17^{th} ANNUAL REPORT 2023-2024

ANDHRA PRADESH GRANITE (MIDWEST) PRIVATE LIMITED

Registered Office: No. 8-2-684/25 & 26, Road No.12, Banjara Hills, Hyderabad – 500 034.
CIN: U14102TG2007PTC054390

ANDHRA PRADESH GRANITE (MIDWEST) PRIVATE LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr. Kollareddy Ramachandra **-** Managing Director Mr. G. Ravindra Reddy **-** Whole Time Director & Chairperson Mr. T. Nathaniel **-** Nominee Director of APMDC
REGISTERED OFFICE	:	No. 8-2-684/25 & 26, Road No.12, Banjara Hills, Hyderabad – 500034.
BANKERS	:	Kotak Mahindra Bank Ltd Somajiguda, Rajbhavan Road, Hyderabad – 500 029, Telangana.
STATUTORYAUDITORS	:	M/s. MSKA & Associates, Chartered Accountants, 1101/B, 11th Floor, Manjeera Trinity Corporate, JNTU – Hitech City Road, Kukatpally,Hyderabad, Telangana – 500072, India
COMPANY SECRETARY	:	Mrs. Anushka Agrawal (**Appointed with effect from 30/12/2023)**

Andhra Pradesh Granite (Midwest) Private Limited
Balance Sheet as at 31 March 2024
(All amounts are Rs. in millions, unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	3	415.26	426.36
Right-of-use assets	4	3.62	3.18
Financial assets			
(i) Investments	5	-	0.15
(ii) Other financial assets	6	13.56	20.57
Deferred tax assets (net)	7	9.09	7.89
Other non-current assets	8	8.67	16.34
Total non-current assets		**450.20**	**474.49**
Current assets			
Inventories	9	66.70	143.62
Financial assets			
(i) Trade receivables	10	713.19	478.84
(ii) Cash and cash equivalents	11(a)	125.90	65.08
(iii) Bank balances other than cash and cash equivalents	11(b)	16.18	15.31
(iv) Loans	12	25.04	52.22
Other current assets	13	369.04	250.54
Total current assets		**1,316.05**	**1,005.61**
Total assets		**1,766.25**	**1,480.10**
Equity and liabilities			
Equity			
Equity share capital	14	100.00	100.00
Other equity	15	947.65	681.34
Total equity		**1,047.65**	**781.34**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	16	76.06	108.42
(ia) Lease liabilities	4	0.58	-
Provisions	20	10.76	13.23
Total non-current liabilities		**87.40**	**121.65**
Current liabilities			
Financial liabilities			
(i) Borrowings	17	319.25	329.33
(ia) Lease liabilities	4	2.84	-
(ii) Trade payables	18		
- Total outstanding dues of micro and small enterprises		2.23	-
- Total outstanding dues of creditors other than micro and small enterprises		63.72	55.17
(iii) Other financial liabilities	19	123.79	80.37
Other current liabilities	22	97.41	98.16
Provisions	20	3.52	2.76
Current tax liabilities (net)	21	18.44	11.32
Total current liabilities		**631.20**	**577.11**
Total liabilities		**718.60**	**698.76**
Total equity and liabilities		**1,766.25**	**1,480.10**
See accompanying notes forming part of the financial statements	1-45		

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: 23 September 2024

For and on behalf of the Board of Directors of
Andhra Pradesh Granite (Midwest) Private Limited
(CIN : U14102AP2007PTC054390)

K. Ramachandra
Managing Director
DIN:00060086

G. Ravinder Reddy
Whole Time Director
DIN:01714344

Anushka Agarwal
Company Secretary
M No: A62988

Place: Hyderabad
Date: 23 September 2024

Andhra Pradesh Granite (Midwest) Private Limited
Hyderabad

Andhra Pradesh Granite (Midwest) Private Limited
Statement of Profit and Loss for the year ended 31 March 2024
(All amounts are Rs. in millions, unless otherwise stated)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023
I. Income			
Revenue from operations	23	2,425.92	2,001.47
Other income	24	10.43	16.20
Total income (I)		**2,436.35**	**2,017.67**
II. Expenses			
Quarry expenses	25	185.00	181.08
Seigniorage and cess fees	26	750.63	634.53
Consumption of stores and spares	27	193.40	226.69
Changes in inventories of finished goods and work-in-progress	28	79.63	(20.62)
Employee benefits expenses	29	151.27	119.25
Finance costs	30	26.42	23.82
Depreciation and amortisation expense	31	69.64	63.60
Other expenses	32	416.28	458.44
Total expenses (II)		**1,872.27**	**1,686.79**
III. Profit before tax for the year (I-II)		**564.08**	**330.88**
IV. Tax expenses			
Current tax	41	150.30	86.00
Tax pertaining to earlier years		1.78	-
Deferred tax	41	(1.99)	(0.51)
Total tax expense (IV)		**150.09**	**85.49**
V. Profit after tax for the year (III-IV)		**413.99**	**245.39**
VI. Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains on defined benefit plans		3.10	2.33
Tax related to above items		(0.78)	(0.59)
Other comprehensive income for the year, net of tax (VI)		**2.32**	**1.74**
VII. Total comprehensive income for the year, net of tax (V+VI)		**416.31**	**247.13**
Earnings per share (Face value of share Rs.10 each)			
- Basic (Rs)	35	41.40	24.54
- Diluted (Rs)	35	41.40	24.54
See accompanying notes forming part of the financial statements	1-45		

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Andhra Pradesh Granite (Midwest) Private Limited
Statement of Cash Flows for the year ended 31 March, 2024
(All amounts are Rs. in millions, unless otherwise stated)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flow from operating activities			
Profit before tax		564.08	330.88
Adjustments for :			
Depreciation and amortisation expense		69.64	63.60
Finance costs		26.42	23.82
(Profit)/Loss on discard / sale of property, plant and equipment		6.31	(0.19)
Book deficit on assets discarded		6.08	-
Liabilities no longer required written back		(0.79)	(5.83)
Interest income		(4.80)	(8.02)
Operating profit before working capital changes		**666.94**	**404.26**
Changes in working capital			
(Increase) / Decrease in trade receivables		(234.35)	(366.29)
(Increase) / Decrease in inventories		76.92	(8.63)
(Increase) / Decrease in other financial assets		7.01	(20.49)
(Increase) / Decrease in other current assets		(120.21)	(75.28)
Increase / (Decrease) in trade payables		10.78	19.50
Increase / (Decrease) in other financial liabilities		43.57	(10.55)
Increase / (Decrease) in provisions		1.39	2.17
Increase/ (Decrease) in other current liabilities		(0.75)	(113.57)
Cash generated from operations/(used)		**451.30**	**(168.88)**
Income taxes paid (net of refunds)		(131.31)	(89.56)
Net cash flow/(used) from/in operating activities	A	**319.99**	**(258.44)**
B. Cash flow from investing activities			
Payments for Purchase of property, plant and equipment (including capital advances)		(84.75)	(154.31)
Proceeds from diposal of property, plant and equipment		16.69	19.28
Deposits placed having original maturity of more than 3 months, net		(0.87)	79.24
Proceeds from loans given		30.00	-
Loan to others		-	(50.00)
Interest received		1.98	5.80
Net cash (used) in investing activities	B	**(36.95)**	**(99.99)**
C. Cash flow from financing activities			
Repayment of long term borrowings		(76.27)	(7.77)
Proceeds from of long term borrowings		41.35	76.07
Proceeds from/(repayment) of short term borrowings (net)		(7.52)	184.87
Repayment of Lease Liability		(3.47)	-
Dividend paid		(150.00)	(100.00)
Interest paid		(26.31)	(23.82)
Net cash flow/(used) from/in financing activities	C	**(222.22)**	**129.35**
Net increase/(decrease) in cash and cash equivalents	[A+B+C]	60.82	(229.08)
Cash and cash equivalents at the beginning of the year		65.08	294.16
Cash and cash equivalents at end of the year		**125.90**	**65.08**

See accompanying notes forming part of the financial statements 1-45

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
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Company Secretary
M No: A62988

Place: Hyderabad
Date: 23 September 2024

Andhra Pradesh Granite (Midwest) Private Limited
Hyderabad

Andhra Pradesh Granite (Midwest) Private Limited
Material Accounting Policies
(All amounts are Rs. in millions, unless otherwise stated)

A. Corporate information

Andhra Pradesh Granite (Midwest) Private Limited ("The Company") (CIN : U14102AP2007PTC054390) is a private limited company domiciled and incorporated in India under the provisions of Companies Act, 1956 on 11 June 2007. The Company's registered office is at 8-2-684/3/25 & 26, Road no.12 Banjara Hills, Hyderabad, Telangana, India, 500032.

