



(Please scan this QR code to view the DRHP)



MIDWEST

MIDWEST LIMITED

CORPORATE IDENTITY NUMBER: U14102TG1981PLC003317

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
8-2-684/3/25 & 26 Road No.12, Banjara Hills Hyderabad 500 034 Telangana, India	Mr. Rohit Tibrewal, Company Secretary and Compliance Officer	E-mail: cs@midwest.in Tel: +91 40 2330 5194	www.midwest.in

OUR PROMOTERS: MR. KOLLAREDDY RAMA RAGHAVA REDDY, MR. KOLLAREDDY RAMACHANDRA, MRS. KUKRETI SOUMYA AND MRS. UMA PRIYADARSHINI KOLLAREDDY

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	SIZE OF FRESH ISSUE	SIZE OF OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIBs, RIBs AND ELIGIBLE EMPLOYEES
Fresh Issue and Offer for Sale	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹2,500.00 million ⁽⁴⁾	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹4,000.00 million	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹6,500.00 million	The Offer is being made pursuant to Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"). For further details, see "Other Regulatory and Statutory Disclosures—Eligibility for the Offer" on page 459. For details in relation to share reservation among QIBs, NIBs, RIBs and Eligible Employees see "Offer Structure" beginning on page 477.

DETAILS OF THE OFFER FOR SALE BY SELLING SHAREHOLDERS

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED / AMOUNT	WACA (IN ₹)*
Mr. Kollareddy Rama Raghava Reddy	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹3,600 million	Nil
Mr. Guntaka Ravindra Reddy	Promoter Group Selling Shareholder	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹400 million	0.03

*Weighted average cost of acquisition per Equity Share of face value ₹5, as certified by Majeti & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹5. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" beginning on page 146 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 31.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms the statements made or undertaken expressly by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements in this Draft Red Herring Prospectus, including, *inter alia*, any of the statements made by or relating to our Company, any other Selling Shareholder or any other person(s).

LISTING

The Equity Shares to be offered through the Red Herring Prospectus are proposed to be listed on the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**” and together with BSE, the “**Stock Exchanges**”). For the purposes of the Offer, NSE is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAME OF THE BOOK RUNNING LEAD MANAGER AND LOGO	CONTACT PERSON	E-MAIL AND TELEPHONE
 DAM Capital Advisors Limited	Chandresh Sharma / Puneet Agnihotri	E-mail: midwest.ipo@damcapital.in Tel: +91 22 4202 2500
 Intensive Fiscal Services Private Limited	Harish Khajanchi / Anand Rawal	E-mail: midwest.ipo@intensivefiscal.com Tel: +91 22 2287 0443
 Motilal Oswal Investment Advisors Limited	Kunal Thakkar/ Sankita Ajinkyaa	E-mail: midwest.ipo@motilaloswal.com Tel: +91 22 7193 4380

REGISTRAR TO THE OFFER

NAME OF THE REGISTRAR	CONTACT PERSON	E-MAIL AND TELEPHONE
KFin Technologies Limited	M. Murali Krishna	E-mail: midwest.ipo@kfintech.com Tel: +91 40 6716 2222

BID / OFFER PERIOD

ANCHOR INVESTOR BID / OFFER PERIOD	[●] ⁽¹⁾
BID / OFFER OPENS ON	[●]
BID / OFFER CLOSES ON	[●] ⁽²⁾⁽³⁾

⁽¹⁾ Our Company, in consultation with the Book Running Lead Managers, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

⁽²⁾ Our Company, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

⁽³⁾ UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

⁽⁴⁾ Our Company, in consultation with the BRLMs, may consider further issue of specified securities for cash consideration aggregating up to ₹500.00 million. The Pre-IPO Placement shall be undertaken prior to filing of the Red Herring Prospectus and the price of the specified securities allotted pursuant to the Pre-IPO Placement shall be determined by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Details of the allottees in the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus to be filed with the RoC. Prior to the completion of the Offer and if the Pre-IPO Placement is undertaken, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.



MIDWEST LIMITED

(Please scan this QR code to view the DRHP)

Our Company was incorporated on December 11, 1981 at Hyderabad in the erstwhile state of Andhra Pradesh, India as 'Midwest Granite Private Limited', a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Andhra Pradesh at Hyderabad. Subsequently, pursuant to a special resolution passed by our Shareholders dated May 7, 2024, the name of our Company was changed to 'Midwest Private Limited' and a fresh certificate of incorporation dated July 2, 2024 was issued by the Registrar of Companies, Central Processing Centre. Our Company was then converted into a public limited company under the Companies Act, 2013 pursuant to a special resolution passed by our Shareholders dated July 15, 2024, and consequently, the name of our Company was changed to 'Midwest Limited' and a fresh certificate of incorporation dated August 28, 2024 was issued by the Registrar of Companies, Central Processing Centre. For further details in relation to changes in the name and the registered office of our Company, see "History and Certain Corporate Matters" beginning on page 273.

