way of bonus shares as on Balance Sheet date except as disclosed in note (c) above.
- (k) Details of shares held by each shareholder holding more than 5% shares:

<i>Equity Shares</i>	31 March 2024		31 March 2023	
	No of shares	% Holding	No of shares	% Holding
Mangilal Lunawath	13,98,590	8.66%	23,20,000	24.42%
Sayar Kumari Lunawath	12,92,000	8.00%	1,10,000	1.16%
Pradeep Lunawath	14,00,205	8.67%	10,20,000	10.74%
Vijay Shree Lunawath	12,92,000	8.00%	-	0.00%
Anushree Lunawath	4,82,205	2.99%	-	0.00%
Sunil Lunawath	22,10,000	13.68%	13,00,000	13.68%
	80,75,000	50.00%	47,50,000	50.00%
Sangeeta Gattani	28,09,250	17.39%	10,00,000	10.53%
Nitin Gattani	45,39,000	28.11%	26,70,000	28.11%
Shubh Gattani	7,26,750	4.50%	10,80,000	11.37%
	80,75,000	50.00%	47,50,000	50.00%
	1,61,50,000	100.00%	95,00,000	100.00%

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

(I) Details of shares held by promoters at the end of the period
Equity Shares

Pradeep Lunawath
 Sunil Lunawath
 Nitin Gattani
 Anushree Lunawath*
 Sangeeta Gattani*

31 March 2024		
Number of shares	% of total shares	% change during the period
14,00,205	8.67%	-2.07%
22,10,000	13.68%	0.00%
45,39,000	28.11%	0.00%
4,82,205	2.99%	100.00%
28,09,250	17.39%	100.00%
1,14,40,660	70.84%	-6.11%

Equity Shares

Mangilal Lunawath*
 Pradeep Lunawath
 Sunil Lunawath
 Nitin Gattani

31 March 2023		
Number of shares	% of total shares	% change during the period
23,20,000	24.42%	0.00%
10,20,000	10.74%	0.00%
13,00,000	13.68%	0.00%
26,70,000	28.11%	0.00%
73,10,000	76.95%	0.00%

*the disclosure of promoters' share holding is prepared based on the identified promoters as on date of signing of these financial statements. Accordingly for the current period, Shri Mangilal Lunawath ceased to be a promoter and also resigned as director of the Company and Mrs. Sangeeta Gattani and Mrs. Anushree Lunawath is identified as promoter of the Company.

4 Reserves and surplus
(a) Surplus /(Deficit) in Statement of Profit and Loss

Balance at the beginning of the year	5,330.37	4,964.14
Less: Utilized for issuing bonus shares	(665.00)	-
Add: Profit/ (Loss) for the year	1,028.74	366.23
Balance at the end of the year	5,694.11	5,330.37
	5,694.11	5,330.37

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023
5 Long-term borrowings		
(a) Term Loans		
Term loan(s) from HDFC Bank Limited	1,330.37	2,006.28
	<u>1,330.37</u>	<u>2,006.28</u>
Less: Current maturities under "Short-term borrowings" (refer note 8)		
Term loan(s) from HDFC Bank Limited	(826.69)	(672.55)
	<u>(826.69)</u>	<u>(672.55)</u>
Non-current maturities of Secured Loans	<u>503.68</u>	<u>1,333.73</u>
(b) Finance Lease Obligations		
Vehicle loan(s) from HDFC Bank Limited	115.16	144.40
Less: Current maturities under "Short-term borrowings" (refer note 8)		
Vehicle loan(s) from HDFC Bank Limited	(53.15)	(37.41)
Non-current maturities of finance lease obligations	<u>62.01</u>	<u>106.99</u>
	<u>565.69</u>	<u>1,440.72</u>
5.1 Term Loans & Working capital facilities are from HDFC Bank Limited. The term loans are secured by hypothecation of first charge on land and building at Khasra No. 1106-1109, Revenue Village-Bhilwada, Lakhawali, Udaipur (Rajasthan) - 313011 and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future besides personal guarantee of the directors.		
5.2 Finance Lease Obligations:		
Finance lease obligations are repayable in equated monthly instalments. The assets acquired on finance lease mainly comprise vehicles. The lease has a primary period, which is fixed and non-cancellable. Finance leases are secured by hypothecation of respective assets purchased out of finance.		
6 Deferred tax liabilities (net)		
Deferred tax liabilities:		
On excess of WDV of fixed assets in books in comparison to WDV in Income-tax Act, 1961	490.95	470.41
	<u>490.95</u>	<u>470.41</u>
Deferred tax assets:		
On provision for doubtful debts	(33.56)	-
On expenses allowable under Income-tax Act, 1961 on payment basis	(28.12)	(21.30)
	<u>(61.68)</u>	<u>(21.30)</u>
	<u>429.27</u>	<u>449.11</u>
7 Long-term provisions		
Provision for employee benefits - Gratuity	49.17	34.90
	<u>49.17</u>	<u>34.90</u>

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

31 March 2024 31 March 2023

8 Short-term borrowings
(a) Working Capital Loans

Working Capital facility from HDFC Bank Limited (refer note 34)	1,428.55	1,986.23
Overdraft against fixed deposits from Karnataka Bank Limited	36.84	40.66
Packing Credit Loan from HDFC Bank Limited	1,472.10	1,438.25
Current Maturities of the Long Term Borrowings (refer note 5)		
- Term Loan(s) from HDFC Bank Limited	826.69	672.55
- Vehicle Loan(s) from HDFC Bank Limited	53.15	37.41
	3,817.33	4,175.10

Term Loans & Working capital facilities are from HDFC Bank Limited. The term loans are secured by hypothecation of first charge on land and building at Khasra No. 1106-1109, Revenue Village-Bhilwada, Lakhawali, Udaipur (Rajasthan) - 313011 and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future besides personal guarantee of the directors.

9 Trade Payables

(a) total outstanding dues of micro and small enterprises; and	229.70	1,114.18
(b) total outstanding dues of other than micro and small enterprises	2,967.66	1,485.60
	3,197.36	2,599.78

9.1 Trade Payables ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) Micro and small enterprises	229.70	-	-	-	-	229.70
(ii) Others	2,063.22	904.22	0.22	-	-	2,967.66
(iii) Disputed dues- Micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2,292.92	904.22	0.22	-	-	3,197.36

9.2 Trade Payables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) Micro and small enterprises	778.80	335.39	-	-	-	1,114.18
(ii) Others	1,126.13	345.51	13.06	0.90	-	1,485.60
(iii) Disputed dues- Micro and small enterprises	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	1,904.92	680.90	13.06	0.90	-	2,599.78

9.3 The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company, regarding the status of registration of such vendor under the said Act, as per the intimation received from them on the request made by the company. Further, In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

10 Other current liabilities

Creditors for capital items	17.08	36.14
Advances from customers	312.52	380.81
Interest accrued but not yet due	8.51	12.81
Employee payables	86.32	87.86
Provision for income-tax	160.90	-
Provision for expenses	65.94	36.20
Provision for Bonus	62.59	50.06
Statutory dues		
PF Payable	6.36	4.95
ESIC Payable	1.15	1.18
TDS Payable	13.66	11.54
RCM Payable under IGST, CGST and SCGT	2.06	3.07
	737.09	624.62

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

11 Property, Plant and Equipment

Particulars	Useful life (in years)	Gross Block				Accumulated Depreciation/ Amortization				Net Block	
		Balance as at 01 April 2023	Add:	Less:	Balance as at 31 March 2024	Balance as at 01 April 2023	Add:	Less:	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
			Additions during the year	Disposals during the year			Depreciation for the year	Depreciation on disposals for the year			
A Tangible assets											
Land	NA	198.21	-	-	198.21	-	-	-	-	198.21	198.21
Buildings	60	1,960.49	-	-	1,960.49	274.97	61.78	-	336.75	1,623.74	1,685.52
Solar plants	15	820.83	-	-	820.83	162.38	51.99	-	214.37	606.46	658.45
Plant and machinery	15	5,346.67	85.36	-	5,432.03	1,938.07	365.50	-	2,303.57	3,128.46	3,408.60
Electrical installations	10	284.21	0.32	-	284.53	94.04	27.03	-	121.07	163.46	190.17
Furniture and fixtures	10	123.94	0.19	-	124.13	40.40	11.78	-	52.18	71.95	83.54
Office equipments	5	9.65	2.95	-	12.60	5.48	1.46	-	6.94	5.66	4.17
Lab equipments	10	1.17	-	-	1.17	0.58	0.11	-	0.69	0.48	0.59
Vehicles	8	348.72	41.01	-	389.73	69.94	42.88	-	112.82	276.91	278.78
Computers	3	23.77	6.62	-	30.39	11.04	5.62	-	16.66	13.73	12.73
Total Tangible assets (A)		9,117.66	136.45	-	9,254.11	2,596.90	568.15	-	3,165.05	6,089.06	6,520.76
B Intangible assets											
Softwares etc.	3	9.59	0.63	-	10.22	2.59	2.50	-	5.09	5.13	7.00
Total Intangible assets (B)		9.59	0.63	-	10.22	2.59	2.50	-	5.09	5.13	7.00
C Capital work-in-progress/ Intangible assets under development (ITAUD)*											
Buildings	NA	-	85.88	-	85.88	-	-	-	-	85.88	-
Plant and Machinery	NA	-	245.45	-	245.45	-	-	-	-	245.45	-
Intangible assets	NA	-	-	-	-	-	-	-	-	-	-
Total Capital work-in-progress (C)		-	331.33	-	331.33	-	-	-	-	331.33	-
D Total fixed assets (A+B+C)		9,127.25	468.41	-	9,595.66	2,599.49	570.65	-	3,170.14	6,425.52	6,527.76

*All Capital work-in-progress/ Intangible assets under development (ITAUD) are for a period of less than 1 year and projects in progress.

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023
12 Non-current investments		
<i>Non-trade Investments</i>		
<i>Investment in equity instruments - unquoted</i>		
<i>In Subsidiaries (at cost unless stated otherwise)</i>		
Addwaya Chemicals Private Limited (51% Shareholding) (76,500 equity shares of face value of Rs. 10/- each)	7.65	7.65
Haique Stones Private Limited (100% Shareholding) (1,000 equity shares of face value of Rs. 100/- each)	1.00	1.00
Haique Stones INC., USA (100% Shareholding) (10,000 equity shares of face value of USD 1/- each)	8.19	8.00
	<u>16.84</u>	<u>16.65</u>
<i>Aggregate book value of unquoted investments</i>	16.84	16.65
<i>Aggregate impairment of unquoted investments</i>	-	-
13 Long-term loans and advances		
<i>Unsecured and considered good</i>		
Security deposit with sales-tax department (NSC)	0.30	0.30
Security deposit with Ajmer Vidyut Vitran Nigam Limited (AVVNL)	61.48	61.48
Security deposit with CDSL	0.90	-
Security deposit with NSDL	0.45	-
Security deposit against solar plants	13.98	13.98
Security deposit against rental properties	6.03	4.83
Advances to subsidiary(ies) for general business purposes	1,476.95	810.50
Advances against capital expenditure	235.45	281.73
Less: Provision for doubtful advances	(76.03)	-
	<u>159.42</u>	<u>281.73</u>
	<u>1,719.51</u>	<u>1,172.82</u>
14 Inventories		
<i>Lower of cost or net realisable value</i>		
Raw material*	519.37	528.22
Consumables*	128.75	131.03
Packing material	16.24	26.14
Traded goods	62.90	37.80
Finished goods	2,486.69	2,438.38
Finished goods (in transit)	564.63	492.92
	<u>3,778.58</u>	<u>3,654.49</u>
*including goods in transit		

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023
15 Trade receivables		
Unsecured and considered good		
Receivables outstanding for a period exceeding six months	466.23	589.71
Other receivables	<u>2,237.02</u>	<u>2,053.07</u>
	2,703.25	2,642.78
Unsecured and considered doubtful		
Receivables outstanding for a period exceeding six months	60.44	-
Other receivables	-	-
Less: Provision for doubtful debts	<u>(57.30)</u>	<u>-</u>
	3.14	-
	<u>2,706.39</u>	<u>2,642.78</u>

15.1 Trade Receivables ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,834.54	402.48	144.85	209.56	0.03	-	2,591.46
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	7.74	6.33	46.37	60.44
(iii) Disputed trade receivables considered good	-	-	-	72.00	39.79	-	111.79
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-	-
Total	1,834.54	402.48	144.85	289.30	46.15	46.37	2,763.69
Less: Provision for doubtful debts							(57.30)
Total	1,834.54	402.48	144.85	289.30	46.15	46.37	2,706.39

15.2 Trade Receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	888.70	1,164.37	327.80	175.20	4.06	30.72	2,590.85
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed trade receivables - considered good	-	-	-	31.08	8.71	12.14	51.93
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Total	888.70	1,164.37	327.80	206.28	12.77	42.86	2,642.78