The financial statements have been prepared for the year ended 31 March 2024. The company is engaged in the business of exploration, exploitation, manufacturing, processing and selling of dressed Granite blocks and Slabs.
The financial statements were approved for issue in accordance with a resolution of the directors on September 23, 2024.

B. Material accounting policies

The material accounting policies applied by the company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

2.1. Basis of preparation

A. Statement of Compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

B. Basis of measurement

The Financial statements have been prepared under the historical cost basis, except for the following items (refer to individual accounting policies for detail):
Financial instruments - Fair value through profit or loss.
Financial instruments - Fair Value through OCI
Property, plant and equipment - Freehold land on revalued basis to the extent stated in relevant schedule
Net defined benefit (asset)/ liability - Present value of defined benefit obligations less fair value of plan assets.

C. Presentation currency and rounding off

The Financial statements are presented in INR and all values are rounded to nearest millions (INR 000,000), except when otherwise indicated.

D. Going concern

The company has prepared the financial statements on the basis that it will continue to operate as a going concern.

E. Comparative information and reclassification

The Financial statements provide comparative information in respective of the previous periods.

2.2. Summary of material accounting policies

(a) Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives is as follows:

Particulars	Useful Life
Buildings	5 to 60 Years
Plant & Machinery	10 to 15 Years
Mining Equipment	8 Years
Vehicles	8 to 10 Years
Computers	3 to 6 Years

The company reviews the estimated residual values and expected useful lives of assets at least annually. In particular, the company considers the impact of health, safety and environmental legislation in its assessment of expected useful lives and estimated residual values. Furthermore, the company considers climate related matters, including physical and transition risks. Specifically, the company determines whether climate related legislation and regulations might impact either the useful life or residual values.

Andhra Pradesh Granite (Midwest) Private Limited ★ Hyderabad

(b) Leases

Identifying leases

The company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

a. There is an identified asset;
b. The company obtains substantially all the economic benefits from use of the asset; and
c. The company has the right to direct use of the asset.

The company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the company obtains substantially all the economic benefits from use of the asset, the company considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the company has the right to direct use of the asset, the company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the company applies other applicable Ind ASs rather than Ind AS 116.

(c) Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

(d) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Financial assets

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value (see "Financial liabilities" section for out-of-money derivatives classified as liabilities). They are carried in the statement of balance sheet at fair value with changes in fair value recognised in the statement of profit and loss in the other income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within Ind AS 109 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of balance sheet.

(g) Financial liabilities

The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired.

Other than financial liabilities in a qualifying hedging relationship (see below), the company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises out-of-the-money derivatives where the time value does not offset the negative intrinsic value (see "Financial assets" for in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value). They are carried in the balance sheet at fair value with changes in fair value recognised in the profit and loss. The company does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the company does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value, are subsequently carried at amortised cost using the effective interest method.

(h) Share capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The company's ordinary shares are classified as equity instruments.

(i) Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the annual general meeting.

(j) Provisions

The company has recognised provisions for liabilities of uncertain timing or amount including those for leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

(k) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

The majority of the company's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the company no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Determining the transaction price

Most of the company's revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Andhra Pradesh Granite (Midwest) Limited
Hyderabad

(l) Foreign currencies

Functional and presentation currency

Items included in the Financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial statements are presented in Indian rupee (INR), which is the Company's functional and company's presentation currency.

Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/losses arising out of fluctuation in foreign exchange rates between the transaction date and settlement date are recognised in the profit and loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(m) Borrowing costs

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

(n) Employee benefits

Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the profit and loss in the year to which they relate.

Defined benefit schemes

Defined benefit scheme surpluses and deficits are measured at:

(i) The fair value of plan assets at the reporting date; less

(ii) Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on government bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post- employment benefit obligations; less

(iii) The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity.

The remeasurements include:

(i) Actuarial gains and losses

(ii) Return on plan assets (interest exclusive)

(iii) Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss. Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Other long-term service benefits

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on government bonds that have maturity dates approximating to the expected remaining period to settlement and are denominated in the same currency as the post-employment benefit obligations

(o) Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on:

(i) The initial recognition of goodwill

(ii) The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and

(iii) Investments in subsidiaries and joint arrangements where the company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

2.3. Changes in accounting policies and disclosures

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The company has applied these amendments for the first-time in these Financial statements.

(a) Amendments to Ind AS 8 - definition of accounting estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these Financial statements.

(b) Amendments to Ind AS 1 - disclosure of accounting policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Financial statements.

(c) Amendments to Ind AS 12 - deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2021.

(d) New standards and amendments issued but not effective

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

2.4. Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Judgements

a. Leases - determining the lease term of contracts with renewal and termination options - company as lessee

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The company has several lease contracts that include extension and termination options. The company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

B. Estimates and assumptions

a. Leases - estimating the incremental borrowing rate

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the company 'would have to pay', which requires estimation when no observable rates are available. The company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Hyderabad Chartered Accountants

Andhra Pradesh Granite (Midwest) Private Limited Hyderabad

b. Intangible assets under development

The company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

c. Provision for expected credit losses of trade receivables

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for Groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

d. Defined benefit plans (post-employment gratuity and other post-employment benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

e. Legal proceedings - estimates of claims and legal processes

The company is currently involved in a number of legal disputes. The company reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the company's management as to how it will respond to the litigation, claim or assessment.

C. Fair value measurement

A number of assets and liabilities included in the company's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the company's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

Level 1: Quoted prices in active markets for identical items (unadjusted) Level 2: Observable direct or indirect inputs other than Level 1 inputs Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Andhra Pradesh Granite (Midwest) Private Limited Hyderabad

Andhra Pradesh Granite (Midwest) Private Limited
Statement of Changes in Equity for the year ended 31 March 2024
(All amounts are Rs. in millions, unless otherwise stated)

A. Equity share capital

	Note	No. of Shares	Amount
Balance as at 01 April 2022		10,000,000	100
Changes in equity share capital during the year	14	-	-
Balance as at 31 March 2023		10,000,000	100
Balance as at 01 April 2023		10,000,000	100
Changes in equity share capital during the year	14	-	-
Balance as at 31 March 2024		10,000,000	100

B. Other equity

Particulars	Note	Reserves and surplus		Other comprehensive income	Total
		Retained earnings	General Reserve	Remeasurement of defined benefit obligations	
Balance as at 01 April 2022	15	**516.07**	**20.00**	**(1.86)**	**534.21**
Profit for the year		245.39	-	-	245.39
Other comprehensive income (net of tax)		-	-	1.74	1.74
Dividend		(100.00)			(100.00)
Balance as at 31 March 2023	15	**661.46**	**20.00**	**(0.12)**	**681.34**
Profit for the period		413.99	-	-	413.99
Other comprehensive income (net of tax)		-	-	2.32	2.32
Dividend		(150.00)			(150.00)
Balance as at 31 March 2024	15	**925.45**	**20.00**	**2.20**	**947.65**

Nature and purpose of reserves
(i) General Reserve, created out of profits of the company, will be utilised for meeting future contingencies and losses if any.
(ii) During the year ended 31 March 2024 final dividend of Rs. 15 per share (31 March, 2023: Rs. 10 per share) was recongnised for distribution to equity shareholders respectively.