Registered and Corporate Office: 8-2-684/3/25 & 26, Road No.12, Banjara Hills, Hyderabad 500 034, Telangana, India

Contact Person: Mr. Rohit Tibrewal, Company Secretary and Compliance Officer

Tel: +91 40 2330 5194; **E-mail:** cs@midwest.in; **Website:** www.midwest.in

Corporate Identity Number: U14102TG1981PLC003317

OUR PROMOTERS: MR. KOLLAREDDY RAMA RAGHAVA REDDY, MR. KOLLAREDDY RAMACHANDRA, MRS. KUKRETI SOUMYA AND MRS. UMA PRIYADARSHINI KOLLAREDDY

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹5 EACH ("EQUITY SHARES") OF MIDWEST LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹6,500.00 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,500.00 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹3,600.00 MILLION BY MR. KOLLAREDDY RAMA RAGHAVA REDDY ("PROMOTER SELLING SHAREHOLDER") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹4,000.00 MILLION BY MR. GUNTAKA RAVINDRA REDDY (THE "PROMOTER GROUP SELLING SHAREHOLDER"), AND TOGETHER WITH THE PROMOTER SELLING SHAREHOLDER, REFERRED TO AS THE "SELLING SHAREHOLDERS", AND EACH INDIVIDUALLY, AS A "SELLING SHAREHOLDER" AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE".

THIS OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹[●] MILLION (CONSTITUTING UP TO 5% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". OUR COMPANY IN CONSULTATION WITH THE BRLMS, MAY OFFER A DISCOUNT OF UP TO ₹[●] TO THE OFFER PRICE (EQUIVALENT OF ₹[●] PER EQUITY SHARE) TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY MAY, IN CONSULTATION WITH THE BRLMS, CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES FOR CASH CONSIDERATION AGGREGATING UP TO ₹500.00 MILLION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, TELANGANA AT HYDERABAD ("ROC"), AND SUCH FURTHER ISSUE, THE "PRE-IPO PLACEMENT". THE PRICE OF THE SPECIFIED SECURITIES ALLOTTED PURSUANT TO THE PRE-IPO PLACEMENT SHALL BE DETERMINED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"). PRIOR TO THE COMPLETION OF THE OFFER AND IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, OUR COMPANY SHALL APPROPRIATELY INTIMATE THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT, PRIOR TO ALLOTMENT PURSUANT TO THE PRE-IPO PLACEMENT, THAT THERE IS NO GUARANTEE THAT OUR COMPANY MAY PROCEED WITH THE OFFER OR THE OFFER MAY BE SUCCESSFUL AND WILL RESULT IN LISTING OF THE EQUITY SHARES ON THE STOCK EXCHANGES. FURTHER, RELEVANT DISCLOSURES IN RELATION TO SUCH INTIMATION TO THE SUBSCRIBERS TO THE PRE-IPO PLACEMENT (IF UNDERTAKEN) SHALL BE APPROPRIATELY MADE IN THE RELEVANT SECTIONS OF THE RHP AND PROSPECTUS. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE FRESH ISSUE, SUBJECT TO COMPLIANCE WITH RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED (THE "SCRR"). THE PRE-IPO PLACEMENT SHALL NOT EXCEED 20% OF THE SIZE OF THE FRESH ISSUE.

THE FACE VALUE OF THE EQUITY SHARES IS ₹5 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND (INCLUDING EMPLOYEE DISCOUNT, IF ANY) AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [●], ALL EDITIONS OF THE HINDU NATIONAL DAILY NEWSPAPER, [●] AND THE [●] EDITION OF THE TELUGU DAILY NEWSPAPER, [●] (TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO THE BSE LIMITED (THE "BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the other Designated Intermediaries and the Sponsor Banks, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"), and such portion, the "QIB Portion", provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations (the "Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion ("Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from the Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price, out of which (a) one-third of such portion shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,00,000; and (b) two-thirds of such portion shall be reserved for Bidders with application size of more than ₹1,00,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders; and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids being received from them at or above the Offer Price (net of Employee Discount, if any, as applicable). All Bidders (except Anchor Investors) are mandatorily required to utilize the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA account and UPI ID in case of UPI Bidders through the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self-Certified Syndicate Banks ("SCSBs") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For further details, see "Offer Procedure" beginning on page 482.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹5 each. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" beginning on page 146, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by SEBI, nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 31.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms the statements made or undertaken expressly by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with the Companies Act. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 516.