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023
16 Cash and bank balances		
(a) Cash and cash equivalents		
Cash-in-hand	8.64	15.62
Balance with banks in current accounts - HDFC Bank	2.18	-
Balance with banks in current accounts - Punjab National Bank	-	49.82
	<u>10.82</u>	<u>65.44</u>
(b) Other bank balances		
Deposits with maturity more than 3 months but less than 12 months (including fixed deposits marked as lien)	207.53	198.09
	<u>207.53</u>	<u>198.09</u>
	<u>218.35</u>	<u>263.53</u>
17 Short-term loans and advances		
<i>Unsecured and considered good</i>		
Advances to vendors	304.37	214.75
Income-tax refund receivable	2.13	114.72
Input tax credit receivable (IGST, CGST, SGST)	159.03	145.97
GST demand paid under protest	30.95	12.81
IGST refund receivable	198.56	455.09
Export benefits receivable	239.46	215.15
Employee advances	1.81	13.86
Insurance claims receivable	30.69	-
Prepaid expenses	72.48	49.34
	<u>1,039.48</u>	<u>1,221.69</u>
18 Other current assets		
Interest accrued on fixed deposits	17.86	8.21
Interest & other accruals on advances and guarantee	182.49	96.67
	<u>200.35</u>	<u>104.88</u>

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	For the year ended 31 March 2024	For the year ended 31 March 2023
19 Revenue from operations		
(a) Sale of products		
Finished goods	15,738.48	12,739.75
(b) Other operating revenue		
Incentives on export sales	262.34	387.42
	<u>16,000.82</u>	<u>13,127.17</u>
20 Other income		
Interest earned on fixed deposits	11.93	40.95
Interest & other income earned on advances and guarantee	197.06	106.71
Interest on income-tax refund	2.47	-
Foreign exchange difference (net)	177.32	42.97
Balances written back	13.15	-
Other income	120.02	39.14
	<u>521.95</u>	<u>229.77</u>
21 Cost of material consumed		
Opening stock of raw material	528.22	724.24
Add: Purchases during the period	8,407.27	7,128.73
Less: Closing stock of raw material	(519.37)	(528.22)
	<u>8,416.12</u>	<u>7,324.75</u>
Consumption during the year*	<u>8,416.12</u>	<u>7,324.75</u>
*Breakup of material consumed		
Polyster Resin	4,357.39	3,953.29
Quartz Grit and Powder	2,676.68	2,080.87
Titanium-di-oxide	742.83	670.95
Others	639.22	619.64
	<u>8,416.12</u>	<u>7,324.75</u>
22 Purchase of traded goods		
Miscellaneous items	281.33	286.71
	<u>281.33</u>	<u>286.71</u>
23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Finished goods - Quartz slabs		
Opening Stock	2,931.30	2,668.21
Less: Closing Stock	(3,051.32)	(2,931.30)
Changes in inventories of finished goods	<u>(120.02)</u>	<u>(263.09)</u>
Traded goods		
Opening Stock	37.80	-
Less: Closing Stock	(62.90)	(37.80)
Changes in inventories of traded goods	<u>(25.10)</u>	<u>(37.80)</u>
Total	<u>(145.12)</u>	<u>(300.89)</u>
24 Employee benefit expenses		
Salaries and wages	1,277.26	1,118.68
Director's Remuneration	54.00	54.00
Bonus, Incentives etc.	75.76	55.75
Contribution to provident fund and others	34.16	28.76
Gratuity	14.27	11.75
Staff welfare expenses	99.52	73.65
	<u>1,554.97</u>	<u>1,342.59</u>

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	For the year ended 31 March 2024	For the year ended 31 March 2023
25 Finance expenses		
Interest on term loans	151.46	187.27
Interest on working capital loans	212.81	154.13
Interest on vehicle and other loans	9.59	5.89
Interest/ Fees on delayed payment of government taxes	0.70	0.08
Bank commission and charges	2.82	20.69
	377.38	368.06
26 Other expenses		
Manufacturing expenses		
Stores and spare parts consumed	1,036.33	1,024.35
Primary packing material consumed	228.78	203.51
Power, fuel and utility charges	396.38	364.30
General plant expenses (manufacturing)	47.30	49.93
Slurry removal expenses	37.67	43.99
Job work charges	239.79	189.77
Repair and maintenance expenses		
- on plant and machinery	36.86	28.05
Selling and distribution expenses		
Secondary packing material consumed	284.01	204.04
Carriage outward/ FOB expenses	775.25	614.23
Exhibition and marketing expenses	332.61	160.40
Other selling expenses	43.82	42.24
Other administrative expenses		
Repair and maintenance expenses		
- on buildings	10.25	7.90
- on others	1.39	3.24
Travelling and accomodation expenses	175.75	102.27
Office and administrative expenses	38.44	30.67
Rent expenses	39.13	16.67
Vehicle running and maintenance expenses	26.80	30.49
Security expenses	14.91	12.86
Printing and stationery	4.42	4.61
Membership, subscriptions Etc.	0.64	1.12
Insurance expenses	28.28	21.38
Charity/ Donation expenses	1.18	3.67
Payment to auditors		
- for statutory audit	12.00	2.00
- for tax audit	-	-
- for others	4.00	-
Legal and professional expenses	56.86	65.49
Quality claims accepted on sold material	28.22	36.89
Provision for doubtful receivables	133.33	-
Bad debts	4.55	-
Miscellaneous expenses	2.42	3.31
Corporate Social Resposibility (CSR) expenses	35.56	42.39
	4,076.93	3,309.77

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

27 Contingent liabilities and commitments

(a) Contingent Liabilities not provided for:	31 March 2024	31 March 2023
Letter of credits outstanding	-	246.45
GST Related Matters for which company preferred appeal (refer note a1)	362.88	-
GST Related Matters for which company will prefer appeal (refer note a2)	21.63	-
Corporate guarantee for subsidiaries	7,650.00	6,350.00

a1 The Company has received orders dated 30 October 2023 from Central Goods and Service Tax (CGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 181.44 lakhs for financial year 2018-19, 2019-20 and 2020-21 plus an equal amount of penalty. The Company has filed appeal against these order with the Honorable Appellate Authority CGST, Jodhpur on 25 January 2024 and the management believes that basis of ground of appeals, the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority CGST, accordingly, no liability has been provided.

a2 The Company has received orders dated 24 April 2024 from State Goods and Service Tax (SGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 11.08 lakhs for the financial year 2018-19 plus INR 10.55 lakhs for interest and others. The Company will file appeal against these order within due date with the Honorable Appellate Authority and the management believes that basis of ground of appeals, and the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority, accordingly, no liability has been provided.

(b) Commitments

The Company has imported plant and machinery under EPCG scheme without paying custom duty, as a consequences in the event that certain terms and conditions are not fulfilled, the company is committed to pay the consequential taxes, levies etc. The Company has issued required Bank Guarantee in favour of DGFT (Director General of Foreign Trade) against the same. The outstanding bank guarantee as on 31 March 2024 is INR 100.70 lakhs (31 March 2023 : INR 100.70 lakhs). The total export obligation against these licenses is USD 86,08,560 (31 March 2023: USD 7,980,089). The Company has completed obligations under some of the licenses and redemption is under process.

28 Related party transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

(a) List of related parties where control exists and related parties with whom transactions have taken place and relationships

Subsidiary Companies	1) 100% - Haique Stones Private Limited 2) 51% - Addwaya Chemicals Private Limited 3) 100% - Haique Stones Inc, USA
Directors	4) Mangilal Lunawath (upto 15 December 2023) 5) Pradeep Lunawath 6) Sunil Lunawath 7) Nitin Gattani 8) Sunil Gattani
Director's relative	9) Tanushree Gattani 10) Sumeet Gattani 11) Saumya Gattani 12) Shubh Gattani 13) Siddhanth Lunawath 14) Arnav Lunawath
Key Managerial Personnel (KMP)	15) Prakash Manghani, CFO (w.e.f 05 Feb 2024) 16) Anjali Pandey, Company Secretary and Compliance Officer (w.e.f 05 Feb 2024)
Enterprises in which directors' are interested	17) Aravali Minerals and Chemicals Industries Private Limited 18) Rose Marble Private Limited 19) Mahaveer Trading Company 20) Gattani Resorts Private Limited 21) Pranav Marbles 22) Aravali Quartz 23) S O and Company

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

28 Related party transactions (continued)

(b) Transactions during the year with related parties

For the period ended 31 March 2024

Sr No	Transaction	Issue of shares	Loans taken/ (granted)	Loans received back	Interest/ CG fees on Loans received/ (paid)	Revenue Income say Sales etc.	Salaries	Other revenue expenses say Purchases etc.	Capital Receipts/ Sale of Investments	Capital Expenses/ Investments	Expenses Reimbursed/ (on behalf)
1)	Haique Stones Private Limited	-	(702.00)	182.05	100.58	103.01	-	100.96	-	-	-
2)	Addwaya Chemicals Private Limited	-	(311.50)	165.00	92.28	37.65	-	3,294.21	-	-	-
3)	Haique Stones Inc, USA	-	-	-	-	8,214.41	-	-	-	0.19	-
4)	Mangilal Lunawath	-	-	-	-	-	-	-	-	-	-
5)	Pradeep Lunawath	-	-	-	-	-	19.50	-	-	-	-
6)	Sunil Lunawath	-	-	-	-	-	19.50	-	-	-	-
7)	Sunil Gattani	-	-	-	-	-	-	-	-	-	-
8)	Nitin Gattani	-	-	-	-	-	19.50	-	-	-	-
9)	Tanushree Gattani	-	-	-	-	-	8.50	-	-	-	-
10)	Sumeet Gattani	-	-	-	-	-	15.60	-	-	-	-
11)	Saumya Gattani	-	-	-	-	-	15.60	-	-	-	-
12)	Shubh Gattani	-	-	-	-	-	13.00	-	-	-	-
13)	Siddhanth Lunawath	-	-	-	-	-	31.85	-	-	-	-
14)	Arnav Lunawath	-	-	-	-	-	28.60	-	-	-	-
15)	Prakash Manghani	-	-	-	-	-	4.39	-	-	-	-
16)	Anjali Pandey	-	-	-	-	-	0.65	-	-	-	-
17)	Aravali Minerals and Chemicals Industries Private Limited	-	-	-	-	1.50	-	8.29	-	-	-
18)	Rose Marble Private Limited	-	-	-	-	0.12	-	1.82	-	-	-
19)	Mahaveer Trading Company	-	-	-	-	0.19	-	0.64	-	-	-
20)	Gattani Resorts Private Limited	-	-	-	-	-	-	7.21	-	-	-
21)	Pranav Marbles	-	-	-	-	-	-	630.31	-	-	-
22)	Aravali Quartz	-	-	-	-	15.00	-	4.89	-	-	-
23)	S O and Company	-	-	-	-	-	-	29.04	-	-	-

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

(b) Transactions during the year with related parties (continued)

For the year ended 31 March 2023

Sr No	Transaction	Issue of shares	Loans taken/ (granted)	Loans (repaid)/ received back	Interest/ CG fees on Loans received/ (paid)	Revenue Income say Sales etc.	Salaries	Other revenue expenses say Purchases etc.	Capital Receipts/ Sale of Investments	Capital Expenses/ Investments	Expenses Reimbursed/ (on behalf)
1)	Haique Stones Private Limited	-	-	374.00	79.41	169.83	-	-	-	-	-
2)	Addwaya Chemicals Private Limited	-	(86.80)	-	25.98	181.05	-	2,146.56	-	-	-
3)	Haique Stones Inc, USA	-	-	-	-	1,241.58	-	-	-	8.00	-
4)	Mangilal Lunawath	-	-	-	-	-	-	-	-	-	-
5)	Pradeep Lunawath	-	-	-	-	-	19.35	-	-	-	-
6)	Sunil Lunawath	-	-	-	-	-	19.35	-	-	-	-
7)	Sunil Gattani	-	-	-	-	-	-	-	-	-	-
8)	Nitin Gattani	-	-	-	-	-	19.35	-	-	-	-
9)	Tanushree Gattani	-	-	-	-	-	-	-	-	-	-
10)	Sumeet Gattani	-	-	-	-	-	15.58	-	-	-	-
11)	Saumya Gattani	-	-	-	-	-	15.60	-	-	-	-
12)	Shubh Gattani	-	-	-	-	-	12.98	-	-	-	-
13)	Siddhanth Lunawath	-	-	-	-	-	31.54	-	-	-	-
14)	Arnav Lunawath	-	-	-	-	-	28.30	-	-	-	-
15)	Prakash Manghani	-	-	-	-	-	-	-	-	-	-
16)	Anjali Pandey	-	-	-	-	-	-	-	-	-	-
17)	Aravali Minerals and Chemicals	-	-	-	-	90.11	-	1.48	-	-	-
18)	Rose Marble Private Limited	-	-	-	-	939.58	-	3.59	-	7.00	-
19)	Mahaveer Trading Company	-	-	-	-	-	-	-	-	-	-
20)	Gattani Resorts Private Limited	-	-	-	-	-	-	2.22	-	-	-
21)	Pranav Marbles	-	-	-	-	0.12	-	691.33	-	-	-
22)	Aravali Quartz	-	-	-	-	9.00	-	15.21	-	-	-
23)	S O and Company	-	-	-	-	-	-	33.51	-	-	-

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

30 Operating leases

The company has operating leases for land and residential premises for its staff, these are renewable on a periodic basis. The Company has recognised expenses in current year ₹ 39.13 lakhs (PY: ₹ 16.67 lakhs) against these leases. Since these leases are for a short-term, no further disclosures are required.