See accompanying notes forming part of the financial statements 1-45

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: 23 September 2024

For and on behalf of the Board of Directors of
Andhra Pradesh Granite (Midwest) Private Limited
(CIN : U14102AP2007PTC054390)

K. Ramachandra
Managing Director
DIN:00060086

G. Ravinder Reddy
Whole Time Director
DIN:01714344

Anushka Agarwal
Company Secretary
M No: A62988

Place: Hyderabad
Date: 23 September 2024

Andhra Pradesh Granite (Midwest) Private Limited
Notes forming part of financial statements
(All amounts are Rs. in millions, unless otherwise stated)

3 Property, plant and equipment

Description	Free hold Land	Buildings	Plant and Equipment	Mining Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Electrical Installation	Computers	Water works	Total
Cost											
Balance as at 01 April 2022	16.56	23.65	66.36	449.25	3.85	13.03	4.32	25.92	1.83	6.93	611.70
Additions	-	-	3.45	144.23	0.27	1.80	0.43	2.37	0.27	1.49	154.31
Disposals	-	-	(2.80)	(23.11)	-	(2.01)	-	-	-	-	(27.92)
Balance as at 31 March 2023	16.56	23.65	67.01	570.37	4.12	12.82	4.75	28.29	2.10	8.42	738.09
Additions	-	-	-	72.18	0.94	1.09	1.36	7.49	0.63	1.06	84.75
Disposals	-	-	(7.51)	(79.16)	-	(0.77)	(0.02)	(18.20)	-	(5.75)	(111.41)
Balance as at 31 March 2024	16.56	23.65	59.50	563.39	5.06	13.14	6.09	17.58	2.73	3.73	711.43
Accumulated depreciation											
Accumulated depreciation as at 01 April 2022	-	6.86	54.64	163.05	0.86	3.81	0.98	22.16	1.15	4.11	257.62
Depreciation for the year	-	0.62	0.79	56.59	0.37	1.45	0.78	1.41	0.41	0.52	62.94
Disposals	-	-	(0.04)	(8.37)	-	(0.42)	-	-	-	-	(8.83)
Balance as at 31 March 2023	-	7.48	55.39	211.27	1.23	4.84	1.76	23.57	1.56	4.63	311.73
Depreciation for the year	-	0.62	0.76	60.97	0.44	1.31	0.97	0.68	0.40	0.62	66.77
Disposals/adjustments	-	-	(6.90)	(52.86)	-	(0.74)	(0.01)	(17.27)	-	(4.55)	(82.33)
Balance as at 31 March 2024	-	8.10	49.25	219.38	1.67	5.41	2.72	6.98	1.96	0.70	296.17
Net carrying amount as at 31 March 2023	16.56	16.17	11.62	359.10	2.89	7.98	2.99	4.72	0.54	3.79	426.36
Net carrying amount as at 31 March 2024	16.56	15.55	10.25	344.01	3.39	7.73	3.37	10.60	0.77	3.03	415.26

Note: Property, plant and equipment pledged as security

Refer note 16 & 17 for information on property, plant and equipment pledged as security by the Company

The company has not revalued its property, plant & equipment (including right-of-use asset) during the current year and previous year

(All amounts are Rs. in millions, unless otherwise stated)

4 Right-of-use assets and lease liabilities

(i) Movement in right-of-use assets and lease liabilities is given below:

a. Right-of-use assets

Particulars	Right-of-use assets (Land)
Cost as at 01 April 2022	13.16
Additions	-
Disposals	-
Cost as at 31 March 2023	13.16
Additions	3.31
Disposals	-
Cost as at 31 March 2024	16.47
Accumulated depreciation as at 01 April 2022	9.32
Depreciation for the year	0.66
Disposals	-
Accumulated depreciation as at 31 March 2023	9.98
Depreciation for the year	2.87
Disposals	-
Accumulated depreciation as at 31 March 2024	12.85
Net carrying amount as at 31 March 2023	3.18
Net carrying amount as at 31 March 2024	3.62

b. Lease liabilities

(i) Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	Amount
As at 01 April 2023	
Additions during the year	5.75
Interest expense on lease liabilities	(2.84)
Payment of lease liabilities	0.51
As at 31 March 2024	3.42

Break up of the closing lease liabilities	
Current	2.84
Non-current	0.58

(ii) Contractual maturities of lease liabilities on undiscounted basis as at:

Particulars	Amount
Less than one year	2.86
One to five years	0.99
More than five years	-
	3.85

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Andhra Pradesh Granite (Midwest) Private Limited
Hyderabad

(All amounts are Rs. in millions, unless otherwise stated)

5 Financial assets	As at 31 March 2024	As at 31 March 2023
Non-current		
Investments	-	0.15
	-	0.15

6 Other financial assets	As at 31 March 2024	As at 31 March 2023
Non-current		
Security deposits	13.56	20.57
	13.56	20.57

7 Deferred tax asset (net)	As at 31 March 2024	As at 31 March 2023
Deferred tax liability:		
Arising on account if temporary differences in:		
Property, plant and equipment	(4.35)	(2.12)
Right-to-use asset	0.91	-
Security Deposit	0.13	-
	(3.31)	(2.12)
Deferred tax asset:		
Expenses allowable on payment basis	2.40	2.85
Provision for Gratuity	2.52	2.79
Disallowance u/s 40a(1a) - TDS not deducted	-	0.13
Lease Liability	0.86	-
	5.78	5.77
	9.09	7.89

8 Other non-current assets	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	7.21	-
Balance with government authorities	1.46	2.69
Prepaid income taxes	-	13.65
	8.67	16.34

9 Inventories *	As at 31 March 2024	As at 31 March 2023
Work-in-progress	4.07	4.07
Finished goods	39.09	118.72
Stores and spare parts (At cost)**	23.54	20.83
	66.70	143.62

* Valued at lower of cost and net realisable value
** Stores and spare parts includes material in transit Rs.2.80 Mn.

10 Trade receivables	As at 31 March 2024	As at 31 March 2023
Secured, Considered good	652.27	465.38
Unsecured, Considered good (refer notes below)	60.92	13.46
	713.19	478.84
Allowance for for credit impaired		
	713.19	478.84

Note:

i No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

ii Trade receivables are non-interest bearing and generally on terms of 90 to 120 days

iii Trade Receivables are hypothecated with banks where working capital financing is sanctioned.

iv The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note No. 39

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Andhra Pradesh Granite (Midwest) Private Limited
Notes forming part of financial statements
(All amounts are Rs. in millions, unless otherwise stated)

Trade receivables ageing schedule as at 31 March 2024

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	652.27	56.80	-	4.12	-	-	713.19
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	652.27	56.80	-	4.12	-	-	713.19

Trade receivables ageing schedule as at 31 March 2023

Particulars	Not Due	Outstanding for following period from due date of payment					Total
		Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	465.38	13.40	0.06	-	-	-	478.84
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-		-	-	-	-
(iv) Disputed Trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	465.38	13.40	0.06	-	-	-	478.84

11 Cash and cash equivalents	As at 31 March 2024	As at 31 March 2023
(a) Cash and cash equivalents		
Cash on hand	-	0.04
Balances with banks		
- in current accounts	5.90	55.08
- in EEFC accounts	-	9.96
Deposits with maturity of less than 3 months	120.00	-
	125.90	**65.08**
(b) Bank balances other than Cash and cash equivalents above		
Margin Deposits (Refer note (i))	13.17	12.44
Deposits with maturity for more than 3 months but less than 12 months	3.01	2.87
	16.18	**15.31**
	142.08	**80.39**

Note :

(i) Rs. 13.17 millions (31 March 2023: Rs. 12.44 millions) is restricted by way of guarantee favouring government bodies, based on terms of agreement.