REGISTRAR TO THE OFFER

BOOK RUNNING LEAD MANAGERS	MOTILAL OSWAL INVESTMENT BANKING	KFINTECH EXPERIENCE TRANSFORMATION	
 DAM Capital Advisors Limited One BKC, Tower C, 15th Floor, Unit No. 1511 Bandra Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: +91 22 4202 2500 E-mail: midwest.ipo@damcapital.in Website: www.damcapital.in Investor grievance e-mail: complaint@damcapital.in Contact Person: Chandresh Sharma / Puneet Agnihotri SEBI Registration No.: MB/INM00001136	 Intensive Fiscal Services Private Limited 914, 9th Floor, Raheja Chambers Free Press Journal Marg Nariman Point, Mumbai 400 021 Maharashtra, India Tel: +91 22 2287 0443 E-mail: Midwest.ipo@intensivefiscal.com Website: www.intensivefiscal.com Investor grievance e-mail: grievance.ib@intensivefiscal.com Contact Person: Harish Khajanchi / Anand Rawal SEBI Registration No.: INM00001112	 Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah Sayani Road Opposite Patel ST Depot Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 7193 4380 E-mail: midwest.ipo@motilaloswal.com Website: www.motilaloswalgroup.com Investor grievance e-mail: moiapiressal@motilaloswal.com Contact Person: Kunal Thakkar/ Sankita Ajinkya SEBI Registration No.: INM000011005	KFin Technologies Limited Selenium Tower-B Plot No. 31 & 32, Financial District Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India Tel: +91 40 6716 2222 E-mail: midwest.ipo@kfintech.com Website: www.kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON: [●]⁽¹⁾ **BID/OFFER CLOSES ON:** [●]⁽²⁾⁽³⁾

⁽¹⁾ Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date.

⁽²⁾ Our Company, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

⁽³⁾ UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

(This page is intentionally left blank)

TABLE OF CONTENTS

SECTION I: GENERAL.....	2
DEFINITIONS AND ABBREVIATIONS	2
OFFER DOCUMENT SUMMARY	16
CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	25
FORWARD-LOOKING STATEMENTS.....	29
SECTION II: RISK FACTORS	31
SECTION III: INTRODUCTION	72
THE OFFER.....	72
SUMMARY OF FINANCIAL INFORMATION	74
GENERAL INFORMATION	79
CAPITAL STRUCTURE.....	87
OBJECTS OF THE OFFER	109
BASIS FOR OFFER PRICE	146
STATEMENT OF SPECIAL TAX BENEFITS	157
SECTION IV: ABOUT OUR COMPANY	163
INDUSTRY OVERVIEW	163
OUR BUSINESS.....	224
KEY REGULATIONS AND POLICIES.....	265
HISTORY AND CERTAIN CORPORATE MATTERS	273
OUR MANAGEMENT.....	292
OUR PROMOTERS AND PROMOTER GROUP	312
OUR GROUP COMPANIES	317
DIVIDEND POLICY	320
SECTION V: FINANCIAL INFORMATION.....	321
RESTATED CONSOLIDATED FINANCIAL STATEMENTS.....	321
OTHER FINANCIAL INFORMATION	398
CAPITALIZATION STATEMENT	399
FINANCIAL INDEBTEDNESS	400
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	402
SECTION VI: LEGAL AND OTHER INFORMATION	440
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	440
GOVERNMENT AND OTHER APPROVALS	452
OTHER REGULATORY AND STATUTORY DISCLOSURES.....	457
SECTION VII: OFFER RELATED INFORMATION.....	471
TERMS OF THE OFFER	471
OFFER STRUCTURE	477
OFFER PROCEDURE.....	482
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	502
SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION	504
SECTION IX: OTHER INFORMATION.....	516
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	516
DECLARATION	520

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular or notification shall be deemed to include all amendments, supplements, re-enactments, clarifications and modifications thereto, from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

Notwithstanding the foregoing, the terms used in “Industry Overview”, “Key Regulations and Policies”, “Statement of Special Tax Benefits”, “Restated Consolidated Financial Statements”, “Basis for Offer Price”, “History and Certain Corporate Matters”, “Financial Indebtedness”, “Other Regulatory and Statutory Disclosures”, “Outstanding Litigation and Material Developments” and “Description of Equity Shares and Terms of the Articles of Association” beginning on pages 163, 265, 157, 321, 146, 273, 400, 457, 440 and 504, respectively, shall have the respective meanings ascribed to them in the relevant sections.

General Terms

Term	Description
Our Company or the Company or the Issuer	Midwest Limited (formerly known as Midwest Granite Private Limited), a public limited company incorporated in India under the Companies Act, 1956, whose registered and corporate office is situated at 8-2-684/3/25 & 26, Road No.12, Banjara Hills, Hyderabad 500 034, Telangana, India
We or us or our	Unless the context otherwise requires or implies, refers to our Company, our Subsidiaries and our Joint Ventures, on a consolidated basis, as applicable

Company Related Terms

Term	Description
2014 Amalgamation Scheme	Scheme of amalgamation of Ind Natali Granite Private Limited, Opusasia Technologies Private Limited, Reliance Granite Private Limited, Subhiksha Agro Farms Private Limited, Victorian Granites Private Limited, Yarra Agro Estates Private Limited with our Company and their respective shareholders. For further details, see “History and Certain Corporate Matters–Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years” on page 280
2022 Amalgamation Scheme	Scheme of amalgamation of RDT Diamond Tools Private Limited and Midwest Mining Private Limited into our Company. For further details, see “History and Certain Corporate Matters–Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years” on page 281
APGM or Material Subsidiary	Andhra Pradesh Granite (Midwest) Private Limited
AoA or Articles or Articles of Association	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board of Directors as described in “Our Management–Committees of the Board–Audit Committee” beginning on page 301
Auditors or Statutory Auditors	The statutory auditors of our Company, namely, M S K A & Associates, Chartered Accountants.
Board or Board of Directors	The board of directors of our Company. For details, see “Our Management” beginning on page 292
Chairman	Chairman and independent director of our Board, namely, Mr. Rana Som
Chief Financial Officer or CFO	Our Company’s chief financial officer, namely, Mr. Dilip Kumar Chalasani
Company Secretary and Compliance Officer	Our Company’s company secretary and compliance officer for the purposes of the Offer and as required under the SEBI Listing Regulations, namely, Mr. Rohit Tibrewal
Corporate Social Responsibility & Environmental, Social and Governance Committee or CSR & ESG Committee	Corporate social responsibility and environmental, social & governance committee of our Board, as described in “Our Management–Committees of the Board” beginning on page 300
Creditors Materiality Policy	The policy adopted by our Board on September 27, 2024 for identification of material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
CRISIL MI&A	CRISIL Market Intelligence & Analytics, a division of CRISIL Limited