31 Foreign currency exposure

(a) Payables in foreign currency

	In Foreign currency		In Indian Rupees lakhs (₹)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Unhedged - USD	USD 12,150	USD 2,66,725.00	10.13	222.61
Unhedged - Euro	-	EUR 35,289.00	-	32.19
Total			10.13	254.80

(b) Receivables in foreign currency

	In Foreign currency		In Indian Rupees lakhs (₹)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Unhedged - USD	USD 11,30,514	USD 14,97,099.19	942.91	1,210.70
Hedged - USD	USD 9,50,000	USD 0.00	792.35	-
Total			1,735.25	1,210.70

32 Other disclosures

a) Value of imports calculated on C.I.F basis in respect of:

	31 March 2024	31 March 2023
Raw materials/ trading goods	88.69	214.31
Consumables	17.22	157.25
Plant and machineries	193.52	66.37

b) Earning in foreign currency:

	31 March 2024	31 March 2023
Revenue from sales of goods on FOB basis	13,052.66	8,582.76
Revenue from export of services	58.85	-

c) Expenditure in foreign currency:

	31 March 2024	31 March 2023
Other charges	0.44	4.91
Investment in foreign subsidiary	8.19	-
Against trade exhibitions	52.31	3.87
Against retainership agreement (lawyer)	1.14	8.54

33 The Company's export sales are mainly on FOB basis and hence revenue is recognized based on date of Bill of Lading. As at 31 March 2024, for dispatches accumulating INR 663.54 lakhs the Bill of Lading were dated post 31st March 2024, accordingly same is not recognized as revenue for the year ended 31 March 2024. Similarly, for the year ended 31 March 2023, the value of such dispatches were INR 563.45 lakhs which is recognized as revenue in current period.

34 The Company has issued cheques of INR 764.55 lakhs to various vendors dated on or before 31.03.2023, however these were not presented by the vendors till 31.03.2023. Accordingly, those are accounted in Bank Overdraft and Trade Payables etc. were reduced to that extent. The Company has also maintained its records in the Bank Reconciliation Statement as on 31.03.2023.

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

35 Analytical ratios

	Ratios	Numerator	Denominator	31 March 2024	31 March 2023	Variance#
(a)	Current Ratio(Times)	Current Assets	Current Liabilities	1.02	1.07	-4%
(b)	Debt Equity Ratio(Times)	Total Borrowings	Sharholders' Equity	0.60	0.89	-33%
(c)	Debt Service Coverage Ratio (Times)	Earnings available for debt service	Debt Service	2.19	1.37	59%
(d)	Return on Equity Ratio(%)	Net profit after taxes	Average Shareholders Equity	15.14%	5.70%	166%
(e)	Inventory Turnover Ratio(Times)	Revenue from operations	Average Inventory	4.31	3.67	17%
(f)	Trade Receivables Turnover Ratio(times)	Revenue from operations	Average Trade Receivables	5.98	5.12	17%
(g)	Trade Payables Turnover Ratio (Times)	Total Purchases	Average Trade Payables	4.37	3.09	41%
(h)	Net Capital Turnover Ratio(Times)	Net Sales (Revenue from Operations)	Average Working Capital	47.11	18.53	154%
(i)	Net Profit Ratio(%)	Net Profit	Net Sales (Revenue from Operations)	6.43%	2.79%	130%
(j)	Return on Capital employed(%)	Earning before Interest and Tax (EBIT)	Average Capital Employed	19.12%	11.94%	60%

35.1 #Explanation for change in the ratios by more than 25%:

- (b) The Debt-Equity ratio has decreased, as Shareholders' fund has increased due to profits and debt is also reduced due to repayment of term loans and working capital loans remain in line with previous year. Accordingly, the gap between shareholders' fund and borrowings has increased which has reduced the debt-equity ratio.
- (c) The Debt Service Coverage ratio has increased, as Company's Operating Profits have increased in current year and were reduced due to lower sales, lower realisation and higher fixed cost in previous year.
- (d) The Return on Equity has increased drastically as Company's operations were consistent during the current period and last year the margins were really low due to inconsistent operations.
- (g) The Trade payable turnover ratio is increased, as Company's is purchasing with lower credit period as compare to previous years and also during last year, the level of trade payables were in line during the year but purchases were lower due to lower sales.
- (h) The Net Capital Turnover Ratio is increased as the average net working capital has reduced during the current year and also there is growth in sales as compared to previous year.
- (i) The Net Profit ratio is increased as net profit is increased due to consistent sales in current year. The Company has achieved growth of 20% in its revenue as compare to last year and also company's other income due to interests and foreign exchange fluctuation has increased. Also in last year the business was slow down for few months and hence Company was unable to maintain the profits last year and last year net profit was exceptional low.
- (j) The Return on Capital Employed has increased drastically as Company's operations were consistent during the current year and last year the margins were really low due to inconsistent operations.

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

36 Disclosures as per amendments in Schedule III of Companies Act, 2013 with notification issued on 24th March 2021:

Information required against additional disclosures as per amendments in Schedule III of Companies Act, 2013 are as under:-

(a) Title deeds of Immovable Property not held in name of the Company (Para a(ii)(XIII)(Y)(i))

There are no immovable properties owned by the company whose title deeds are not held in its name.

(b) Revaluation of Property, Plant & Equipment (Para a(ii)(XIII)(Y)(ii))

During the year under review the company has not revalued its property, plant & Equipment (Including right of use assets).

(c) Loan & Advance made to promoters, directors, KMPs and other related parties (Para a(ii)(XIII)(Y)(iii))

The Company has not provided any loans and advance to the parties covered under this clause other than those disclosed under note number 28.

(d) Details of Benami property held (Para a(ii)(XIII)(Y)(vi))

No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(f) Willful Defaulter (Para a(ii)(XIII)(Y)(viii))

The company has not been declared as wilful defaulter by any bank or financial institutions or other lenders.

(g) Relationship with struck of Companies (Para a(ii)(XIII)(Y)(ix))

There are no transactions (Including Investment in Securities / Shares held by Struck off company & Other Outstanding balances) with companies struck off u/s 248 of the Companies Act 2013, or section 560 of the Companies At, 1956.

(h) Registration of charges and satisfaction with Registrar of Companies (Para a(ii)(XIII)(Y)(x))

There are no charges or satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.

(i) Compliance with number of layers of companies (Para a(ii)(XIII)(Y)(xi))

The company has not made violation of requirements related to number of layers of companies as prescribed under clause 87 of Section 2 read with Companies (Restriction of number of Layers) Rules 2017.

(j) Compliance with approved Scheme(s) of Arrangements (Para a(ii)(XIII)(Y)(xiii))

Not applicable

(k) Utilization of Borrowed funds and share premium (Para a(ii)(XIII)(Y)(xiv))

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(l) Undisclosed Income (Para a(iii)(ix))

Company has not surrendered or disclosed any transaction which was not recorded in the books of accounts as income during the year in the tax assessment under the Income Tax Act.

(m) Details of Crypto Currency or Virtual Currency (Para a(iii)(xi))

The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

37 Disclosures related to employee benefits

The Company has classified various employee benefits as under:

A Defined contribution plans

i) Provident Fund

ii) Employer's Contribution to Employee State Insurance Corporation (ESIC)

The Provident fund and Pension scheme are operated by regional PF Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement schemes to fund the benefits.

The Company as recognised the following amounts in the Statement of Profit and Loss:

	31 March 2024	31 March 2023
Contribution to Provident fund (net of government grants)	25.92	20.47
Contribution to Employee State Insurance Corporation (ESIC)	6.14	6.53

37 Disclosures related to employee benefits (continued)

B Retirement benefit plans

i) Gratuity based on actuarial valuations

I. Actuarial Assumptions

	31 March 2024	31 March 2023
Mortality	IALM (2012-14)	IALM (2012-14)
Discount rate	7.20%	7.45%
Salary growth rate p.a.	7.00%	7.00%
Expected rate of return on planned assets	-	-
Withdrawal rates p.a.		
25 years and below	10.00%	10.00%
25 to 35 years	8.00%	8.00%
35 to 45 years	6.00%	6.00%
45 to 55 years	4.00%	4.00%
55 and above	2.00%	2.00%

II. Funded status of the plan

	31 March 2024	31 March 2023
Present value of unfunded obligations	49.17	34.90
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	49.17	34.90

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

37 Disclosures related to employee benefits (continued)

B Retirement benefit plans (continued)

III. Profit and loss for the period

	31 March 2024	31 March 2023
Present value of obligations at beginning of the year	-	-
Current service cost*	14.57	12.00
Interest on obligations	2.55	1.65
Expected return on plan assets	-	-
Net actuarial loss/(gain)	-2.85	-1.90
Recognised Past Service Cost-Vested	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	14.27	11.75

IV. Reconciliation of defined benefit obligation

	31 March 2024	31 March 2023
Opening Defined Benefit Obligation	34.90	23.15
Transfer in/(out) obligation	-	-
Current service cost	14.57	12.00
Interest cost	2.55	1.65
Actuarial loss (gain)	-2.85	-1.90
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefit paid from fund	-	-
Benefits paid by company	-	-
Closing Defined Benefit Obligation	49.17	34.90

V. Reconciliation of net defined benefit liability

	31 March 2024	31 March 2023
Net opening provision in books of accounts	34.90	23.15
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expenses as per 3 above	14.27	11.75
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	49.17	34.90

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

38 Disclosures related to Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

	31 March 2024	31 March 2023
a) Amount required to be spent by the Company during the period	35.00	40.77
b) Amount of expenditure incurred	35.56	42.39
c) Shortfall at the end of the period	-	-
d) Total of previous years shortfall	-	-
e) Reason for shortfall*	Not applicable	Not applicable
f) Nature of CSR activities		
(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	30.00	1.00
(ii) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	-	0.15
(iii) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts	-	-
(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	5.56	2.35
(v) rural development projects	-	38.89
	35.56	42.39
g) Details of related party transactions	None	None
h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not applicable	Not applicable

Notes to standalone financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

- 39** The Company's finished goods are eligible for RODTEP (Remission of Duties or Taxes on Export Products Scheme) since 01 January 21, however these benefits are in form e-scrip which are freely transferrable. To get these e-scrips in account, the Company should have an E-Scrip account with ICEGATE. The Company's RODTEP E-Scrip account was activated in December 2022 and accordingly the RODTEP export incentive is accounted from 01 January 21 to 31 March 2023 is accrued/ deemed to be accrued in previous year. The balance of RODTEP scrips/ scrips to be issued is recognized as Export Incentive Receivable under Short-term loans and advances.
- 40** The Company has incorporated a foreign subsidiary in name of Haique Stones Inc in the United States Of America (USA). The Company has subscribed for 10,000 shares of USD 1 each. These equity shares are shown under investments. However, the remittance for the same has been through an Authorised Bank in May'2023 after getting approval from Reserve Bank of India (RBI), accordingly the payable amount as at 31 March 2023 is shown in Other Current Liabilities under Creditors for Capital Items.
- 41** The Company has been sanctioned, working capital limits in excess of Rs. 5 Crore from Bank/ Financial Institution on the basis of security of current assets etc., during the year, the company has submitted the statement of stock and book debts which are in agreement with books of accounts, except minor immaterial discrepancies.
- 42** Previous year's figures have been regrouped, rearranged and reclassified, wherever considered necessary, and are rounded off to nearest lakhs, in order to confirm to the current year's presentation.

For A. Bafna & Co.

Chartered Accountants
Firm Reg. No. : 003660C

Esprit Stones Limited

SP-1, Udyog Vihar Sukher Industrial Area, Udaipur
CIN: U74999RJ2016PLC056284

Vivek Gupta

Partner

Sunil Lunawath

Managing Director

Nitin Gattani

Joint Managing Director

Place : Udaipur

Date : 05 July 2024

Prakash Manghani

CFO

Anjali Pandey

Company Secretary

ICSI Membership Number : A45660

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of
Esprit Stones Limited
(Formerly Known as Esprit Stones Private Limited)

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Esprit Stones Limited (Formerly Known as Esprit Stones Private Limited)** (hereinafter referred to as the "Holding Company") and its Subsidiary Companies (Holding Company and its Subsidiaries together referred to as "the Group"), except comprising of the Consolidated Balance Sheet as at 31st March, 2024, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, the consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 Consolidated Financial Statements and Auditor's Report There on

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditors' report thereon.

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the financial position and financial performance of the Company and its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its associate 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

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

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

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 but not for the purpose of expressing an opinion on whether the company has adequate internal financial control with reference to financial statement in place and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- 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.