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Andhra Pradesh Granite (Midwest) Private Limited ★ Hyderabad

(All amounts are Rs. in millions, unless otherwise stated)

12 Loans	As at 31 March 2024	As at 31 March 2023
Unsecured considered good		
Loan to others (Refer note (i))	25.04	52.22
	25.04	**52.22**

Note :
Particulars of loans given, as required by sub-section 4 of Section 186 of the Companies Act 2013

Particulars	Related/ Not Related	As at 31 March 2024	As at 31 March 2023	Period As at 31 March 2024	Period As at 31 March 2023	Interest Rate as at 31 March 2024	Interest Rate as at 31 March 2023
Fourvees Builders India Pvt Ltd	Not Related	25.04	52.22	1 years	1 years	9.50%	9.50%

(i) The company has given inter-corporate loan to other parties Rs. 20.00 millions (31 March 2023: Rs. 60.00 millions)

13 Other current assets	As at 31 March 2024	As at 31 March 2023
Advance to suppliers	13.05	56.99
Advances to employees	1.01	1.52
Balance with government authorities	337.35	184.29
Prepaid expenses	17.63	7.74
	369.04	**250.54**

14 Equity share capital	As at 31 March 2024	As at 31 March 2023
Authorised share capital		
10,000,000 (31 March 2023 :10,000,000) Equity shares of Rs.10/- each	100.00	100.00
Issued, subscribed and paid up		
10,000,000 (31 March 2023 :10,000,000) Equity shares of Rs.10/- each	100.00	100.00
	100.00	**100.00**

i) Reconciliation of authorised share capital

Particulars	As at / for the year ended 31 March 2024		As at / for the year ended 31 March 2023	
	No. of shares	Amount in Rs. Mn	No. of shares	Amount in Rs. Mn
Outstanding at the beginning of the year	10,000,000	100.00	10,000,000	100.00
Changes during the year	-	-	-	-
Outstanding at the end of the year	10,000,000	100.00	10,000,000	100.00

ii) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at / for the year ended 31 March 2024		As at / for the year ended 31 March 2023	
	No. of shares	Amount in Rs. Mn	No. of shares	Amount in Rs. Mn
Outstanding at the beginning of the year	10,000,000	100.00	10,000,000	100.00
Add:				
i. issued during the year	-	-	-	-
Outstanding at the end of the year	10,000,000	100.00	10,000,000	100.00

iii) Rights, preferences and restrictions attached to equity shares of Rs. 10 each, fully paid up:

The Company had only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iv) Shares held by holding Company/ultimate holding Company and/ or their subsidiaries/ associates

Name of Shareholder	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023
Midwest Limited (Holding Company)	8,899,990	8,899,990
Total	8,899,990	8,899,990

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(All amounts are Rs. in millions, unless otherwise stated)

v) Shares held by shareholders holding more than 5% in the Company as at:

Name of Shareholder	As at / for the year ended 31 March 2024		As at / for the year ended 31 March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Midwest Limited	8,899,990	89.00%	8,899,990	89.00%
Andhra Pradesh Mineral Development Corporation Limited	1,100,000	11.00%	1,100,000	11.00%

As per the records of the Company including its register of shareholders and other declarations received from shareholders regarding beneficial interest the above shareholding represents both legal and beneficial ownership of the shares.

vi) Shareholding of promoters

Name of promoter	As at / for the year ended 31 March 2024			As at / for the year ended 31 March 2023		
	No. of Shares	% Holding	% Change during the period	No. of Shares	% Holding	% Change during the year
Midwest Limited	8,899,990	89.00%	0.00%	8,899,990	89.00%	89.00%
Andhra Pradesh Mineral Development Corporation Limited	1,100,000	11.00%	0.00%	1,100,000	11.00%	11.00%
Rama Raghava Reddy	10	0.00%	0.00%	10	0.00%	0.00%

vii) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

15 Other equity	As at 31 March 2024	As at 31 March 2023
Retained earnings (refer note i)	925.45	661.46
General Reserve (refer note ii)	20.00	20.00
Other comprehensive income (refer note iii)	2.20	(0.12)
Total other equity	**947.65**	**681.34**

i) Retained earnings	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023
Balance at the beginning of the year	661.46	516.07
Add: Profit for the year	413.99	245.39
Less: Dividend	(150.00)	(100.00)
Balance at the end of the year	**925.45**	**661.46**

ii) General Reserve	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023
Balance at the beginning of the year	20.00	20.00
Add: Transfer from retained earnings	-	-
Balance at the end of the year	**20.00**	**20.00**

iii) Other comprehensive income (OCI)	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023
Remeasurement of defined benefit obligations (liability net of tax)#		
Balance at the beginning of the year	(0.12)	(1.86)
Add: Changes during the year	3.10	2.33
Tax effect on Other comprehensive Income	(0.78)	(0.59)
Balance at the end of the year	**2.20**	**(0.12)**

#Remeasurement of defined benefit obligation represents the actuarial gain/(loss) recognised on the defined benefit liabilities and will not be reclassified to retained earnings.

Andhra Pradesh Granite (Midwest) Private Limited
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(All amounts are Rs. in millions, unless otherwise stated)

16 Non-current borrowings	As at 31 March 2024	As at 31 March 2023
Secured		
Term loan		
- from Bank (refer note (i))	143.63	168.15
- from others (refer note (ii))	3.50	13.90
	147.13	**182.05**
Less : Current maturities of long term borrowings	(71.07)	(73.63)
Total	76.06	108.42

Details of non-current borrowings :

Name of Financial Institution	Amount of Loan	Interest rate %	Amount of Installment due	Total No. of Installments due	Period of maturity from balance sheet date
Secured:					
(i) Term loans from banks					
Against Hypothecation of Mining Equipment and guaranteed by one of the directors of the company					
HDFC Bank Limited	39.38	8.25%	3.12	6	6 Months
HDFC Bank Limited	10.78	8.25%	2.09	8	8 Months
Kotak Mahindra Bank Limited	36.32	6.99%	12.10	14	1 Year and 2 months
HDFC Bank Limited	28.90	8.25%	8.24	12	1 Year
Kotak Mahindra Bank Limited	37.59	6.99%	18.08	21	1 Year and 9 months
HDFC Bank Limited	4.70	7.20%	2.26	21	1 Year and 9 months
HDFC Bank Limited	9.34	7.20%	5.10	24	2 Years
Kotak Mahindra Bank Limited	12.01	8.57%	7.13	26	2 Years and 2 months
Kotak Mahindra Bank Limited	9.38	6.99%	5.46	26	2 Years and 2 months
Kotak Mahindra Bank Limited	4.51	8.42%	2.67	26	2 Years and 2 months
Kotak Mahindra Bank Limited	31.41	8.65%	21.88	31	2 Years and 7 months
HDFC Bank Limited	10.76	8.75%	8.56	36	3 Years
HDFC Bank Limited	7.00	9.00%	5.58	36	3 Years
Kotak Mahindra Bank Limited	5.22	9.00%	4.36	38	3 Years and 2 months
ICICI Bank Limited	8.00	9.00%	6.86	39	3 Years and 3 months
Kotak Mahindra Bank Limited	10.54	7.86%	8.97	39	3 Years and 3 months
Kotak Mahindra Bank Limited	10.54	7.69%	9.12	40	3 Years and 4 months
Kotak Mahindra Bank Limited	9.69	8.54%	8.41	40	3 Years and 4 months
Kotak Mahindra Bank Limited	3.71	9.25%	3.64	45	3 Years and 9 months
(ii) Term loans from others					
Against Hypothecation of Mining Equipment and guaranteed by one of the directors of the company					
Siemens Financial Service Limited	33.94	11.20%	3.50	4	4 Months
Total	323.72		147.13		

17 Current borrowings	As at 31 March 2024	As at 31 March 2023
Secured		
Working Capital Loans (refer below notes)	248.18	255.70
Current maturities of long term borrowings (refer note : 16)	71.07	73.63
	319.25	**329.33**

Details of current borrowings :

(i) Working Capital Loans from Kotak Mahindra Bank Limited

Primary Security:

First and exclusive charge on all existing and future current assets and unencumbered moveable Property Plant and Equipment of the company.

Collateral Security:

Equitable Mortgage of buildings located at Banjara Hills belonging to Holding company.