Term	Description
CRISIL Report	Report titled “Assessment of the granite, quartz and heavy mineral sand industry” dated September, 2024 prepared and released by CRISIL MI&A, exclusively commissioned and paid for by our Company in connection with the Offer
Director(s)	The director(s) on our Board, as described in “Our Management–Board of Directors” beginning on page 292
Direct Subsidiaries	<p>Direct Subsidiaries of our Company, namely:</p> <ul style="list-style-type: none"> ▪ Andhra Pradesh Granite (Midwest) Private Limited; ▪ Midwest Neostone Private Limited; ▪ AP Midwest Galaxy Private Limited; ▪ BEML Midwest Limited; ▪ Reliance Diamond Tools Private Limited; ▪ Midwest Holdings Limited; ▪ Midwest Heavy Sands Private Limited; and ▪ Trinco Mineral Sands Private Limited
Equity Shares	Equity shares of face value of ₹5 each of our Company
Founder	Our founder, Mr. Kollareddy Rama Raghava Reddy
Group Companies	<p>Our group companies as described in “Our Group Companies” beginning on page 317, namely:</p> <ul style="list-style-type: none"> ▪ South Coast Infrastructure Development Company of Andhra Pradesh Limited; ▪ Midwest Advanced Materials Private Limited; ▪ Midwest Energy Private Limited; ▪ Midwest Gold Limited; ▪ Astral Granite Private Limited; ▪ Midwest Quartz Private Limited; and ▪ Amaya Smart Technologies Private Limited.
Group Company Materiality Policy	The policy adopted by our Board on September 27, 2024 for identification of material group companies, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Independent Directors(s)	The non-executive independent director(s) on our Board, as described in “Our Management–Board of Directors” beginning on page 292
IPO Committee	The initial public offering committee of our Board of Directors
Joint Ventures	Joint ventures of our Company, namely, South Coast Infrastructure Development Company of Andhra Pradesh Limited and S.C.R. Agro Tech Private Limited. For further details, see “History and Certain Corporate Matters–Joint Ventures” beginning on page 289.
Key Managerial Personnel or KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as described in “Our Management” beginning on page 309
Litigation Materiality Policy	The policy adopted by our Board on September 27, 2024 for identification of material outstanding civil litigation, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Midwest Gold	Midwest Gold Limited, a Group Company and Promoter Group member, which is listed on the equity segment of BSE Limited.
MoA or Memorandum or Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board of Directors as described in “Our Management–Committees of the Board–Nomination and Remuneration Committee” beginning on page 303
Phase I Quartz Processing Facility	Phase I of the Quartz processing facility being established at the APIIC Growth Center (Building Materials Special Economic Zone) at Annangi Village, Prakasam District, Andhra Pradesh, India which will process Quartz grit and powder which will be sold primarily to manufacturers of Engineered Stone, with an annual installed capacity of 303,600 metric tonnes per annum
Phase II Quartz Processing Facility	Phase II of the Quartz processing facility being established at the APIIC Growth Center (Building Materials Special Economic Zone) at Annangi Village, Prakasam District, Andhra Pradesh, India which will have the capacity to produce additional quantities of Quartz grit and powder suitable for manufacturing Engineered Stone and Quartz grit and powder suitable for manufacturing Solar Glass, with an annual installed capacity of 303,000 metric tonnes per annum
Promoters	The promoters of our Company, namely, Mr. Kollareddy Rama Raghava Reddy, Mr. Kollareddy Ramachandra, Mrs. Kukreti Soumya and Mrs. Uma Priyadarshini Kollareddy. For details, see “Our Promoters and Promoter Group” on page 312
Promoter Group	Entities and individuals constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in “Our Promoters and Promoter Group” on page 312
Risk Management Committee	The risk management committee of our Board of Directors as described in “Our Management–Committees of the Board–Risk Management Committee” beginning on page 307
Registered and Corporate Office	The registered and corporate office of our Company, which is located at 8-2-684/3/25 & 26, Road No.12, Banjara Hills, Hyderabad 500 034, Telangana, India