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

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

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

In our opinion and to the best of our information and according to the explanations given to us, these consolidated financial results include the financial results of the following entities:

- a) Addwaya Chemicals Private Limited (51% Subsidiary)
- b) Haique Stones Private Limited (100% Subsidiary)
- c) Haique Stones Inc, USA (100% Subsidiary)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements, hence the reporting under this clause is Nil
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Holding Company or its Subsidiary Companies so far as it appears from our examination of books of Holding company or Subsidiary companies.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company and its Subsidiary Companies as on 31st March, 2024 taken on record by the Board of Directors of respective companies, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) As required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, with respect to the adequacy of the Internal Financial Control with reference to Financial Statements of the Holding Company and its Subsidiary Companies and the operative effectiveness of such controls, refer to our separate Report in "**Annexure I**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 27; to the consolidated financial statements;
 - ii. The Holding Company or its Subsidiary Companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There was no amount which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its Subsidiary Companies.
- iv.
- a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its Subsidiary Companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its Subsidiary Companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note No. 35(k))
- b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its Subsidiary Companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its Subsidiary Companies 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. (Refer Note No. 35(k))
- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) as provided under (A) and (B) above contain any material misstatement.
- v. The company has not paid any dividend during the year hence reporting under this clause is not applicable.
- vi. Based on our examination which included test checks, the holding company and its subsidiaries incorporated in India have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
- As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For A.Bafna & Company
Chartered Accountants
FRN: 003660C

(CA Vivek Gupta)
Partner
M.No.: 400543
UDIN : 24400543BKCXSI4372

Date : Udaipur
Place : 5th July 2024

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ESPRIT STONES LIMITED (FORMERLY KNOWN AS ESPRIT STONES PRIVATE LIMITED).

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to consolidated financial statements of **Esprit Stones Limited (Formerly Known as Esprit Stones Private Limited)** (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding and Subsidiary Companies' internal financial controls system over consolidated financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over consolidated financial reporting includes those policies and procedures that:

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For A.Bafna & Company
Chartered Accountants
FRN: 003660C

(CA Vivek Gupta)
Partner
M.No.: 400543
UDIN : 24400543BKXSI4372

Date : Udaipur
Place : 5th July 2024

Consolidated Balance Sheet

As at 31 March 2024

Currency : in Lakhs INR (₹)

Particulars	Note	31 March 2024	31 March 2023
A EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,615.00	950.00
Reserves and surplus	4	5,623.80	5,277.81
Minority Interest			
		35.63	19.67
Non-current liabilities			
Long-term borrowings	5	5,111.71	5,694.56
Deferred tax liabilities (net)	6	453.68	464.30
Long-term provisions	7	54.92	37.39
Current liabilities			
Short-term borrowings	8	7,430.20	6,184.99
Trade payables	9		
(a) total outstanding dues of micro and small enterprises; and		235.12	1,279.00
(b) total outstanding dues of other than micro and small enterprises		4,847.03	2,566.28
Other current liabilities	10	1,862.84	1,305.34
Short-term provisions	11	189.42	22.90
TOTAL		27,459.35	23,802.24
B ASSETS			
Non-current assets			
Property, Plant and Equipments and Intangible assets			
Property, Plant and Equipments	12	11,041.40	11,652.92
Intangible assets		4.50	6.37
Capital work-in-progress		756.35	-
Long-term loans and advances	13	398.58	461.88
Current assets			
Inventories	14	6,135.32	5,308.33
Trade receivables	15	7,247.62	4,138.70
Cash and bank balances	16	324.51	289.80
Short-term loans and advances	17	1,532.10	1,935.98
Other current assets	18	18.97	8.26
TOTAL		27,459.35	23,802.24
Significant accounting policies	2		
Notes to accounts	3 to 37		

The accompanying notes are integral part of these financial statements

As per our report attached
For **A. Bafna & Co.**
Chartered Accountants
Firm Reg. No. : 003660C

For and on behalf of Board of Directors of
Esprit Stones Limited
SP-1, Udyog Vihar Sukher Industrial Area, Udaipur
CIN: U74999RJ2016PLC056284

Vivek Gupta
Partner
Membership Number : 400543

Sunil Lunawath **Nitin Gattani**
Managing Director Joint Managing Director
DIN : 01105117 DIN: 00173258

Place : Udaipur
Date: 05 July 2024

Prakash Manghani **Anjali Pandey**
CFO Company Secretary
ICSI Membership Number : A45660

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

Particulars	Note	For the year ended 31 March 2024	For the year ended 31 March 2023
1 Revenue from operations	19	27,289.02	17,441.09
2 Other income	20	188.80	165.43
3 Total revenue (1+2)		27,477.82	17,606.52
4 Expenses			
(a) Cost of materials consumed	21	16,007.31	10,634.87
(b) Purchases of stock-in-trade	22	1,332.16	721.85
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(725.19)	(1,513.21)
(d) Employee benefits expenses	24	1,816.69	1,585.39
(e) Finance costs	25	997.11	634.24
(f) Depreciation and amortisation expenses	12	913.29	733.11
(g) Other expenses	26	5,726.77	4,279.03
Total expenses		26,068.14	17,075.28
5 Profit/ (Loss) before exceptional and extraordinary items and tax (3 - 4)		1,409.68	531.24
6 Exceptional items		-	-
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		1,409.68	531.24
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 ± 8)		1,409.68	531.24
10 Tax expense:			
(a) Current tax expense for current year		(386.11)	(106.46)
(b) Deferred tax expenses		10.62	(69.09)
(c) Prior year(s)		(2.46)	0.03
12 Profit / (Loss) for the year		1,031.73	355.72
Profit and loss attributable to			
(i) Owners of the Company		1,015.77	343.32
(ii) Minority interest		15.96	12.40
Earning per equity share of face value of Rs. 10/-each			
Basic and diluted	30	6.29	2.13
Significant accounting policies	2		
Notes to accounts			

As per our report attached

For A. Bafna & Co.
Chartered Accountants
Firm Reg. No. : 003660C

For and on behalf of Board of Directors of

Esprit Stones Limited
SP-1, Udyog Vihar Sukher Industrial Area, Udaipur
CIN: U74999RJ2016PLC056284

Vivek Gupta
Partner
Membership Number : 400543

Sunil Lunawath
Managing Director
DIN : 01105117

Nitin Gattani
Joint Managing Director
DIN: 00173258

Place : Udaipur
Date: 05 July 2024

Prakash Manghani
CFO

Anjali Pandey
Company Secretary
ICSI Membership Number : A45660

Consolidated Cash Flow Statement

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A Cash flow from operating activities		
Profit/(Loss) before tax	1,409.68	531.24
Adjustments for:		
Depreciation and amortization expenses	913.29	733.11
Finance cost	997.11	634.24
Interest income	(20.91)	(42.30)
Unrealised foreign currency translation gain/ loss	8.13	(37.38)
Provision for doubtful debts	133.33	-
Operating profit before working capital changes	3,440.63	1,818.91
Changes in working capital and other provisions		
Increase in long-term provisions	17.53	14.24
Increase/ (Decrease) in trade payables	1,236.87	(592.69)
(Decrease)/ Increase in other current liabilities	606.59	381.38
Increase in long-term loan and advances	(54.54)	(57.04)
(Increase)/ Decrease in inventories	(826.99)	(1,810.70)
(Increase) in trade receivables	(3,174.35)	(1,595.85)
(Increase)/ Decrease in short-term loans and advances	294.06	(882.04)
Decrease in other current assets	-	2.42
Impact of foreign currency translation on working capital items	(4.78)	(8.83)
Cash generated from operations	1,535.02	(2,730.20)
Less: Income-tax paid (net)	(112.23)	(121.34)
Net cash flow from operating activities	(A) 1,422.79	(2,851.54)
B Cash flow from investing activities		
Purchase of fixed assets and changes in Capital work-in-progress	(1,059.23)	(3,636.19)
Investment in fixed deposits	(296.50)	(216.44)
Proceeds from maturity of fixed deposits	216.44	1,070.74
Interest Income	10.20	140.85
Net cash (used in) investing activities	(B) (1,129.09)	(2,641.04)
C Cash flow from financing activities		
Proceeds/ (Repayment) of long-term loans from banks	(1,061.25)	1,999.36
Proceeds/ (Repayment) of long-term loans from others	671.69	1,349.47
Proceeds/ (Repayment) of short-term loans from banks	1,051.92	2,711.42
Interest expenses paid	(1,001.41)	(632.57)
Net cash flow from/ (used in) financing activities	(C) (339.05)	5,427.68
D Net increase/ (decrease) in cash and cash equivalents	(45.35)	-64.90
Add: Cash and cash equivalents at the beginning of the year	73.36	138.26
Impact of foreign currency translation reserves		
E Cash and cash equivalents at the end of the year	28.01	73.36

Note:

The above Cash flow Statement has been prepared using Indirect method of preparation of Cash flow statement as per AS-3

The accompanying notes are integral part of these financial statements

As per our report attached

For A. Bafna & Co.

Chartered Accountants

Firm Reg. No. : 003660C

For and on behalf of Board of Directors of

Esprit Stones Limited

SP-1, Udyog Vihar Sukher Industrial Area, Udaipur

CIN: U74999RJ2016PLC056284

Vivek Gupta

Partner

Membership Number : 400543

Sunil Lunawath

Managing Director

DIN : 01105117

Nitin Gattani

Joint Managing Director

DIN: 00173258

Place : Udaipur

Date: 05 July 2024

Prakash Manghani

CFO

Anjali Pandey

Company Secretary

ICSI Membership Number : A45660

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

1 Background of the Company:

Esprit Stones Limited [Formerly known as Esprit Stones Private Limited] ('the Company') is a public limited company domiciled and incorporated in India under the Companies Act 2013 on 19 October 2016. The Company is public limited company with effect from 02 February 2024 vide the new CIN U74999RJ2016PLC056284. A fresh certificate of incorporation consequent to the conversion of private to public limited company was issued by the Registrar of Companies, Jaipur on 05 February 2024 under section 18 of the Companies Act, 2013 to give the effect of conversion.

Esprit Stones Limited and its subsidiaries ('the Group' or 'the Esprit group') is primarily involved in engineered stones such as engineered quartz surfaces and engineered marble surfaces which is a luxurious substitute of natural marble and granite. The Group is also involved in manufacturing of raw materials such as quartz grit and unsaturated polyester resin for engineered stones. The group also sales Unsaturated Polyester Resin in the open market through its subsidiary. Its export customers are in the USA, Canada and other countries. The Company market its product in India under its brand "Haique". The Company's registered office is at SP-1, Udyog Vihar, Sukher Industrial Area, Udaipur, Rajasthan, India, 313004 and its manufacturing units are located at Udaipur, Salumber and Rajasamand in the state of Rajasthan.

2 Significant accounting policies

2.1 Prepration of Consolidated Financial Statements

I) Basis of Preparation of Consolidated Financial Statements

These consolidated financial statements are prepared under the historical cost convention on accrual basis to comply in all material aspects and in accordance with Indian Generally Accepted Accounting Principles (GAAP), which comprises of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The accounting policies have been consistently applied by the Company unless otherwise stated.

II) Principles and details of consolidation

The consolidated financial statements relate to Esprit Stones Private Limited ('the Company') and its subsidiary companies namely:

- (i) Haique Stones Private Limited (100% Wholly Owned Subsidiary)
- (ii) Addwaya Chemicals Private Limited (51% is held by the Company)
- (iii) Haique Stones Inc. (100% Wholly Owned Subsidiary)

The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".
- b) The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
- c) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.
- d) Minority Interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- e) The Company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information.
- f) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- g) The books of accounts of foreign subsidiaries are in US Dollars however for preparation of the financials in Indian Rupees (INR), Accounting Standard (AS) 11 - "The Effects of Changes in Foreign Exchange Rates" as issued by Institute of Chartered Accounts of India has been followed. Accordingly, translation is done as a) The items of income and expenditure are translated at Average exchange rate of INR 82.7875 per USD except Intra-group transactions. b) The asstes and liabilities are translated at closing exchange rates. c) Intra-group transactions and balances are translated at the conversion rates being used by Foreign Companies to facilitate elimination for preparation of consolidated financial statements. The resulting exchange difference is accumulated in the Foreign Currency Translation Reserve and is shown under Reserves and Surplus.
- h) there were no material amounts which have been adjusted for, in arriving at profit / loss of the respective periods; and

III) Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

2.2 Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. The examples of such estimates include, the useful life of tangible and intangible fixed assets, allowances for doubtful debts / advances, future obligations in respect of retirement benefit plans etc. Actual results may differ from the estimates and assumptions and in such case, the difference is recognised in the period in which the results are known.

2.3 Revenue Recognition

- (a) The company recognises revenues on the sale of products, net of discounts, when the products are dispatched / delivered to the customer/ dealer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the customer/ dealer.
- (b) Revenue is recognized when it is earned and no significant uncertainty exists as to its realization or collection.
- (c) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- (d) Dividend income is recognized when the company's right to receive dividend is established.
- (e) Export entitlements under the duty remission scheme are recognized as income on accrual basis

2.4 Recognition of Expenditure

Expenses are accounted for on an accrual basis and provision is made for all known losses and liabilities.

2.5 Property plant and equipments

- (a) Tangible fixed assets are stated at cost less accumulated depreciation and impairment loss, if any.
- (b) The cost of Fixed Asset comprises its purchase price including non-refundable taxes & duties and directly attributable cost of bringing the asset (including leasehold improvements) to its working condition for its intended use. Subsequent upgradation / enhancements which results in an increase in the future benefits from such assets, beyond the previously assessed standard of performance, are also capitalised. Machinery spares which can be used only in connection with an item of tangible assets and whose use is not regular nature are written off over the estimated useful life of relevant assets.
- (c) All costs, including borrowing costs till commencement of commercial production, attributable to fixed assets are capitalized.
- (d) The depreciation has been charged as per below useful life:

Asset Name	Useful life
Buildings	05 to 30 years
Solar plants	15 years
Plant and machinery	15 years
Electrical installations	10 years
Furniture and fixtures	10 years
Office equipments	5 years
Lab equipments	10 years
Vehicles	8 years
Computers	3 to 6 years

2.6 Intangible Assets and amortization

Intangible assets are stated at cost less accumulated amortization. Intangible assets are amortized on a straight line basis over their estimated useful life of 3 years

2.7 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

2.8 Capital Work-in-Progress

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the balance sheet date.