Personal Guarantee:

Personal Guarantee by Managing Director and relative of one of the Directors of the company

Corporate Guarantee:

Corporate Guarantee by Holding Company

The above loans carry interest @ 3M EBLR + 4.25% (spread)(FY 2022-23 - EBLR+5.75% (spread))

(ii) Working Capital Loans from Shinhan bank

Security:

Duly accepted documents (bills) backed by Letter of Credit from bank of repute up to Shinhan Bank satisfaction

The above loans carry interest @ SOFR plus 1.35% p.a up to 180 days

Note: The Company has not defaulted on any loans payables.

Andhra Pradesh Granite (Midwest) Private Limited Hyderabad

(All amounts are Rs. in millions, unless otherwise stated)

18 Trade payables	As at 31 March 2024	As at 31 March 2023
Trade payables		
- Total outstanding dues of micro and small enterprises (refer note: 37)	2.23	-
- Total outstanding dues of creditors other than micro and small enterprises	63.72	55.17
	65.95	**55.17**

Trade payables ageing schedule as at 31 March 2024

Particulars		Outstanding for following periods from due date of payment				
	Payables Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.23	-	-	-	-	2.23
(ii) Others	-	61.89	0.28	1.53	0.02	63.72
(iii) Creditors for expenses	-	-	-	-	-	-
(iv) Disputed Dues - MSME	-	-	-	-	-	-
(v) Disputed Dues - Others	-	-	-	-	-	-
(vi) Unbilled dues	-	-	-	-	-	-
	2.23	**61.89**	**0.28**	**1.53**	**0.02**	**65.95**

Trade payables ageing schedule as at 31 March 2023

Particulars		Outstanding for following periods from due date of payment				
	Payables Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	50.89	1.76	0.70	1.82	55.17
(iii) Creditors for expenses	-	-	-	-	-	-
(iv) Disputed Dues - MSME	-	-	-	-	-	-
(v) Disputed Dues - Others	-	-	-	-	-	-
(vi) Unbilled dues	-	-	-	-	-	-
	-	**50.89**	**1.76**	**0.70**	**1.82**	**55.17**

Notes:

(i) Trade payables are non-interest bearing and are normally settled in 30-90 days terms.

(ii) Refer note 39 for the Company's liquidity and currency risk management process.

19 Other financial liabilities	As at 31 March 2024	As at 31 March 2023
Employee benefits payable	67.93	47.37
Interest accrued but not due on borrowings	0.64	-
Other payables*	55.22	33.00
	123.79	**80.37**

* Note: This amount belongs to royalty and infrastructure development fee payable to Govt. authorities.

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20 Provisions	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
i. Provision for gratuity (Refer Note 38)		
Non-current	7.78	9.64
Current	2.23	1.44
ii. Provision for compensated absences		
Non-current	2.98	3.59
Current	1.29	1.32
	14.28	**15.99**
Non-current	10.76	13.23
Current	3.52	2.76

21 Current tax liabilities (net)	**As at 31 March 2024**	**As at 31 March 2023**
Current tax payable	150.30	83.82
Current tax assets		
Advance tax including self assessment tax	(131.50)	(72.50)
TDS and TCS receivable	(0.36)	-
	18.44	**11.32**

22 Other current liabilities	**As at 31 March 2024**	**As at 31 March 2023**
Statutory due payable	2.87	2.08
Advance from customers	94.54	96.08
	97.41	**98.16**

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23	Revenue from operations	Year ended 31 March 2024	Year ended 31 March 2023
	Revenue from contracts with customers (Refer Note 42)		
	Sale of products	2,424.28	1,913.54
	Sale of services	-	87.93
	Other operating revenue:		
	- Scrap sales	1.64	-
		2,425.92	**2,001.47**

24	Other income	Year ended 31 March 2024	Year ended 31 March 2023
	Rental income	0.25	0.25
	Interest income:		
	- On fixed deposits	1.38	5.80
	- Interest income from others	3.42	2.22
	Interest on security deposit (Ind AS)	0.61	-
	Other non-operating income		
	Profit on sale of property, plant and equipment	-	0.19
	Liabilities no longer required written back	0.79	5.83
	Net gain on foreign currency transactions and translations	2.41	-
	Miscellaneous income	1.57	1.91
		10.43	**16.20**

25	Quarry expenses	Year ended 31 March 2024	Year ended 31 March 2023
	Quarry expenses	84.13	65.15
	Feet drilling expenses	16.14	25.98
	Raw block cutting expenses	22.73	19.35
	Wire saw cutting expenses	60.27	61.04
	Equipment hiring charges	1.73	9.56
		185.00	**181.08**

26	Seigniorage and cess fees	Year ended 31 March 2024	Year ended 31 March 2023
	Royalty expenses - ADMG	236.91	207.41
	Royalty expenses - APMDC	359.24	310.49
	Consideration - ADMG	119.75	90.57
	Other royalty expenses - ADMG	34.73	26.06
		750.63	**634.53**

27	Consumption of stores and spares	Year ended 31 March 2024	Year ended 31 March 2023
	Inventory at the beginning of the year	20.83	32.82
	Add: Purchases	196.11	214.70
	Less: Inventory at the end of the year	23.54	20.83
		193.40	**226.69**

28	Changes in inventories of finished goods and work-in-progress	Year ended 31 March 2024	Year ended 31 March 2023
	Inventory at the beginning of the year		
	Work-in-progress	4.07	42.04
	Finished goods	118.72	60.13
		122.79	**102.17**
	Inventory at the end of the year		
	Work-in-progress	4.07	4.07
	Finished goods	39.09	118.72
		43.16	**122.79**
	Net decrease / (increase)	**79.63**	**(20.62)**

29	Employee benefits expenses	Year ended 31 March 2024	Year ended 31 March 2023
	Salaries, wages, bonus and other allowances	140.63	109.57
	Contribution to provident fund and other funds	1.54	1.56
	Gratuity and compensated absences expenses (refer note 38)	3.08	4.18
	Staff welfare expenses	6.02	3.94
		151.27	**119.25**

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30	Finance costs	Year ended 31 March 2024	Year ended 31 March 2023
	Interest on borrowing	23.87	19.44
	Interest on delay in payment of taxes	0.04	0.03
	Interest on lease liability	0.51	-
	Other finance costs	2.00	4.35
		26.42	**23.82**

31	**Depreciation and amortisation expense**	Year ended 31 March 2024	Year ended 31 March 2023
	Depreciation of property, plant & equipment (Refer Note 3)	66.77	62.94
	Amortisation of right-to-use assets (Refer Note 4)	2.87	0.66
		69.64	**63.60**

32	Other expenses	Year ended 31 March 2024	Year ended 31 March 2023
	Job work charges	7.60	62.77
	Repairs and maintenance :	-	
	- Machinery	107.82	112.64
	- Buildings	0.21	0.13
	- Others	3.25	2.10
	- Vehicle maintenance	2.24	1.86
	Carriage and freight	161.00	164.21
	Power and fuel	38.46	38.71
	Sales commission	6.24	6.20
	Insurance	7.86	5.53
	Travelling and conveyance	2.06	1.91
	Rent	2.09	1.99
	Rates and taxes	1.21	7.28
	Infrastructure Development fee	17.96	15.52
	Net loss on foreign currency transactions and translations other than those considered as finance cost	-	2.46
	Professional & consultancy fees	13.78	10.19
	Printing, stationary, postage and courier	1.33	1.21
	Donations	0.62	2.33
	Corporate and social responsibility (CSR) expenses (refer Note ii below)	8.20	2.91
	Auditors remuneration (refer Note i below)	1.25	0.70
	Security charges	7.44	8.33
	Advertisement	5.28	3.30
	Book deficit on assets discarded	6.08	-
	Loss on sale of property, plant & equipment	6.31	-
	Miscellaneous expenses	7.99	6.16
		416.28	**458.44**

Note (i) Payments to auditors:

The following is the breakup of Auditors remuneration (exclusive of indirect taxes)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
As auditor		
- Statutory audit	1.00	0.70
In other capacity		
- Tax audit and other matters	0.25	-
	1.25	**0.70**