Term	Description
Registrar of Companies or RoC	The Registrar of Companies, Telangana at Hyderabad
Restated Consolidated Financial Statements	Restated consolidated financial statements of the Company comprising the restated consolidated statements of assets and liabilities as of March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statements of cash flows and the restated consolidated statements of changes in equity for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, together with the summary of material accounting policies and explanatory information thereon, derived from the audited consolidated financial statements as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS and each restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended
Senior Management	Senior management of our Company in terms of Regulation 2(1) (bbbb) of the SEBI ICDR Regulations, and as described in “ <i>Our Management–Senior Management of our Company</i> ” beginning on page 309
Shareholders	The holders of the <u>Equity Shares</u> , from time to time
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board of Directors as described in “ <i>Our Management–Committees of the Board–Stakeholders’ Relationship Committee</i> ” beginning on page 306
Subsidiaries	<p>Direct Subsidiaries and Step-down Subsidiaries of our Company.</p> <p>In addition to the Direct Subsidiaries and Step-down Subsidiaries, our Company has included the following entities or concerns as ‘subsidiaries’ in the Restated Consolidated Financial Statements:</p> <ol style="list-style-type: none"> 1. Deccan Silica LLP 2. NDR Mining Co (Partnership Firm) 3. Maitreya Minerals (Partnership Firm) 4. Baahula Minerals (Partnership Firm) <p>For further details, see “<i>History and Certain Corporate Matters–Subsidiaries</i>” beginning on page 283.</p>
Step-down Subsidiaries	Step-down subsidiaries of our Company, namely, Southasia Granite and Marble (Private) Limited, Maven Holdings Limited, Midwest Africa LDA and Midwest Koriba LDA. For further details, see “ <i>History and Certain Corporate Matters–Subsidiaries–Step Down Subsidiaries</i> ” beginning on page 287.
Whole-time Director and Chief Executive Officer	Our Company’s whole-time director and chief executive officer, namely, Mr. Kollareddy Ramachandra
Whole-time Directors	The whole-time director(s) on our Board, as described in “ <i>Our Management–Board of Directors</i> ” beginning on page 292

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allotment or Allot or Allotted	Unless the context otherwise requires, allotment of Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale, in each case to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price shall be determined by our Company in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which shall be considered as an application for the Allotment in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed

Term	Description
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, no later than one Working Day after the Bid/ Offer Closing Date and not later than the time on such day specified in the revised CAN
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by UPI Bidders where the Bid Amount will be blocked upon acceptance of the UPI Mandate Request by UPI Bidders
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders, for blocking the Bid Amount mentioned in the relevant ASBA Form by such SCSB and includes the account of a UPI Bidder linked to a UPI ID, which is blocked upon acceptance of a UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder(s)	Bidder(s), except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	The Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Banks, as the case may be
Basis of Allotment	The basis on which Equity Shares shall be Allotted to successful Bidders under the Offer as described in “Offer Procedure” beginning on page 482
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of the Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder, and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of such Bid. Eligible Employees Bidding in the Employee Reservation Portion can Bid at the Cut-off Price and the Bid amount will be the Cap Price (net of Employee Discount, if any, as applicable), multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of Employee Discount, if any as applicable). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any as applicable)
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the case may be
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be published in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and [●] edition of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation. Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall be widely disseminated by notification to the

Term	Description
	Stock Exchanges and shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in a public notice in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and [●] edition of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations
Bidder(s)	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the <u>Bid cum Application Form</u> and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer, namely, DAM Capital, Intensive and Motilal Oswal
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker (in case of UPI Bidders, using the UPI Mechanism). The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
CAN or Confirmation of Allocation Note	A notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted, and which shall be at least 105% of the Floor Price and shall not be more than 120% of the Floor Price
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered into among our Company, the Selling Shareholders, the BRLMs, the Bankers to the Offer, Syndicate Members and Registrar to the Offer for, <i>inter alia</i> , collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to dematerialized account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by the SEBI and the UPI Circulars as per the respective list available on the websites of the Stock Exchanges, as updated from time to time
Cut-off Price	The Offer Price finalized by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
DAM Capital	DAM Capital Advisors Limited
Demographic Details	The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and as updated from time to time, or any such other website as may be prescribed by the SEBI
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the UPI Mechanism, instruction issued through the Sponsor Banks) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, as the case may be, in terms of the Red Herring prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer

Term	Description
Designated Intermediary(ies)	<p>Collectively, the Syndicate, Sub-Syndicate Members, SCSBs (other than in relation to UPI Bidders using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorized to collect Bid cum Application Forms from the Bidders in the Offer.</p> <p>In relation to ASBA Forms submitted by Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion by authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder, as the case may be, using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs.</p> <p>In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs</p>
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), updated from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 30, 2024 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto
Eligible Employee(s)	<p>All or any of the following: (a) a permanent employee of our Company or our Subsidiaries, present in India or outside India (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company or our Subsidiaries, as the case may be, until the submission of the Bid cum Application Form; (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company or our Promoters, until the submission of the Bid cum Application Form, but not including (i) the Promoters; (ii) persons belonging to the Promoter Group; (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company; or (iv) permanent employees of such Subsidiaries whose applicable laws in such jurisdictions, may, in the opinion of our Board, require our Company to undertake additional filings and compliances.</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount, if any, as applicable). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount, if any, as applicable). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any, as applicable), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any, as applicable)</p>
Eligible FPI(s)	FPIs that are eligible to participate in the Offer from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares offered thereby
Employee Discount	Our Company, in consultation with the BRLMs, may offer a discount of up to [●] % of the Offer Price (equivalent to ₹[●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.
Employee Reservation Portion	In accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, the portion of the Offer being up to [●] Equity Shares, aggregating up to ₹ [●] million, which shall not exceed 5% of the post-Offer Equity Share capital of the Company, available for allocation to Eligible Employees, on a proportionate basis