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

2.9 Depreciation and amortization

(a) Owned assets

- (i) Depreciation on fixed assets is provided on straight line method, at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. In case of plant and machinery used for double or triple shift, depreciation is increased to 150% and 200% of normal depreciation respectively.
- (ii) Significant components of assets having a life shorter than the main asset, if any is depreciated over the shorter life.

(b) Leased assets:

- (i). Leasehold lands are amortised over the period of lease.
- (ii). Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period is beyond the life of the building.
- (iii). In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

2.10 Investments

Current investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are carried at lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. However, provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

2.11 Inventories

Inventories are valued at the lower of cost and net realizable value. Obsolete, slow moving and defective inventories are identified at the time of physical verification and necessary provision is made for such inventories. The cost is determined using the weighted average cost method for all categories of inventories. Cost includes in case of Raw materials, Stores & spares, Packing material and consumables the purchase price and attributable direct cost less discounts. In case of Work-in-Progress and finished goods cost includes direct labour, material costs and production overheads

2.12 Foreign Currency Transactions

- (a) Transactions denominated in foreign currencies are normally recorded on the initial recognition in the reported currency using the exchange rates prevailing on the date of transaction.
- (b) Monetary assets & liabilities denominated in foreign currencies are restated at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted in the period in which they arise
- (c) Any income or expense on account of exchange difference either on settlement or on translation of monetary items are recognized in the Statement of Profit and Loss for the period in which they arise
- (d) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets / liabilities. Further, in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellations / renewals of forward contracts is recognized during the year. In case of option contracts, the losses are accounted on mark to market basis.

2.13 Earning Per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

As per Accounting Standard -20 on Earning Per Share, If the number of equity or potential equity shares outstanding increases as a result of a bonus issue or share split or decreases as a result of a reverse share split (consolidation of shares), the calculation of basic and diluted earnings per share should be adjusted for all the periods presented. If these changes occur after the balance sheet date but before the date on which the financial statements are approved by the board of directors, the per share calculations for those financial statements and any prior period financial statements presented should be based on the new number of shares. Accordingly the EPS has been calculated on number of shares after bonus issue made on 29 December 2023 for all reporting period.

2.14 Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalized. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over 12 months) to get ready for its intended use or sale. Other interest and borrowing costs are charged to statement of Profit & Loss.

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

2.15 Employee Benefits

(a) Short Term Employee Benefits:

All employee benefits payable wholly within 12 months of rendering service are classified as short term employee benefit. Benefits such as Salaries, Wages, performance incentives, expected cost of bonus, exgratia are recognised during the period in which employee renders related service.

(b) Post-employment Benefits:

Defined contribution plans: Company's contribution paid / payable during the year to employees state insurance scheme, Provident Fund and Labour welfare fund are recognised during the period.

Defined benefit plans: For defined benefit schemes in the form of gratuity fund, provident fund and post retirement medical benefits, the cost of providing benefits is determined using the Project Unit Credit Method, with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discounting rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the balance sheet date, having maturity periods approximately to the terms of related obligations.

Actuarial gains/losses are recognised in full in the statement of profit and loss, for the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligations recognised in the balance sheet represents that present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of the scheme of assets.

(c) Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred.

2.16 Leases

A lease is classified at the inception date as finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The Company as a lessee:

(i) **Operating lease:** Rentals payable under operating leases are charged to the statement of profit and loss on a straight line basis over the term of the relevant lease.

(ii) **Finance leases:** Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income over the period of the lease.

2.17 Provisions, Contingent Liabilities, Contingent Assets and commitments

(a) 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 the Balance sheet date and are not discounted to its present value.

(b) 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.

(c) Contingent Assets:

Contingent Assets are neither recognised nor disclosed in the financial statements

(d) Commitments:

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

2.18 Accounting for Taxes on Income

(a) Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of the Income-tax Act, 1961 and Delaware and US Federal for foreign subsidiaries.

(b) Deferred Tax

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets against unabsorbed depreciation and carried forward loss under tax laws, are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets on other timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(c) Current and Deferred tax is measured based on the provisions of tax laws and tax rates enacted or substantively enacted as at the Balance Sheet date.

2.19 Segment reporting

Each of the reportable segments derives its revenues from the main products and hence these have been identified as reportable segments by the management of the group. Segment revenue, result, assets and liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and unallocated corporate liabilities respectively.

2.20 Government Grants

The Company has received government grants related to revenue expenses, which are deducted from related revenue expenses for the year.

2.21 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

31 March 2024 31 March 2023

3 Equity Share Capital
(a) Authorised share capital

2,50,00,000 equity shares of ₹ 10 each	2,500.00	1,000.00
(As at 31 March 2023: 1,00,00,000 equity shares of ₹ 10 each)		

(b) Issued, subscribed and paid up share capital

1,61,50,000 equity shares of ₹ 10 each	1,615.00	950.00
(As at 31 March 2023: 95,00,000 equity shares of ₹ 10 each)		
	1,615.00	950.00
	1,615.00	950.00

(c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

<i>Equity Shares</i>	31 March 2024		31 March 2023	
	No of shares	Amount	No of shares	Amount
At the beginning of the period	95,00,000	950.00	95,00,000	950.00
Add: Bonus Shares Issued during the year	66,50,000	665.00	-	-
At the end of the period	1,61,50,000	1,615.00	95,00,000	950.00

Note:

1. The Company has increased its authorised share capital from INR 10 crores to INR 25 crores on 16 December 2023.

2. The Company has issued bonus shares date on 29th December 2023 to its existing shareholders as 7 shares for every 10 shares held as on record date 20th December 2023. Accordingly 66.50 lakhs shares were issued during the current year.

(d) The company has only one class of shares referred to as equity shares having at par value Rs. 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the ordinary shareholders are entitled to receive the remanant assets of the company after payment of all preferential amounts, in proportion to their shareholdings.

(e) The Company does not have any Holding Company/ Ultimate Holding Company.

(f) No Ordinary Shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestments as at the Balance Sheet date.

(g) No Shares have been bought back by the company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

(h) No Securities converted into Equity/preference Shares have been issued by the Company during the year.

(i) No Calls are unpaid by any Director or Officer of the Company during the year.

(j) Further there are no shares that have been allotted by the Company without payment being received in cash, or by way of bonus shares as on Balance Sheet date except as disclosed in note (c) above.

(k) Details of shares held by each shareholder holding more than 5% shares:

<i>Equity Shares</i>	31 March 2024		31 March 2023	
	No of shares	% Holding	No of shares	% Holding
Nitin Gattani	45,39,000	28.11%	26,70,000	28.11%
Sangeeta Gattani	28,09,250	17.39%	10,00,000	10.53%
Sunil Lunawath	22,10,000	13.68%	13,00,000	13.68%
Mangilal Lunawath	13,98,590	8.66%	23,20,000	24.42%
Pradeep Lunawath	14,00,205	8.67%	10,20,000	10.74%
Sayar Kumari Lunawath	12,92,000	8.00%	1,10,000	1.16%
Vijay Shree Lunawath	12,92,000	8.00%	-	0.00%
Shubh Gattani	7,26,750	4.50%	10,80,000	11.37%
Anushree Lunawath	4,82,205	2.99%	-	0.00%
	1,61,50,000	100.00%	95,00,000	100.00%
	1,61,50,000	100.00%	95,00,000	100.00%

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

(I) Details of shares held by promoters at the end of the period

Equity Shares

Pradeep Lunawath
Sunil Lunawath
Nitin Gattani
Anushree Lunawath*
Sangeeta Gattani*

31 March 2024		
Number of shares	% of total shares	% change during the period
14,00,205	8.67%	-2.07%
22,10,000	13.68%	0.00%
45,39,000	28.11%	0.00%
4,82,205	2.99%	100.00%
28,09,250	17.39%	100.00%
1,14,40,660	70.84%	-6.11%

Equity Shares

Mangilal Lunawath*
Pradeep Lunawath
Sunil Lunawath
Nitin Gattani

31 March 2023		
Number of shares	% of total shares	% change during the period
23,20,000	24.42%	0.00%
10,20,000	10.74%	0.00%
13,00,000	13.68%	0.00%
26,70,000	28.11%	0.00%
73,10,000	76.95%	0.00%

*the disclosure of promoters' share holding is prepared based on the identified promoters as on date of signing of these financial statements. Accordingly for the current period, Shri Mangilal Lunawath ceased to be a promoter and also resigned as director of the Company and Mrs. Sangeeta Gattani and Mrs. Anushree Lunawath is identified as promoter of the Company.

4 Reserves and surplus

(a) Surplus in Statement of Profit and Loss

Balance at the beginning of the year
Less: Bonus Issue from Reserve
Add: Profit for the year
Balance at the end of the year

31 March 2024 31 March 2023

5,286.64 4,943.32
(665.00) -
1,015.77 343.32
5,637.41 **5,286.64**

(b) Other reserves

Foreign currency translation reserve

Balance at the beginning of the year
Add: Additions during the year
Balance at the end of the year

(8.83) -
(4.78) (8.83)
(13.61) **(8.83)**

5,623.80 **5,277.81**

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023
5 Long-term borrowings		
(a) Term Loans		
Term loan(s) from HDFC Bank Limited	1,887.17	2,562.08
Term loan(s) from ICICI Bank Limited	2,053.33	2,410.43
	<u>3,940.50</u>	<u>4,972.51</u>
Less: Current maturities under "Short-term borrowings" (refer note 9)		
Term loan(s) from HDFC Bank Limited	(889.71)	(712.16)
Term loan(s) from ICICI Bank Limited	(357.10)	(357.10)
	<u>(1,246.81)</u>	<u>(1,069.26)</u>
Non-current maturities of Secured Loans	<u>2,693.69</u>	<u>3,903.25</u>
(b) Finance Lease Obligations		
Vehicle loan(s) from HDFC Bank Limited	115.16	144.40
Less: Current maturities under "Other current liabilities" (refer note 9)		
Vehicle loan from HDFC Bank Limited	(53.15)	(37.41)
Non-current maturities of finance lease obligations	<u>62.01</u>	<u>106.99</u>
(c) Unsecured loans		
From related parties	2,356.01	1,684.32
Non-current maturities of Unsecured loans	<u>2,356.01</u>	<u>1,684.32</u>
	<u>5,111.71</u>	<u>5,694.56</u>
5.1 The term loans are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future besides personal properties of some of the directors and guarantee of the Directors.		
5.2 Finance Lease Obligations:		
Finance lease obligations are repayable in equated monthly instalments. The assets acquired on finance lease mainly comprise vehicles. The lease has a primary period, which is fixed and non-cancellable. Finance leases are secured by hypothecation of respective assets purchased out of finance, and personal guarantee of some of the Director.		
6 Deferred tax liabilities (net)		
Deferred tax liabilities:		
On excess of WDV of fixed assets in books in comparison to WDV in Income-tax Act, 1961	596.04	522.31
	<u>596.04</u>	<u>522.31</u>
Deferred tax assets:		
On provision for doubtful debts	(33.56)	-
On unabsorbed depreciation under Income-tax Act, 1961	(77.18)	(36.71)
On expenses allowable under Income-tax Act, 1961 on payment basis	(31.62)	(21.30)
	<u>(142.36)</u>	<u>(58.01)</u>
	<u>453.68</u>	<u>464.30</u>
7 Long-term provisions		
Provision for employee benefits - Gratuity	54.92	37.39
	<u>54.92</u>	<u>37.39</u>

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023
8 Short-term borrowings		
(a) Working Capital Loans		
Cash Credit from HDFC Bank Limited	4,130.83	3,014.58
Cash Credit from ICICI Bank Limited	490.47	584.83
Overdraft against fixed deposits from Karnataka Bank Limited	36.84	40.66
Packing Credit Loan from HDFC Bank Limited	1,472.10	1,438.25
Current Maturities of the Long Term Borrowings (refer note 5)		
- Term Loan(s) from HDFC Bank Limited	889.71	712.16
- Term Loan(s) from ICICI Bank Limited	357.10	357.10
- Vehicle loan(s) from HDFC Bank Limited	53.15	37.41
	<u>7,430.20</u>	<u>6,184.99</u>

Term Loans & Working capital facilities are secured by hypothecation of first charge on all immovable and movable properties including machineries, current assets such as inventories, book debts and other receivables of the company, both present and future besides personal properties of some of the directors and guarantee of the Directors.