Note (ii) Details of Corporate social responsibility expenditure:

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Education, Health & Wellness. A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(i) Gross amount required to be spent by the Company during the year	7.00	5.23
(ii) Amount approved by the Board to be spent during the year	7.00	5.23
(iii) Excess spent at the beginning of the year	-	2.32
(iv) Amount spent during the year (in cash)	-	-
- construction/ acquisition of any asset	-	-
- on purpose other than above	7.00	2.91
(v) Shortfall / (Excess) at the end of the year	-	-

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33 Contingent liabilities and commitments

Contingent liabilities:

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax	-	2.29
Entry tax	64.34	9.56
Customs duty	124.22	-
Letter of credit	3.12	-
Bank guarantees	21.41	21.41

Entry Tax:

As of the reporting date, the company has identified a contingent liability related to the proposed entry tax on diesel procurement under C forms. The matter is sub judice, with the company having deposited 25% of the demanded tax amounts in accordance with interim court orders. The Hon'ble High Court at hyderabad adjudicated on this matter through the Hon'ble division bench in WP No.615 of 2002 and batch on 31.12.2007, ruling that the levy of entry tax contravenes Article 304 of the constitution of India. This judgment remains valid and has not been overturned to date. Furthermore, a significant portion of the claim is subject to limitation.
Additionally, multiple writ petitions have been filed before the High Court of Judicature at hyderabad & amaravathi concerning this issue.

Customs duty:

A contingent liability has arisen due to a show cause notice (SCN) issued by the office of the commissioner of customs, central excise & service tax, guntur, vide C.no.VIII/10/84/2012-Adjn dated 03.01.2013. The SCN alleges a violation of conditions stipulated in customs notification No.52/2003 dated 31.03.2003 and central excise notification No.22/2003 dated 31.03.2003. Specifically, it is alleged that 'the granite so quarried shall be removed from the quarry site only for supply to units own processing unit or for supply to another export oriented undertaking or the units in the special economic zone engaged in processing or production or manufacture of articles of granite and export thereof and shall not be allowed to be exported as such or to be cleared in domestic tariff area.

In response, we have submitted detailed written submissions to address these allegations, emphasizing that our mining and processing activities comply with the definition of manufacture under the foreign trade policy. Additionally, the Director General of foreign trade has treated dimensional dressed granite blocks as manufactured products and established standard input output norms (SION) for the same (SION Sl.No.K-133).

Despite these submissions, an order-in-original (OIO) No.VIZ-EXCUS-003-COM-23-16-17 CE dated 30.09.2016 was passed by Sri S.K.Rahman, IRS, Commissioner, which we received on 28.11.2016. Consequently, we have filed an appeal before the Hon'ble Customs, Excise, and Service Tax Appellate Tribunal (CESTAT), regional bench, hyderabad, along with the mandatory pre-deposit made under Section 35F."

Letter of credit:

The company has issued a letter of credit vide No. 0552ILF241023176 amounting to US$ 37,380 in favor of EGA MAKIRNA IC VE DIS TIC A.S. The letter of credit is issued for the import of machinery and is valid for 120 days from the bill of lading. The company's maximum exposure under this contingent liability is limited to the amount stated above.

Bank guarantees:

Bank guarantee No. 0552OBG11000152: The company has provided a bank guarantee amounting to Rs. 20,000,000/- in favour of APMDC Ltd. This guarantee is given for the satisfactory performance of the agreement of the joint venture company (JVC).

Bank guarantee No. 0552OBG18014253: The company has provided a bank guarantee amounting to Rs. 1,412,029/- in favour of the Andhra Pradesh Pollution Control Board (APPCB). This guarantee is for compliance with conditions prescribed in the environmental clearance (EC) for ecological damages and the remedial plan.

34 Related party disclosures

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

(a) Names of related parties and related party relationship

Name of the related party	Nature of relationship
Key managerial persons:	
1. K.Rama Chandra	Managing Director
2. Guntaka Ravindra Reddy	Whole Time Director
3. Anushka Agarwal *	Company Secretary
Entities over which KMPs/ directors and/ or their relatives are able to exercise significant influence: Midwest Limited	Holding Company (holds 89% interest)

* Joined w.e.f December 30, 2023

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(b) Transactions with KMP's/directors and their relatives

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
KMP's Remuneration:		
1. K.Rama Chandra	6.38	6.88
2. Guntaka Ravindra Reddy	4.14	3.81
3. Anushka Agarwal	0.04	-
KMP's Commission		
1. K.Rama Chandra	62.68	36.78

(c) Transactions with entities over which KMPs/ directors and/or their relatives are able to exercise significant influence

Particulars	Year ended 31 March 2024	Outstanding Balance as at 31 March 2024	Year ended 31 March 2023	Outstanding Balance as at 31 March 2023
Midwest Limited				
1. Rental Income (Included in other income)	0.25	-	0.25	-
2. Sale of Assets	7.38	-	11.37	-
3. Purchase of goods or services	0.28	-	1.36	-
4. Purchase of Assets	7.49	-	57.17	-
5. Receipt of Reimbursement of Expenses	-	-	0.30	-
6. Payment of Reimbursement of Expenses	0.66	-	2.29	-
7. Equipment hire charges	-	-	7.65	-
8. Dividend paid	133.50	-	89.00	-
9. Guarantee taken	160.49	160.49	188.56	188.56

35 Earnings per share (EPS)

Basic earnings per share amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share amounts is calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Particulars	As at 31 March 2024	As at 31 March 2023
Profit after tax for the year attributable to equity shareholders	413.99	245.39
Weighted average number of equity shares outstanding in calculating basic & diluted EPS	10,000,000	10,000,000
Earnings per equity share [Nominal value per share Rs.10 (previous year Rs.10)]:		
Basic (Rs.)	41.40	24.54
Diluted* (Rs.)	41.40	24.54

*No potential equity shares are outstanding as at March 31, 2024 and there are no items giving rise to dilutive equity shares. Hence basic EPS is considered dilutive EPS.

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36 Segment reporting

The Managing Director of the Company takes decision in respect of allocation of resources and assesses the performance based on the information provided by the functional heads.

Based on the company's business model, mining of high quality black galaxy granite as considered as single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating Segment" and hence, there are no additional disclosures to be provided other than those already provided in the financial statements. The information relating to revenue from external customers of its single reportable segment has been disclosed as below.

The geographic information analyses the company's revenues by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer.

a. Geographical segment information:

Revenue from operations	Year ended 31 March 2024	Year ended 31 March 2023
With in India	201.42	340.60
Outside India	2,224.50	1,660.87
Total	**2,425.92**	**2,001.47**

The company has total segment assets within India. Hence, separate figures have not been furnished

b. Revenue from Major Customers

The Company earns revenue from few of its major customers which individually amount to 10 % and 5% for the year ended 31 March' 2024 and 31 March' 2023 or more of the company's recenues. Details of such customers (i.e. the total amount of revenues from each sech customer) are disclosed below:

Revenue from operations	Year ended 31 March 2024	Year ended 31 March 2023
Xiamen Lianfa (Group) Forever Co., Ltd.	295.39	-
East Profit International Enterprises Ltd.	265.15	381.32
Marmo Limited	-	280.49
Total	**560.54**	**661.81**

37 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

The amount due to micro and small enterprises as defined in the '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. The disclosures relating to micro, small and medium enterprises are as under:

Particulars	As at 31 March 2024	As at 31 March 2023
The amounts remaining unpaid to micro and small supplies as at end of the year		
i) Principal amount remaining unpaid to supplier at the end of the year	2.23	-
ii) Interest due thereon remaining unpaid to supplier at the end of the year	-	-
iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

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38. Employee benefits

a) Defined benefit plan

Gratuity: The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. All employees are entitled to gratuity benefits on exit from service due to retirement, resignation or death. There is a vesting period of 5 years on exits due to retirement or resignation. This defined benefit plans expose the company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.
The present value of the defined benefit obligation and the relevant current service cost are measured using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

b) **Amounts recognised as expense:**

i) Defined contribution plan

Provident fund and employee state insurance:

Contributions were made to provident fund and employee state insurance in India for the employees of the company as per the regulations. These contributions are made to registered funds administered by the Government of India. The obligation of the company is limited to the amount contributed and it has no further contractual nor any other constructive obligation.
Contribution towards employee provident fund and others, which is a defined contribution plan for the year 31 March 2024 aggregated to Rs 1.54 (31 March 2023: Rs.1.56)

ii) Defined benefit plan

Contribution towards gratuity for the year 31 March 2024 aggregated to Rs 1.92 (31 March 2023: Rs. 2.44)

c) Amounts recognised in the financial statements as at year end for gratuity provision are as under:

		As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023
i)	**Change in present value of obligation**		
	Present value of the obligation at the beginning of the year	11.08	12.29
	Current service cost	1.13	1.59
	Interest cost	0.79	0.85
	Actuarial (gain) / loss on obligation - due to change in financial assumptions	(2.61)	(0.13)
	Actuarial (gain) / loss on obligation - due to change in demographic assumptions	0.55	-
	Actuarial (gain) / loss on obligation - due to experience adjustments	0.25	(2.20)
	Benefits paid	(1.19)	(1.32)
	Present value of the obligation at the end of the year	**10.00**	**11.08**
ii)	**Bifurcation of present value of benefit obligation**		
	Current amount due within one year	2.23	1.44
	Non-current amount due after one year	7.78	9.64
	Total	**10.01**	**11.08**
iii)	**Expected benefit payments in future years**		
	Year 1	2.27	1.48
	Year 2	1.22	0.52
	Year 3	1.52	0.70
	Year 4	1.79	1.22
	Year 5	1.65	1.86
	Year 6 to Year 10	**2.72**	**4.34**
iv)	**Sensitivity analysis**		
	Discount rate - 1 percent increase	9.62	10.31
	Discount rate - 1 percent decrease	10.44	11.97
	Salary escalation rate - 1 percent increase	10.43	11.86
	Salary escalation rate - 1 percent decrease	9.62	10.34

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v) Amounts recognised in the balance sheet:		
Present value of obligation at the end of the year		
- Current liabilities	2.23	1.44
- Non-current liabilities	7.78	9.64
Fair value of plan assets at the end of the year	-	-
Net liability recognised in the balance sheet	**10.01**	**11.08**
vi) **Amounts recognised in the statement of profit and loss:**		
Current service cost	1.92	2.44
Net interest on net defined liability / (asset)		
Expenses recognised in statement of profit and loss	**1.92**	**2.44**
vii) **Recognised in other comprehensive income for the year**		
Actuarial gains / (losses) on liability	1.80	1.12
Return on plan assets excluding amount included in 'net interest on net defined liability / (asset) above		-
Recognised in other comprehensive income	**1.80**	**1.12**
viii) **Actuarial assumptions**		
i) Discount rate	7.24%	7.50%
ii) Salary escalation rate	4.50%	10.00%
iii) Retirement age	58 Years	58 Years
iv) Attrition rate	11%	5%
v) Mortality rate	100%	100%

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39. Financial instruments

A. Financial instruments by category	Method of valuation	Note	Fair value level	As at 31 March 2024	As at 31 March 2023
Financial assets					
Non current					
(i) Investments	Amortised cost	5	Level 2	-	0.15
(ii) Other financial assets	Amortised cost	6	Level 2	13.56	20.57
Current					
(i) Trade receivables	Amortised cost	10	Level 2	713.19	478.84
(ii) Cash and cash equivalents	Amortised cost	11(a)	Level 2	125.90	65.08
(iii) Bank balances other than (ii) above	Amortised cost	11(b)	Level 2	16.18	15.31
(iv) Loans	Amortised cost	12	Level 2	25.04	52.22
(v) Other current assets	Amortised cost	13	Level 2	369.04	250.54
Total financial assets				**1,262.91**	**882.71**
Financial liabilities					
Non current					
(i) Borrowings	Amortised cost	16	Level 2	76.06	108.42
(ii) Lease liabilities	Amortized Cost	4		0.58	-
Current					
(i) Borrowings	Amortised cost	17	Level 2	319.25	329.33
(ii) Lease liabilities	Amortised cost	4	Level 2	2.84	-
(iii) Trade payables	Amortised cost	18	Level 2	65.95	55.17
(iv) Other financial liabilities	Amortised cost	19	Level 2	123.79	80.37
Total financial liabilities				**588.47**	**573.29**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

Note 1: For the purpose of above abbreviations, FVTPL - Fair value through Profit and Loss, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortised cost.

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

•Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There have been no transfers among level 1, level 2 and Level 3 during the year

B. Financial risk management

The Company activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, security deposits and bank deposits.	Ageing analysis. Credit score of customers / entities.	Monitoring the credit limits of customers and obtaining security deposits & Advance from the customers.
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Sr. Vice President.	Working capital management by Sr. Vice President. The excess liquidity is channelised through bank deposits.

The Company's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

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Risk management framework

The board of directors have overall responsibility for the risk management framework. The board of directors are responsible for developing and monitoring the risk management policies. The board of directors monitors the compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management policies are to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Credit risk

i. Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The group does not foresee any credit risks on deposits with regulatory authorities.

ii. Trade Receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
Revenue from Top customer	295.39	381.32
Revenue from Top 5 customers (other than above customer)	1,107.77	1,108.59

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

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(All amounts are Rs. in millions, unless otherwise stated)

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

As at 31 March 2024

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	76.06	-	76.06	-	76.06
Lease liabilities	3.42	3.42	-	-	3.42
Short-term borrowings	319.25	319.25	-	-	319.25
Trade payables	65.95	64.12	1.83	-	65.95
Other financial liabilities	123.79	123.79	-	-	123.79
Total	**588.47**	**510.58**	**77.89**	-	**588.47**

As at 31 March 2023

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	108.42	-	108.42	-	108.42
Lease liabilities	5.75	5.75	-	-	5.75
Short-term borrowings	329.33	329.33	-	-	329.33
Trade payables	55.17	50.89	4.28	-	55.17
Other financial liabilities	80.37	80.37	-	-	80.37
Total	**579.04**	**466.34**	**112.70**	-	**579.04**

The Company has secured loans from bank that contain loan covenants. A future breach of covenant may require the Company to repay the loan earlier than indicated in the above table.

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Exposure to Interest rate risk

	As at 31 March 2024	As at 31 March 2023
Variable rate borrowings	248.18	255.70
Fixed rate borrowings	147.13	182.05

Interest rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sensitivity		
1% increase in variable rate	(2.48)	(2.56)
1% decrease in variable rate	2.48	2.56

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

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The following table demonstrates the sensitivity to a reasonably possible change in the USD/EUR exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Amount in USD	Equivalent amount in Rs in millions for USD	Amount in EURO	Equivalent amount in Rs in millions for EURO
31 March 2024				
Trade receivable	87,93,411	733.14	-	-
Advance from customers	14,39,293	120.00	-	-
Trade payable	51,548	4.30	29,375	2.65
Advance paid to overseas vendors	69,984	5.83	-	-
31 March 2023				
Trade receivable	58,30,366	479.35	-	-
Advance from customers	10,88,286	89.48	-	-
Trade payable	18,021	1.48	18,708	1.68
Advance paid to overseas vendors	42,793	3.52	-	-

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The company's exposure to foreign currency changes for all other currencies is not material. The effect of a 5% strengthening or weakening of the respective currencies on the profit and loss account is demonstrated in the following table.

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2024					
	USD	30.73	(30.73)	23.00	(23.00)
	EURO	(0.13)	0.13	(0.10)	0.10
31 March 2023					
	USD	19.60	(19.60)	14.66	(14.66)
	EURO	(0.08)	0.08	(0.06)	0.06

40 Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the group's ability to continue as a going concern.

The Company has distributed dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Bill Discounting and Borrowings from Bank and Financial Institutions.