Term	Description
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) shall be opened, in this case being [●]
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted
Fresh Issue	<p>The issue of up to [●] Equity Shares aggregating up to ₹2,500.00 million by our Company.</p> <p>If the Pre-IPO Placement, aggregating up to ₹500.00 million, is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer and if the Pre-IPO Placement is undertaken, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.</p>
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Intensive	Intensive Fiscal Services Private Limited
Maximum RIB Allottees	The maximum number of Retail Individual Bidders who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to Retail Individual Bidders by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Monitoring Agency	[●], being a credit rating agency registered with SEBI
Monitoring Agency Agreement	Monitoring agency agreement to be entered into between our Company and the Monitoring Agency
Motilal Oswal	Motilal Oswal Investment Advisors Limited
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less the Employee Reservation Portion.
Net Proceeds	The proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further information regarding use of the Net Proceeds and the Offer related expenses, see " <i>Objects of the Offer</i> " beginning on page 109
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Non-Institutional Bidders or NIBs	All Bidders that are not QIBs or Retail Individual Bidders or the Eligible Employees Bidding in the Employee Reservation Portion, and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer, or [●] Equity Shares, which shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, out of which (a) one-third of such portion shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of such portion shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Offer	The initial public offer of up to [●] Equity Shares of face value ₹5 each for cash at a price of ₹[●] per Equity Share aggregating up to ₹6,500.00 million comprising the Fresh Issue and the Offer for Sale, comprising the Net Offer and the Employee Reservation Portion
Offer Agreement	The agreement dated September 30, 2024 entered into by and among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to [●] Equity Shares of face value ₹5 each aggregating up to ₹4,000.00 million by the Selling Shareholders for a cash price of ₹[●] per Equity Share, as set out below:

Term	Description		
	S. No.	Name of the Selling Shareholder	Number of Equity Shares offered / Amount
	1.	Mr. Kollareddy Rama Raghava Reddy	Up to [●] Equity Shares of face value ₹5 each aggregating up to ₹3,600.00 million
	2.	Mr. Guntaka Ravindra Reddy	Up to [●] Equity Shares of face value ₹5 each aggregating up to ₹400.00 million
Offer Price	<p>₹[●] per Equity Share, the final price (within the Price Band) at which Equity Shares will be Allotted to successful Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price.</p> <p>A discount of up to [●]% on the Offer Price (equivalent of ₹ [●] per Equity Share) may be offered to Eligible Employees Bidding in the Employee Reservation Portion. The Employee Discount if any, will be decided by our Company, in consultation with the Book Running Lead Managers.</p>		
Offer Proceeds	<p>The Net Proceeds and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see “<i>Objects of the Offer</i>” beginning on page 109</p>		
Offered Shares	Up to [●] Equity Shares of face value ₹5 each aggregating up to ₹4,000.00 million being offered for sale by the Selling Shareholders in the Offer for Sale		
Pre-IPO Placement	<p>The further issue of specified securities for a cash consideration aggregating up to ₹500.00 million, which may be undertaken by our Company, in consultation with the BRLMs, in favour of such investors permissible under applicable laws, to be completed prior to filing of the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. The price of the specified securities allotted pursuant to the Pre-IPO Placement shall be determined by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue. Prior to completion of the Offer, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result into listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.</p>		
Price Band	<p>Price band of a minimum price of ₹[●] per Equity Share (<i>i.e.</i>, the Floor Price) and the maximum price of ₹[●] per Equity Share (<i>i.e.</i>, the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company in consultation with the BRLMs and shall be advertised in all editions of the English national daily newspaper [●], all editions of the Hindi national daily newspaper [●] and [●] edition of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites</p>		
Pricing Date	The date on which our Company, in consultation with the BRLMs, will finalize the Offer Price		
Promoter Group Selling Shareholder	Mr. Guntaka Ravindra Reddy		
Promoter Selling Shareholder	Mr. Kollareddy Rama Raghava Reddy		
Prospectus	<p>The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act and the SEBI ICDR Regulations, containing, <i>inter alia</i>, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto</p>		
Public Offer Account(s)	<p>‘No-lien’ and ‘non-interest-bearing’ bank account(s) to be opened in accordance with Section 40(3) of the Companies Act, with the Public Offer Account Bank to receive money from the Escrow Account(s) and the ASBA Accounts maintained with the SCSBs on the Designated Date</p>		
Public Offer Account Bank(s)	<p>The bank(s) which are clearing members and registered with the SEBI as bankers to an issue and with which the Public Offer Account(s) shall be opened for collection of Bid Amounts from the Escrow Account(s) and ASBA Accounts on the Designated Date, being [●]</p>		
QIB Portion	<p>The portion of the Offer being not more than 50% of the Net Offer, or not more than [●] Equity Shares, which shall be available for allocation on a proportionate basis to QIBs, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price, as applicable</p>		