9 Trade Payables		
(a) total outstanding dues of micro and small enterprises; and	235.12	1,279.00
(b) total outstanding dues of other than micro and small enterprises	4,847.03	2,566.28
	<u>5,082.15</u>	<u>3,845.28</u>

9.1 Trade Payables ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	235.12	-	-	-	-	235.12
(ii) Others	3,924.96	921.85	0.22	-	-	4,847.03
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	4,160.08	921.85	0.22	-	-	5,082.15

9.2 Trade Payables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	943.62	335.39	-	-	-	1,279.00
(ii) Others	1,686.76	865.56	13.06	0.90	-	2,566.28
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2,630.37	1,200.95	13.06	0.90	-	3,845.28

9.3 The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company, regarding the status of registration of such vendor under the said Act, as per the intimation received from them on the request made by the company. Further, In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023
10 Other current liabilities		
Creditors for capital expenditure	221.75	266.54
Advances from customers	1,308.93	770.99
Interest accrued but not yet due	8.51	12.81
Employee payables	104.74	110.34
Provision for expenses	107.24	49.83
Provision for Bonus	62.59	50.06
Statutory dues		
PF Payable	7.53	6.12
ESIC Payable	1.16	1.19
TDS Payable	37.26	33.86
RCM Payable under IGST, CGST and SCGT	3.13	3.60
	<u>1,862.84</u>	<u>1,305.34</u>
11 Short-term provisions		
Provision for taxes	189.42	22.90
	<u>189.42</u>	<u>22.90</u>

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

12 Property, Plant and Equipments and Intangible assets

Particulars	Useful life (in years)	Gross Block				Accumulated Depreciation/ Amortization				Net Block	
		Balance as at 01 April 2023	Add:		Balance as at 31 March 2024	Balance as at 01 April 2023	Less:		Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
			Additions during the year	Disposals during the year			Depreciation for the year	Depreciation on disposals for the year			
A Property, Plant and Equipment											
Land	NA	340.52	-	-	340.52	-	-	-	-	340.52	340.52
Buildings	60	3,126.00	25.61	-	3,151.61	299.19	133.75	-	432.94	2,718.67	2,826.81
Solar plants	15	1,030.77	0.07	-	1,030.84	162.84	61.97	-	224.81	806.03	867.93
Plant and machinery	15	8,762.86	198.31	-	8,961.17	2,101.45	582.54	-	2,683.99	6,277.18	6,661.41
Electrical installations	10	640.11	8.12	-	648.23	111.29	61.17	-	172.46	475.77	528.82
Furniture and fixtures	10	141.89	11.37	-	153.26	41.14	13.81	-	54.95	98.31	100.75
Office equipments	5	19.33	5.43	-	24.76	6.72	3.55	-	10.27	14.49	12.61
Lab equipments	10	8.22	0.61	-	8.83	0.84	0.80	-	1.64	7.19	7.38
Vehicles	8	358.57	41.73	-	400.30	71.64	44.82	-	116.46	283.84	286.93
Computers	3	32.37	8.02	-	40.39	12.61	8.38	-	20.99	19.40	19.76
Total Tangible assets (A)		14,460.64	299.27	-	14,759.91	2,807.72	910.79	-	3,718.51	11,041.40	11,652.92
B Intangible assets											
Softwares etc.	3	8.96	0.63	-	9.59	2.59	2.50	-	5.09	4.50	6.37
Total Intangible assets (B)		8.96	0.63	-	9.59	2.59	2.50	-	5.09	4.50	6.37
C Capital work-in-progress/ Intangible assets under development (ITAUD)*											
Buildings	NA	-	446.64	-	446.64	-	-	-	-	446.64	-
Plant and Machinery	NA	-	272.97	-	272.97	-	-	-	-	272.97	-
Electrical Installation	NA	-	36.74	-	36.74	-	-	-	-	36.74	-
Total Capital work-in-progress (C)		-	756.35	-	756.35	-	-	-	-	756.35	-
D Total fixed assets (A+B+C)		14,469.60	1,056.25	-	15,525.85	2,810.31	913.29	-	3,723.60	11,802.25	11,659.29

*All Capital work-in-progress/ Intangible assets under development (ITAUD) are for a period of less than 1 year and are projects in progress.

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	31 March 2024	31 March 2023
13 Long-term loans and advances		
<i>Unsecured and considered good</i>		
Security deposit with sales-tax department (NSC)	0.30	0.30
Security deposit with Ajmer Vidyut Vitran Nigam Limited (AVVNL)	74.87	74.73
Security deposit against solar plants	13.98	13.98
Security deposit against rental properties	7.47	5.08
Security deposit - CDSL	0.90	-
Security deposit - NSDL	0.45	-
Security deposit - Others	91.75	41.09
Advances against capital expenditure	284.89	326.70
Less: Provision for doubtful advances	(76.03)	-
	208.86	326.70
	398.58	461.88
14 Inventories		
<i>Lower of cost or net realisable value</i>		
Raw material	983.19	959.17
Consumables	215.63	141.60
Packing material	29.89	26.14
Finished goods	3,297.34	2,752.96
Finished goods (in transit)	1,299.80	1,113.09
Trading goods	82.45	80.67
Trading goods (in transit)	227.02	234.70
	6,135.32	5,308.33
15 Trade receivables		
<i>Unsecured and considered good</i>		
Receivables outstanding for a period exceeding six months	1,001.76	589.71
Other receivables	6,242.72	3,548.99
	7,244.48	4,138.70
<i>Unsecured and considered doubtful</i>		
Receivables outstanding for a period exceeding six months	60.44	-
Other receivables	-	-
Less: Provision for doubtful debts	(57.30)	-
	3.14	-
	7,247.62	4,138.70

15.1 Trade Receivables ageing schedule as at 31 March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	3,130.06	3,112.65	485.92	404.03	0.03	-	7,132.69
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	7.74	6.33	46.37	60.44
(iii) Disputed trade receivables considered good	-	-	-	72.00	39.79	-	111.79
(iv) Disputed trade receivables considered doubtful	-	-	-	-	-	-	-
Total	3,130.06	3,112.65	485.92	483.77	46.15	46.37	7,304.92
Less: Provision for doubtful debts							(57.30)
Total	3,130.06	3,112.65	485.92	483.77	46.15	46.37	7,247.62

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

31 March 2024 31 March 2023

15.2 Trade Receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables -considered good	1,449.34	2,099.65	327.80	175.20	4.06	30.72	4,086.77
(ii) Undisputed Trade receivables -considered doubtful	-	-	-	-	-	-	-
(iii) Disputed trade receivables - considered good	-	-	-	31.08	8.71	12.14	51.93
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	-
Total	1,449.34	2,099.65	327.80	206.28	12.77	42.86	4,138.70

16 Cash and bank balances

(a) Cash and cash equivalents

Cash-in-hand	9.41	16.35
Balance with banks in current accounts	18.60	57.01
	28.01	73.36

(b) Other bank balances

Deposits with maturity more than 3 months but less than 12 months	296.50	216.44
	296.50	216.44
	324.51	289.80

17 Short-term loans and advances

Unsecured and considered good

Advances to vendors	459.96	220.35
Income-tax refund receivable	11.51	121.33
Input tax credit receivable (IGST, CGST, SGST)	392.25	822.28
GST refund receivable	226.70	455.09
GST demand paid under protest	30.95	12.81
Export benefits or subsidies receivable	298.43	234.31
Employee advances	4.62	17.11
Insurance claims receivable	30.69	-
Prepaid expenses	76.99	52.70
	1,532.10	1,935.98

18 Other current assets

Interest accrued on fixed deposits	18.97	8.26
	18.97	8.26

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	For the year ended 31 March 2024	For the year ended 31 March 2023
19 Revenue from operations		
(a) Sale of products		
Sale of goods	27,009.90	17,015.69
(b) Other operating revenue		
Export incentives	279.12	425.40
	27,289.02	17,441.09
20 Other income		
Interest earned on fixed deposits	16.70	41.00
Interest earned on loans and advances	4.21	1.30
Interest on income-tax refund	2.71	-
Foreign exchange difference (net)	87.99	83.40
Balances written back	13.15	-
Other income	64.04	39.73
	188.80	165.43

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	For the year ended 31 March 2024	For the year ended 31 March 2023
21 Cost of material consumed		
Opening stock of raw material	959.17	724.24
Add: Purchases during the period	16,031.33	10,869.80
Less: Closing stock of raw material	(983.19)	(959.17)
		-
Consumption during the period	<u>16,007.31</u>	<u>10,634.87</u>
22 Purchase of traded goods		
Miscellaneous items	1,332.16	721.85
	<u>1,332.16</u>	<u>721.85</u>
23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Finished goods - Quartz slabs		
Opening Stock	3,866.68	2,668.21
Less: Closing Stock	(4,597.14)	(3,866.68)
Changes in inventories of finished goods	<u>(730.46)</u>	<u>(1,198.47)</u>
Trading goods		
Opening Stock	314.74	-
Less: Closing Stock	(309.47)	(314.74)
Changes in inventories of traded goods	<u>5.27</u>	<u>(314.74)</u>
24 Employee benefit expenses		
Salaries and wages to factory staff	1,034.26	878.06
Salaries and wages to other employees	441.74	461.06
Director's Remuneration	54.00	54.00
Bonus, Incentives etc.	101.02	55.75
Contribution to provident fund and others	42.78	30.68
Gratuity	17.54	14.24
Staff welfare expenses	125.35	91.60
	<u>1,816.69</u>	<u>1,585.39</u>
25 Finance expenses		
Interest on term loans	371.07	349.33
Interest on working capital loans	452.66	220.64
Interest on unsecured loans	38.85	29.32
Interest on vehicle and other loans	9.59	5.89
Interest to others	79.47	-
Interest/ Fees on delayed payment of government taxes	1.15	0.14
Bank commission and charges	44.32	28.92
	<u>997.11</u>	<u>634.24</u>

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

	For the year ended 31 March 2024	For the year ended 31 March 2023
26 Other expenses		
Manufacturing expenses		
Stores and spare parts consumed	1,215.25	1,215.87
Primary packing material consumed	382.70	203.52
Power, fuel and utility charges	473.03	423.05
General plant expenses (manufacturing)	51.17	52.38
Slurry removal expenses	40.42	46.55
Job work charges	419.00	192.97
Repair and maintenance expenses		
- on plant and machinery	49.22	32.28
Selling and distribution expenses		
Secondary packing material consumed	308.11	224.21
Transportation, ocean freight and clearing expenses	1,587.04	1,190.91
Exhibition and marketing expenses	346.41	160.40
Other selling expenses	143.40	60.40
Other administrative expenses		
Repair and maintenance expenses		
- on buildings	10.25	7.90
- on others	1.39	3.24
Travelling and accomodation expenses	196.11	108.45
Office and administrative expenses	51.55	35.60
Rent expenses	47.70	20.62
Vehicle running and maintenance expenses	28.49	37.47
Security expenses	15.93	14.11
Printing and stationery	4.69	5.87
Membership, subscriptions Etc.	1.66	2.27
Insurance expenses	35.46	26.34
Charity/ Donation expenses	1.18	3.67
Payment to auditors		-
- for statutory audit	16.00	3.00
- for tax audit	-	-
- for others	4.00	-
Legal and professional expenses	87.37	78.78
Goods damaged by accidents	-	44.20
Quality claims accepted on sold material	28.22	36.89
Bad debtrs	4.55	-
Provision for doubtful receivables	133.33	-
Miscellenous expenses	7.58	5.69
Corporate Social Resposibility (CSR) expenses	35.56	42.39
	5,726.77	4,279.03

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

27 Contingent liabilities and commitments

	31 March 2024	31 March 2023
(a) Contingent Liabilities not provided for:		
(i) Letter of credits outstanding	313.82	246.45
(ii) GST Related Matters for which company preferred appeal (refer note a1)	362.88	-
(iii) GST Related Matters for which company preferred appeal (refer note a2)	21.63	-

a1 The Company has received orders dated 30 October 2023 from Central Goods and Service Tax (CGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 181.44 lakhs for financial year 2018-19, 2019-20 and 2020-21 plus an equal amount of penalty. The Company has filed appeal against these order with the Honorable Appellate Authority CGST, Jodhpur on 25 January 2024 and the management believes that basis of ground of appeals, the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority CGST, accordingly, no liability has been provided.

a2 The Company has received orders dated 24 April 2024 from State Goods and Service Tax (SGST) Department, Udaipur for the wrong availment of Input tax credit amounting INR 11.08 lakhs for the financial year 2018-19 plus INR 10.55 lakhs for interest and others. The Company will file appeal against these order within due date with the Honorable Appellate Authority and the management believes that basis of ground of appeals, and the chances of quashing the order are higher than confirmation of order by the Honorable Appellate Authority, accordingly, no liability has been provided.

(iv) Custom duties on import of quartz surfaces in the USA

The Company's subsidiary imports Quartz Surfaces in the United States of America (USA) from India. In the USA, the Quartz Surfaces from India is currently being imported under Anti-dumping duty (ADD) and Countervailing Duty (CVD) deposits. Further, based on the application from Importers and Exporters, The U.S. Department of Commerce (US-DOC) conducts an yearly Administrative Review (AR) of the ADD and CVD order on import of quartz surface products from India.