The debt to adjusted capital ratio at the end of the reporting period was as follows:

	As at 31 March 2024	As at 31 March 2023
Total Debt (Refer note 16 and 17)	395.31	437.75
Less : cash and cash equivalents and bank balances	142.08	80.39
Adjusted net debt	**253.23**	**357.36**
Total equity	**1,047.65**	**781.34**
Gearing Ratio	**0.19**	**0.31**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year 31 March 2024 and 31 March 2023.

Refer note 45(10) of financial statements for return on capital employed.

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41 Income tax and deferred taxes

Components of income tax and deferred tax expenses

		As at 31 March 2024	As at 31 March 2023
	Tax expense recognised in the Statement of Profit and Loss		
A.	Current Tax		
	Current year	150.30	86.00
	Tax pertaining to earlier years	1.78	-
	Total (A)	**152.08**	**86.00**
B.	Deferred Tax		
	Origination and reversal of temporary differences	(1.99)	(0.51)
	Total (B)	**(1.99)**	**(0.51)**
	Total (A+B)	**150.09**	**85.49**
C.	Tax on Other Comprehensive Income		
	Deferred tax		
	Origination and reversal of temporary differences - OCI	0.78	0.59
	Total	**0.78**	**0.59**

Current tax (assets) / liabilities (net)

		As at 31 March 2024	As at 31 March 2023
D.	Advance tax Including TDS receivable and self assessment tax paid	(131.86)	(72.50)
E.	Provision for tax	150.30	83.82
		18.44	**11.32**

F. Reconciliation of tax expense and the Accounting Profit

	As at 31 March 2024	As at 31 March 2023
Profit before income taxes	564.08	330.88
Indian statutory income tax rate	25.17%	25.17%
Expected Income Tax Expense	141.97	83.28
Tax effect of expenditure disallowed under income tax	5.29	1.96
Others	2.83	0.25
Total income tax expense	**150.09**	**85.49**

Movement during the period ended 31 March 2024	As at 01 April 2023	(Credit)/charge in the Statement of Profit and Loss	(Credit)/charge in OCI	As at 31 March 2024
Deferred tax (assets)/liabilities				
On property, plant and equipment	(2.12)	(2.22)	-	(4.34)
On provision for employee benefits	(2.84)	0.45	-	(2.39)
Provision for gratuity	(2.81)	(0.51)	0.78	(2.54)
Disallowance u/s 40a(1a) - TDS	(0.12)	0.13	-	0.01
Lease liability	-	(0.86)		(0.86)
Right-to-Use	-	0.91	-	0.91
IND AS prepaid expenses	-	0.13	-	0.13
Total	**(7.89)**	**(1.98)**	**0.78**	**(9.09)**

Movement during the period ended 31 March 2023	As at 01 April 2022	(Credit)/charge in the Statement of Profit and Loss	(Credit)/charge in OCI	As at 31 March 2023
Deferred tax (assets)/liabilities				
On property, plant and equipment	(2.79)	0.67	-	(2.12)
On provision for employee benefits	(0.97)	(1.87)	-	(2.84)
Provision for gratuity	(3.10)	(0.30)	0.59	(2.81)
Disallowance u/s 40a(1a) - TDS	(1.10)	0.98	-	(0.12)
Total	**(7.96)**	**(0.52)**	**0.59**	**(7.89)**

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The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities. The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

42 Revenue from operations

Revenue from contract with customers

Particulars	As at 31 March 2024	As at 31 March 2023
Income from Sale of products	2,424.28	1,913.54
Income from Sale of services	-	87.93
Other operating revenue including export incentives	1.64	-
	2,425.92	**2,001.47**

Disaggregated revenue information

Geographic Revenue		
Revenue from contract with customers		
With in India	201.42	340.60
Outside India	2,224.50	1,660.87
	2,425.92	**2,001.47**

Timing of revenue recognition		
Services transferred at a point of time	-	87.93
Goods transferred at a point of time	2,425.92	1,913.54
Total revenue from contracts with customers	**2,425.92**	**2,001.47**

Reconciliation of revenue recognised with the contracted price is as follows:		
Contract price	2,425.92	2,001.47
Less: Discounts and disallowances	-	-
Total revenue from contracts with customers	**2,425.92**	**2,001.47**

Contract balances

Particulars	As at 31 March 2024	As at 31 March 2023
Trade receivables (Refer Note 10)	713.19	478.84

Performance obligation:

Sale of products:

Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services:

The performance obligation in respect of job work services is satisfied at point of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of the job work and acceptance of the customer.

Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. Income tax consequences of dividends on financial instruments classified as equity will be recognized according to where the entity originally recognized those past transactions or events that generated distributable profits.

The Company declares and pays dividends in Indian rupees. Companies are required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

During the year ended March 31, 2024, on account of the final dividend for fiscal 2023 the Company has incurred a net cash outflow of Rs.150 Millions.

The Board has declared the dividend of Rs 200 Millions, vide dated August 20, 2024. The company has distributed the divided to its shareholders in compliance with section 123 of the Act.

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43 **Statutory disclosures**

(a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(b) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(c) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(d) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

(e)The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (i) 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 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(f) The Company does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.

(g) The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(h) The Company does not have any borrowings from banks and financial institutions that are used for any other purpose other than the specific purpose for which it was taken at the reporting balance sheet date.

(i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

(j) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(k) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(l) The Company has not revalued its property, plant and equipment during the financial year 2023-24

(m) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3 & 4 to the financial statements, are held in the name of the company.

44 **The Code on Social Security 2020**

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

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Notes forming part of financial statements
(All amounts are Rs. in millions, unless otherwise stated)

45 Ratios as per the Schedule III requirements

S.No	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	Change in Ratio	% Change in Ratio	Reason for change more than 25%
1	Current Ratio (in times)	Current assets	Current liabilities	2.08	1.74	0.34	20%	Not a major Variance
2	Debt-Equity Ratio (in times)	Total Debt	Total equity	0.38	0.56	(0.18)	-33%	Ratio improvement as a result of increased loan payback.
3	Debt Coverage Ratio	Earnings available for debt service	Total Interest, principal repayments and lease Payments	4.95	10.54	(5.59)	-53%	The change in ratio is due to the high repayment of loans and interest, improving the company's cash flow.
4	Return on Equity (ROE) (in %)	Net Profits after taxes	Total equity	40%	31%	8%	26%	An increase in the ratio corresponds with a rise in the sale quantity and price, which boosts annual profits.
5	Inventory turnover ratio (In times)	Sales	Average inventory	23.07	14.37	8.70	61%	The ratio improved over the year as a result of the closing stock's liquidity.
6	Trade receivables turnover ratio (in times)	Revenue from operations	Average Trade Receivables	4.07	6.77	(2.70)	-40%	Trade receivables have decreased as a result of extended credit terms brought about by changing market conditions.
7	Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	5.33	7.70	(2.37)	-31%	The decline in trade payable percentage is attributed to more consistent payments over the last year.
8	Net capital turnover ratio (in	Revenue from operations	Working Capital	3.54	4.67	(1.13)	-24%	Not a major Variance
9	Net profit ratio (in %)	Net profit after tax	Revenue from operations	0.17	0.12	0.05	39%	The increase in the ratio is due to increase of sale price during the year
10	Return on Capital employed (in %)	Earnings before interest and taxes	Capital Employed	0.41	0.29	0.12	41%	Growth in sales and loan payback are the reasons for increased profitability. This suggests that the company's operational performance and debt management have improved.
11	Return on Investment (in %)	Net profit	Net investments	0.40	0.31	0.08	26%	Growth in sales and loan payback are the reasons for increased profitability. This suggests that the company's operational performance and debt management have improved.

As per our report even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226

Place: Hyderabad
Date: 23 September 2024

For and on behalf of the Board of Directors of
Andhra Pradesh Granite (Midwest) Private Limited
(CIN : U14102AP2007PTC054390)

K. Ramachandra
Managing Director
DIN:00060086

G. Ravinder Reddy
Whole Time Director
DIN:01714344

Anushka Agarwal
Company Secretary
M No: A62988

Place: Hyderabad
Date: 23 September 2024