Term	Description
Qualified Institutional Buyer(s), QIB(s) or QIB Bidder(s)	Qualified institutional buyer(s) as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus for the Offer to be issued by our Company in accordance with Section 32 of the Companies Act and the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account(s)	Account opened with the Refund Bank(s) from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	The bank(s) which are clearing member(s) registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	The stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the circular (No. CIR/CFD/14/2012) dated October 4, 2012 and the UPI Circulars issued by the SEBI
Registrar Agreement	The agreement dated September 28, 2024 entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of the BSE and NSE, and the UPI Circulars
Registrar to the Offer or Registrar	KFin Technologies Limited
Retail Individual Bidders or RIBs	Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta) and Eligible NRIs
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer, or [●] Equity Shares of face value ₹5 each, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Forms. QIBs and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage. Only Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date
Self Certified Syndicate Banks or SCSBs	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA (other than through the UPI Mechanism), where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and as updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and as updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Selling Shareholders	Mr. Kollareddy Rama Raghava Reddy and Mr. Guntaka Ravindra Reddy
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered among our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and the credit of the Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate will accept ASBA Forms from the ASBA Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and as updated from time to time
Sponsor Banks	[●] and [●], each, being a Banker to the Offer, appointed by our Company to act as conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars
Stock Exchanges	Together, the BSE and the NSE
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Members, collectively

Term	Description
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, the Selling Shareholders and our Company in relation to the collection of Bid cum Application Forms by the members of the Syndicate
Syndicate Members	Syndicate members to the Offer as defined in Regulation 2(1)(hhhh) of the SEBI ICDR Regulations, being [●]
Systemically Important NBFC	In the context of a Bidder, a systemically important non-banking financial company registered with the RBI and as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, the Selling Shareholders and our Company to be entered into on or after the Pricing Date but prior to the filing of the Prospectus with the RoC
Unified Payments Interface or UPI	An instant payment mechanism developed by the NPCI
UPI Bidders	<p>Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion; (ii) Eligible Employees Bidding under the Employee Reservation Portion and (iii) individuals applying as Non-Institutional Bidders with an application size of up to ₹500,000 in the Non-Institutional Portion.</p> <p>Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)</p>
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, (to the extent these circulars are not rescinded by the SEBI RTA Master Circular, as applicable to RTA), SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the SEBI RTA Master Circular, the SEBI ICDR Master Circular, the SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circulars issued by the NSE having reference no. 23/2022 dated July 22, 2022 and reference no. 25/2022 dated August 3, 2022 and the notices issued by BSE having reference no. 20220722-30 dated July 22, 2022 and reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI or the Stock Exchanges in this regard
UPI ID	An ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidder to such UPI linked mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an UPI Bidder in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Working Day(s)	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays in India, in accordance with circulars issued by SEBI, including the UPI Circulars

Industry/Business Related Terms

Term	Description
Absolute Black Granite	A type of granite which has a deep black colour, with a uniform texture.
APMMC Rules	Andhra Pradesh Minor Mineral Concession Rules, 1966