During the period of these financial statements the applicable CVD deposit rates were from 1.57% to 2.17% and ADD deposit rates were from 1.02% to 3.17% on import of quartz surfaces from India. Subsequently, w.e.f 20 November 2023, the ADD for import of quartz surfaces from few of the exporters in the USA from India was reduced to Nil/ Zero including Esprit Stones Private Limited. Further, below is the status of Administrative Review (AR) of the ADD and CVD order on import of quartz surface products from India in the USA:

Countervailing Duty (CVD) on import of quartz surfaces from India

Period under review	Status of Review	Financial Impact
Upto 31 May 2021	US DOC has finalised CVD rates	No impact
June 1, 2021 to May 31, 2022	AR-2 is not filed by importers/ exporters	No impact
June 1, 2022 to May 31, 2023	AR-3 is filed by exporters	No impact, as estimated*

Antidumping Duty (ADD) on import of quartz surfaces from India

Period under review	Status of Review	Financial Impact on Company
Upto 31 May 2021	US DOC has finalised ADD rates	No impact
June 1, 2021 to May 31, 2022	US DOC has given final order	No impact
June 1, 2022 to May 31, 2023	AR-3 is filed by exporters	No impact, as estimated*

*the Company has internally assessed the outcome of the results of ongoing Administrative Review and based on the past results of these Administrative Reviews, it expects the judgement of current Administrative Reviews not to be against the Company and hence does not expects any impact on its financial position.

(b) Commitments

The Company has imported plant and machinery under EPCG scheme without paying custom duty, as a consequences in the event that certain terms and conditions are not fulfilled, the company is committed to pay the consequential taxes, levies etc. The Company has issued required Bank Guarantee in favour of DGFT (Director General of Foreign Trade) against the same. The outstanding bank guarantee as on 31 March 2024 is INR 102.80 lakhs (31 March 2023 : INR 102.80 lakhs). The total export obligation against these licenses is USD 9,311,311 (31 March 2023 : 8,682,906) . The Company has completed obligations under some of the licenses and redemption is under process.

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

28 Related party transactions

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below

(a) List of related parties where control exists and related parties with whom transactions have taken place and relationships

Group	<p>Ultimate Holding Company Esprit Stones Limited (formerly known as Esprit Stones Private Limited)</p> <p>Subsidiaries A 100% - Haique Stones Private Limited B 51% - Addwaya Chemicals Private Limited C 100% - Haique Stones Inc, USA</p>
Directors	<p>In Holding Company 1 Mangilal Lunawath (upto 15 December 2023) 2 Pradeep Lunawath 3 Sunil Lunawath 4 Nitin Gattani</p> <p>In Subsidiaries 5 Rajendra Om Prakash Jain 6 Sumeet Gattani w.e.f Aug'22 7 Pranav Banthia till Aug'22</p>
Director's relative	<p>8 Krishna Gopal Gattani 9 Saumya Gattani 10 Shubh Gattani 11 Sayar Kumari Lunawath 12 Anushree Lunawath 13 Siddhanth Lunawath 14 Arnav Lunawath 15 Seema Banthia 16 Vijay Shree Lunawath 17 Sangeeta Gattani 18 Tanushree Gattani</p>
Key Managerial Personnel (KMP)	<p>19 Prakash Manghani, CFO (w.e.f 05 Feb 2024) 20 Anjali Pandey, Company Secretary and Compliance Officer (w.e.f 05 Feb 2024)</p>
Enterprises in which directors' are interested	<p>21 Aravali Minerals and Chemicals Industries Private Limited 22 Rose Marble Private Limited 23 Mahaveer Trading Company 24 Gattani Resorts Private Limited 25 Shreya Petrochem Private Limited 26 Esprit Ventures Private Limited 27 Rajasthan Packaging Company Private Limited 28 Pranav Marbles 29 Aravali Quartz 30 Alask Stones 31 S O and Company 32 K K Enterprises 33 Quality Suitings Private Limited 34 Saumya Energy Private Limited</p>

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

28 Related party transactions (continued)

(b) Transactions during the year and balances are the year-end with related parties after elimination of intra-group transactions

Sr No	Transaction	For the period ended 31 March 2024							31 March 2024 Balances at year end (Payable)/ Receivable
		Loans taken/ (granted)	Loans (repaid)/ received back	Interest on Loans received/ (paid)	Revenue Income (Sales etc.)	Salaries	Other revenue expenses (Purchases etc.)	Capital Expenses/ Investments	
1	Mangilal Lunawath	67.45	(44.63)	-	-	-	-	-	(380.00)
2	Pradeep Lunawath	85.00	(80.17)	-	1.77	19.50	-	-	(286.98)
3	Sunil Lunawath	137.00	(90.50)	-	-	19.50	-	-	(71.50)
4	Nitin Gattani	356.00	(36.50)	-	-	19.50	-	-	(688.50)
5	Rajendra Om Prakash Jain	95.00	(35.00)	(19.68)	-	-	-	-	(241.73)
6	Sumeet Gattani	-	-	-	-	18.60	-	-	-
7	Pranav Banthia	-	-	(10.63)	-	-	18.00	-	(115.54)
8	Krishna Gopal Gattani	-	-	-	-	-	-	-	-
9	Saumya Gattani	-	-	-	-	15.60	-	-	-
10	Shubh Gattani	-	-	-	-	13.00	-	-	-
11	Sayar Kumari Lunawath	20.00	-	-	-	-	-	-	(80.00)
12	Anushree Lunawath	25.00	(146.98)	-	-	-	-	-	(103.00)
13	Siddhanth Lunawath	-	-	-	-	31.85	-	0.41	(0.01)
14	Arnav Lunawath	24.55	-	-	-	40.60	-	-	(25.24)
15	Seema Banthia	225.50	(100.00)	(8.55)	-	-	-	-	(133.19)
16	Vijay Shree Lunawath	90.00	(183.00)	-	-	-	-	-	-
17	Sangeeta Gattani	228.00	-	-	-	12.00	-	-	(228.69)
18	Tanushree Gattani	-	-	-	-	8.50	-	-	-
19	Prakash Manghani	-	-	-	-	4.39	-	-	-
20	Anjali Pandey	-	-	-	-	0.65	-	-	-
21	Aravali Minerals and Chemicals Industries Private Limited	-	-	-	38.37	-	9.00	-	5.04
22	Rose Marble Private Limited	-	-	-	14.48	-	60.27	-	(0.11)
23	Mahaveer Trading Company	-	-	-	7.41	-	0.78	-	1.53
24	Gattani Resorts Private Limited	-	-	-	-	-	9.54	-	(1.01)
25	Shreya Petrochem Private Limited	-	-	-	3.17	-	87.29	-	-
26	Esprit Ventures Private Limited	-	-	-	-	-	-	-	-
27	Rajasthan Packaging Company Private Limited	-	-	-	-	-	-	-	-
28	Pranav Marbles	-	-	-	12.65	-	2,019.82	-	(555.30)
29	Aravali Quartz	-	-	-	15.00	-	4.89	-	82.68
30	Alask Stones	-	-	-	-	-	-	-	-
31	S O and Co.	-	-	-	2.27	-	38.65	-	(0.90)
32	K K Enterprises	-	-	-	-	-	1,444.34	-	(0.80)
33	Quality Suitings Private Limited	-	-	-	-	-	29.13	-	(21.07)
34	Saumya Energy Private Limited	-	-	-	-	-	51.64	-	-

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

(b) Transactions during the year and balances are the year-end with related parties (continued)

Sr No	Transaction	For the period ended 31 March 2023								31 March 2023 Balances at year end (Payable)/ Receivable
		Loans taken/ (granted)	Loans (repaid)/ received back	Interest on Loans received/ (paid)	Revenue Income (Sales etc.)	Salaries	Other revenue expenses (Purchases etc.)	Capital Expenses/ Investments	Expenses Reimbursed/ (on behalf)	
1	Mangilal Lunawath	357.18	-	-	-	-	-	-	-	(357.17)
2	Pradeep Lunawath	173.32	-	-	3.02	19.35	-	-	-	(282.15)
3	Sunil Lunawath	25.00	-	-	-	19.35	-	-	-	(23.00)
4	Nitin Gattani	245.00	(1.00)	-	-	19.35	-	-	-	(369.00)
5	Rajendra Om Prakash Jain	106.50	-	(8.51)	-	-	-	-	-	(164.01)
6	Sumeet Gattani	-	-	-	-	17.08	-	-	-	(1.49)
7	Pranav Banthia	50.00	-	(6.97)	-	-	-	-	-	(105.97)
8	Krishna Gopal Gattani	-	-	-	-	-	-	-	-	-
9	Saumya Gattani	-	-	-	-	15.60	-	-	-	-
10	Shubh Gattani	-	-	-	-	12.98	-	-	-	-
11	Sayar Kumari Lunawath	60.00	-	-	-	-	-	-	-	(60.00)
12	Anushree Lunawath	224.97	-	-	-	-	-	-	-	(224.98)
13	Siddhanth Lunawath	-	-	-	-	31.54	-	-	-	(0.01)
14	Arnav Lunawath	-	-	-	-	34.30	-	-	-	(2.90)
15	Seema Banthia	-	-	-	-	-	-	-	-	-
16	Vijay Shree Lunawath	93.00	-	-	-	-	-	-	-	(93.00)
17	Sangeeta Gattani	-	-	-	-	6.00	-	-	-	(3.90)
18	Tanushree Gattani	-	-	-	-	7.08	-	-	-	-
19	Prakash Manghani	-	-	-	-	-	-	-	-	-
20	Anjali Pandey	-	-	-	-	-	-	-	-	-
21	Aravali Minerals and Chemicals Industries Private Limited	-	-	-	94.78	-	1.48	-	-	(7.81)
22	Rose Marble Private Limited	-	-	-	944.77	-	18.58	7.00	-	707.49
23	Mahaveer Trading Company	-	-	-	23.19	-	5.85	-	-	14.47
24	Gattani Resorts Private Limited	-	-	-	-	-	6.19	-	-	(1.04)
25	Shreya Petrochem Private Limited	-	-	-	-	-	915.04	-	-	(577.01)
26	Esprit Ventures Private Limited	-	-	-	-	-	-	-	-	-
27	Rajasthan Packaging Company Private Limited	-	-	-	-	-	12.19	-	-	(2.45)
28	Pranav Marbles	-	-	-	0.22	-	1,021.90	-	-	(317.93)
29	Aravali Quartz	-	-	-	9.00	-	15.21	-	-	50.22
30	Alask Stones	-	-	-	-	-	18.16	-	-	(0.75)
31	S O and Co.	-	-	-	-	-	40.68	-	-	(12.09)
32	K K Enterprises	-	-	-	-	-	60.56	-	-	(60.56)
33	Quality Suitings Private Limited	-	-	-	-	-	-	-	-	-
34	Saumya Energy Private Limited	-	-	-	-	-	42.59	-	-	-

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

29 Segment reporting
(a) Information about Primary Segments - Business Segments

As at and for the year ended 31 March 2024					
Particulars	Business Segments		Other operations	Inter-company eliminations	Total
	Engineered Stones	Unsaturated Polyester Resin			
I Segment revenue					
External revenue	19,138.51	8,150.51	-	-	27,289.02
Inter-segment revenue	-	3,344.40	36.64	(3,381.04)	-
Total revenue	19,138.51	11,494.91	36.64	(3,381.04)	27,289.02
II Segment results					
Segment results	1,700.25	517.74	-	-	2,217.99
Less: Unallocated corporate expenses					-
Operating profits					2,217.99
Add : Other income					188.80
Less: Finance costs					(997.11)
Less: Exceptional items					-
Less: Tax expenses					(377.95)
Profit after tax					1,031.73
III Particulars of segment assets and liabilities					
Segment assets	22,879.53	7,404.34	-	(2,824.52)	27,459.35
Segment liabilities	15,677.82	7,331.62	-	(2,824.52)	20,184.92
IV Particulars of other segment information					
Capital expenditure	883.07	176.16	-	-	1,059.23
Segment depreciation	860.52	60.21	-	(7.44)	913.29
Non-cash expenditure other than depreciation	141.46	-	-	-	141.46

As at and for the year ended 31 March 2023					
Particulars	Business Segments		Other operations	Inter-company eliminations	Total
	Engineered Stones	Unsaturated Polyester Resin			
I Segment revenue					
External revenue	14,877.87	2,563.22	-	-	17,441.09
Inter-segment revenue	-	2,666.84	181.55	(2,848.39)	-
Total revenue	14,877.87	5,230.06	181.55	(2,848.39)	17,441.09
II Segment results					
Segment results before finance costs, exceptional items and tax	831.28	168.77			1,000.05
Less: Unallocated corporate expenses					-
Operating profits					1,000.05
Add : Other income					165.43
Less: Finance costs					(634.24)
Less: Exceptional items					-
Less: Tax expenses					(175.52)
Profit after tax					355.72
III Particulars of segment assets and liabilities					
Segment assets	21,624.13	3,900.91	-	(1,722.80)	23,802.24
Segment liabilities	15,415.79	3,861.77	-	(1,722.80)	17,554.76
IV Particulars of other segment information					
Capital expenditure	3,127.56	547.30	-	(38.67)	3,636.19
Segment depreciation	700.24	40.31	-	(7.44)	733.11
Non-cash expenditure/ (income) other than depreciation	(37.38)	-	-	-	(37.38)

Notes:

- The group has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of the products, the differing risks and returns, the organisation structure and internal reporting system and which is also the basis on which the management reviews and assess the Group's performances. The operations predominantly relate to Engineered Stones and Unsaturated Polyester Resin.
- Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on reasonable basis.

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

29 Segment reporting (continued)

(b) Information about Secondary Segments - Geographical

	31 March 2024	31 March 2023
I Segment revenue		
from customers in India	11,425.64	4,636.37
from customers outside India (including USA)	15,863.38	12,804.72
Total	<u>27,289.02</u>	<u>17,441.09</u>
II Segment assets		
Within India	25,724.10	22,501.11
Outside India (including USA)	1,735.25	1,301.13
Total	<u>27,459.35</u>	<u>23,802.24</u>
III Capital expenditure		
Within India	1,059.23	3,636.19
Outside India (including USA)	-	-
Total	<u>1,059.23</u>	<u>3,636.19</u>

Notes:

(i) The group has disclosed geographical segment as the secondary segment which have been identified taking into account the geographical location of the customers and which is also the basis on which the management reviews and assess the Group's performances. The customers are based within India or outside India (including USA). Further, the export incentives received are considered as revenue from outside India as these are directly related and accrued on exports.

30 Earning per share

	31 March 2024	31 March 2023
Profit attributable to the equity shareholders (A)*	1,015.77	343.32
Weighted average number of equity shares (before bonus issue)	95,00,000	95,00,000
Add: Bonus shares issued during the years	66,50,000	66,50,000
Weighted average number of equity shares (after bonus issue)	1,61,50,000	1,61,50,000
Basic and diluted earning per share (C = A/B)	6.29	2.13

The Company has issued bonus shares date on 29th December 2023 to its existing shareholders as 7 shares for every 10 shares held as on record date 20th December 2023. Accordingly 66.50 lakhs shares were issued during the year and EPS is calculated on number of shares post bonus issue for all the years.

31 Operating leases

The company has operating leases for land and residential premises for its staff, these are renewable on a periodic basis and are cancellable by giving a notice period ranging from 1 month to 6 months.

The Company has recognised expenses in current period of Rs. ₹ 47.70 lakhs (PY: ₹ 16.67 lakhs) against these leases. Since these leases are for a period of maximum 11 months, no further disclosures are required.

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for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

32 Foreign currency exposure

(a) Payables in foreign currency

	In Foreign currency		In lakhs Indian Rupees (₹)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Unhedged - USD	USD 12,150.00	USD 2,56,725.00	10.13	214.61
Unhedged - Euro	EUR 0.00	EUR 35,289.00	-	32.19
Total			10.13	246.80

(b) Receivables in foreign currency

	In Foreign currency		In Indian Rupees (₹)	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Unhedged - USD	USD 11,30,514.42	USD 16,02,684.53	942.91	1,301.13
Hedged - USD	USD 9,50,000.00	USD 0.00	792.35	-
Total			1,735.25	1,301.13

33 Other disclosures

a) Value of imports calculated on C.I.F basis in respect of:

	31 March 2024	31 March 2023
Raw materials	88.69	214.31
Consumables	17.22	157.25
Plant and machineries	193.52	66.37

b) Earning in foreign currency:

	31 March 2024	31 March 2023
Revenue from sales of goods on FOB basis from India (including sales to foreign subsidiary)	13,900.25	12,812.62

c) Expenditure in foreign currency:

	31 March 2024	31 March 2023
Other charges	0.44	4.91
Against trade exhibitions	52.31	3.87
Against retainership agreement (lawyer)	1.14	8.54

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

34 Analytical ratios

Ratios	Numerator	Denominator	31 March 2024	31 March 2023	Variance
(a) Current Ratio(Times)	Current Assets	Current Liabilities	1.05	1.03	2%
(b) Debt Equity Ratio(Times)	Total Borrowings	Sharholders' Equity	1.73	1.91	-9%
(c) Debt Service Coverage Ratio (Times)	Earnings available for debt service	Debt Service	1.64	2.54	-35%
(d) Return on Equity Ratio(%)	Net profit after taxes	Average Shareholders Equity	15.32%	5.87%	161%
(e) Inventory Turnover Ratio(Times)	Revenue from operations	Average Inventory	4.77	3.96	20%
(f) Trade Receivables Turnover Ratio(times)	Revenue from operations	Average Trade Receivables	4.79	5.27	-9%
(g) Trade Payables Turnover Ratio (Times)	Total Purchases	Average Trade Payables	5.16	3.84	34%
(h) Net Capital Turnover Ratio(Times)	Net Sales (Revenue from Operations)	Average Working Capital	44.72	NA	NA
(i) Net Profit Ratio(%)	Net Profit	Net Sales (Revenue from Operations)	3.78%	2.04%	85%
(j) Return on Capital employed(%)	Earning before Interest and Tax (EBIT)	Capital Employed	25%	15%	67%
(k) Return on Investment (%)	Income generated from Investments	Time weighted average investments	-	-	-

36.1 *Explanation for change in the ratios by more than 25%:

- (c) The Debt Service Coverage ratio has reduced though Company's operating cash profits have increased in current year but the interest cost and loan repayment is increased in current year.
- (d) The Return on Equity has increased drastically as Company's operations were consistent during the current period and last year the margins were really low due to inconsistent operations.
- (g) The Trade payable turnover ratio is increased, as Company's is purchasing with lower credit period as compare to previous years and also during last year, the level of trade payables were in line through out the year but purchases were lower due to lower sales.
- (h) The Net Capital Turnover Ratio is not comparable, as the Company had an average negative working capital during the year ended 31 March 2023
- (i) The Net Profit ratio is increased as net profit is increased due to consistent sales in current year. The Company has achieved growth in its revenue as compare to last year and also company's other income due to interests and foreign exchange fluctuation has increased. Also in last year the business was slow down for few months and hence Company was unable to maintain the profits last year and last year net profit was exceptional low.
- (j) The Return on Capital Employed has increased drastically as Company's operations were consistent during the current year and last year the margins were really low due to inconsistent operations.

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

35 Disclosures as per amendments in Schedule III of Companies Act, 2013 with notification issued on 24th March 2021:

Information required against additional disclosures as per amendments in Schedule III of Companies Act, 2013 are as under:-

(a) Title deeds of Immovable Property not held in name of the Company (Para a(ii)(XIII)(Y)(i))

There are no immovable properties owned by the company whose title deeds are not held in its name.

(b) Revaluation of Property, Plant & Equipment (Para a(ii)(XIII)(Y)(ii))

During the year under review the company has not revalued its property, plant & Equipment (Including right of use assets).

(c) Loan & Advance made to promoters, directors, KMPs and other related parties (Para a(ii)(XIII)(Y)(iii))

The Company has not provided any loans and advance to the parties covered under this clause other than those disclosed under note number 28.

(d) Details of Benami property held (Para a(ii)(XIII)(Y)(vi))

No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(f) Willful Defaulter (Para a(ii)(XIII)(Y)(viii))

The company has not been declared as wilful defaulter by any bank or financial institutions or other lenders.

(g) Relationship with struck of Companies (Para a(ii)(XIII)(Y)(ix))

There are no transactions (Including Investment in Securities / Shares held by Struck off company & Other Outstanding balances) with companies struck off u/s 248 of the Companies Act 2013, or section 560 of the Companies At, 1956.

(h) Registration of charges and satisfaction with Registrar of Companies (Para a(ii)(XIII)(Y)(x))

There are no charges or satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.

(i) Compliance with number of layers of companies (Para a(ii)(XIII)(Y)(xi))

The company has not made violation of requirements related to number of layers of companies as prescribed under clause 87 of Section 2 read with Companies (Restriction of number of Layers) Rules 2017.

(j) Compliance with approved Scheme(s) of Arrangements (Para a(ii)(XIII)(Y)(xiii))

Not applicable

(k) Utilization of Borrowed funds and share premium (Para a(ii)(XIII)(Y)(xiv))

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(l) Undisclosed Income (Para a(iii)(ix))

Company has not surrendered or disclosed any transaction which was not recorded in the books of accounts as income during the year in the tax assessment under the Income Tax Act.

(m) Details of Crypto Currency or Virtual Currency (Para a(iii)(xi))

The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

36 Disclosures related to employee benefits

The Company has classified various employee benefits as under:

A Defined contribution plans

i) Provident Fund

ii) Employer's Contribution to Employee State Insurance Corporation (ESIC)

The Provident fund and Pension scheme are operated by regional PF Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement schemes to fund the benefits.

The Company as recognised the following amounts in the Statement of Profit and Loss:

	31 March 2024	31 March 2023
Contribution to Provident fund (net of government grants)	33.53	22.07
Contribution to Employee State Insurance Corporation (ESIC)	7.16	6.79

B Retirement benefit plans

i) Gratuity based on actuarial valuations

I. Actuarial Assumptions

	31 March 2024	31 March 2023
Mortality	IALM (2012-14)	IALM (2012-14)
Discount rate	7.20%	7.45%
Salary growth rate p.a.	7.00%	7.00%
Expected rate of return on planned assets		
Withdrawal rates p.a.		
25 years and below	10.00%	10.00%
25 to 35 years	8.00%	8.00%
35 to 45 years	6.00%	6.00%
45 to 55 years	4.00%	4.00%
55 and above	2.00%	2.00%

II. Funded status of the plan

	31 March 2024	31 March 2023
Present value of unfunded obligations	54.92	37.39
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Unrecognised Past Service Cost	-	-
Net Liability (Asset)	54.92	37.39

III. Profit and loss for the period

	31 March 2024	31 March 2023
Present value of obligations at beginning of the year	-	-
Current service cost	17.74	14.49
Interest on obligations	2.73	1.65
Expected return on plan assets	-	-
Net actuarial loss/(gain)	-2.93	-1.90
Recognised Past Service Cost-Vested	-	-
Recognised Past Service Cost-Unvested	-	-
Loss/(gain) on curtailments and settlement	-	-
Total included in 'Employee Benefit Expense'	17.54	14.24

Notes to consolidated financial statements

for the year ended 31 March 2024

Currency : in Lakhs INR (₹)

36 Disclosures related to employee benefits (continued)

B Retirement benefit plans (continued)

IV. Reconciliation of defined benefit obligation	31 March 2024	31 March 2023
Opening Defined Benefit Obligation	37.39	23.15
Transfer in/(out) obligation	-	-
Current service cost	17.74	14.49
Interest cost	2.73	1.65
Actuarial loss (gain)	-2.93	-1.90
Past service cost	-	-
Loss (gain) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Liabilities assumed in an amalgamation in the nature of purchase	-	-
Exchange differences on foreign plans	-	-
Benefit paid from fund	-	-
Benefits paid by company	-	-
Closing Defined Benefit Obligation	54.93	37.39

V. Reconciliation of net defined benefit liability	31 March 2024	31 March 2023
Net opening provision in books of accounts	37.39	23.15
Transfer in/(out) obligation	-	-
Transfer (in)/out plan assets	-	-
Employee Benefit Expenses as per 3.2	17.54	14.24
Benefits paid by the Company	-	-
Contributions to plan assets	-	-
Closing provision in books of accounts	54.93	37.39

37 Previous year's figures have been regrouped, rearranged and reclassified, wherever considered necessary, and are rounded off to nearest lakhs, in order to conform to the current year's presentation.

As per our report attached

For A. Bafna & Co.

Firm Reg. No. : 003660C

For and on behalf of Board of Directors of

Esprit Stones Limited

CIN: U74999RJ2016PLC056284

Vivek Gupta

Partner

Membership Number : 400543

Sunil Lunawath

Managing Director

DIN : 01105117

Nitin Gattani

Joint Managing Director

DIN: 00173258

Place : Udaipur

Date: 05 July 2024

Prakash Manghani

CFO

Anjali Pandey

Company Secretary

ICSI Membership Number : A45660

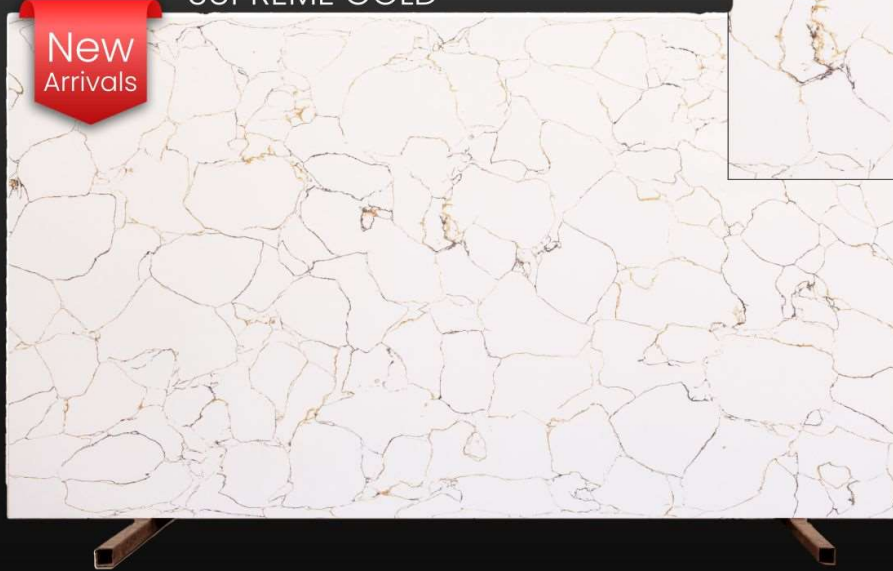
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