Term	Description
Black Galaxy Granite	A type of black granite which is sparkling with flakes of a golden hue, which is available only in Chimakurthy, Andhra Pradesh in the entire world.
CEIAA	The Central Environmental Impact Assessment Authority
Celestia Quartzite	Trade name for a variety of Quartzite produced at our Mines.
Coal JORC Report	The technical assessment report titled “ <i>Technical Report on Economic Feasibility of Coal Reserves in 5086C Moatize Coalfield, Mozambique</i> ” dated August 31, 2024 prepared by G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code
Cu. m	Cubic meters
Current Ratio	A liquidity ratio that measures ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the total current assets by the total current liabilities
Debt to Equity Ratio	Calculated by dividing the Debt (<i>i.e.</i> , borrowings (current and non-current)) by total equity
Diamond Wire	A precision cutting tool employed in the natural stone and construction industries to size stones and other hard substances with precision in mines and processing/ fabrication facilities
Diamond Wire Facility	Our advanced manufacturing facility located in Hyderabad, Telangana where we manufacture Diamond Wire
Diamond Wire Segment	One of our operating segments which comprises the manufacture of Diamond Wire
Dimensional Granite	Granite that is cut to conform to specifications in terms of size and shape
Dimensional Stone	Stone that is cut to conform to specifications in terms of size and shape
Dimensional Stone Mining	Mining operations conducted for the purpose of winning Dimensional Stone
DMG	Directorate of Mines and Geology of the relevant State
Dump Land	A demarcated land area around a Mine which is used to store the Overburden
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization
EBITDA Margin	EBITDA during a given period as a percentage of revenue from operations during that period
EIA Report	Environmental impact assessment report
EMP	Environment management plan
ERP	Enterprise resource planning
Engineered Stone	Stone products manufactured by combining natural stone fragments with resins and pigments
Environmental Clearance	Environmental approval received from the SEIAA or the CEIAA, as applicable, under the Environment (Protection) Act, 1986, and the rules made thereunder
Garnet	A hard, dense mineral, having a glass-like appearance
GCD Rules	Granite Conservation and Development Rules, 1999
Geovale Audit Report	Audit report titled “ <i>Audit Report on JORC Compliant reports on DSG and Quartz mines in India and Maiden Heavy Mineral Sand resources in Sri Lanka for Midwest Granite Pvt Ltd</i> ” dated July 24, 2024
Granite	Granite is an intrusive igneous rock, underlying much of the Earth’s continental crust
Green Belt	Area required to be built around the site of a Mine to capture fugitive emissions emanating from the mining operations and attenuate the noise generated from the operations
HMS or Heavy Mineral Sands	Beach and heavy sand minerals, also known as placer deposits, formed by the action of water and wind concentrating valuable minerals from weathered rocks in coastal and near-coastal environments
Ilmenite	An iron titanium oxide, a major source of titanium dioxide
JORC Code	2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JORC Report	The technical assessment report titled “ <i>JORC Report on Techno-Economic Assessment of Dimension Stone Granite Reserves, High grade Quartz Deposits in India and Heavy Mineral Sand Resources in Sri Lanka</i> ”, dated June 22, 2024 commissioned by our Company from G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code.
Laza Grey Marble	Trade name for a variety of grey Marble produced at our Mines
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
MCR	The Mineral Concession Rules, 1960
Mine	An excavation where any operation for the purpose of searching for or obtaining minerals has been or is being carried on
ML-I	The first stage mining lease sanctioned by the DMG
ML-II	The second stage mining lease, <i>i.e.</i> , the work order
Mining Plan	A detailed mining plan for approval to the DMG. The mining plan requires us to, among other things, provide details on the methodology, machinery and equipment proposed to be utilized for carrying out the mining activities and indicate the production capacity, longevity of the operations, proposals for preservation of the top soil, if applicable, and deposition of waste for reclamation of land at the time of mine closure.
MMDR Act	Mines and Minerals (Development and Regulations) Act, 1957
Mohs Scale of Hardness	A measure of the relative hardness and resistance to scratching between minerals. The scale assigns each mineral a value between 10 (being the hardest and most resistant to scratching) and 1 (the least resistant to scratching)
Monazite	A phosphate mineral containing rare earth elements, thorium and uranium

Term	Description
MWH	Mega watt-hour
Mineral Policy, 2019	National Mineral Policy, 2019
Natural Stone Segment	One of our operating segments which comprises extracting and processing Dimensional Granite, particularly the Black Galaxy and Absolute Black varieties
Net Profit Margin	Net Profit Margin is a measure of how much net profit is generated as a percentage of revenue and is calculated by dividing our net profit for the year by revenue from operations during that period and is expressed as a percentage
Overburden	The top-soil, the soil covering the mineral deposit and mine-waste excavated from the Mine
Quartz	A crystalline mineral composed primarily of silicon dioxide
Quartzite	A metamorphic rock that is formed when quartz-rich rocks are subjected to high pressure and temperature
Return on Capital Employed or RoCE	Calculated by dividing EBIT and taxes during a given period by capital employed (<i>i.e.</i> , total assets less current liabilities) during that period
Return on Equity or RoE	Profit for the year divided by the total equity during that year and is expressed as a percentage
RFID	Radio-frequency identification
Rutile	A titanium dioxide mineral, which is an important source of titanium, valued for its high purity and brightness in pigments
SEZ	Special Economic Zone notified under the Special Economic Zones Act, 2005
SEIAA	The State Environmental Impact Assessment Authority
Solar Glass	Specialized glass material used on solar panels
Tan Brown Granite	Trade name for a variety of brown Granite produced at our Mines
TSMMC Rules	Telangana State Minor Mineral Concession Rules, 1966
Working Capital Cycle	Working capital cycle describes the number of days it takes for a business to convert its working capital into revenue and is calculated by deducting trade payable days from the sum of inventory days and trade receivable days. Trade payables days have been calculated as trade payables divided by operational expenses multiplied by 365 days. Trade receivables days have been calculated as trade receivables divided by revenue from operations multiplied by 365 days. Inventory days have been calculated as inventory divided by revenue from operations multiplied by 365 days.
Zircon	A mineral that belongs to the group of silicates and is characterized by its high density, hardness, and resistance to corrosion and heat

Conventional and General Terms/Abbreviations

Term	Description
Alternative Investment Funds or AIFs	Alternative investment funds as defined in, and registered under, the SEBI AIF Regulations
AGM	Annual general meeting
Banking Regulation Act	The Banking Regulation Act, 1949
BSE	BSE Limited
CAGR	Compounded annual growth rate
Category I FPIs	FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II FPIs	FPIs registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act or Companies Act, 2013	The Companies Act, 2013, read with the rules, regulations, clarifications and modifications notified thereunder, as amended
Companies Act, 1956	The Companies Act, 1956, read with the rules, regulations, clarifications and modifications notified thereunder
Competition Act	The Competition Act, 2002
CSR	Corporate social responsibility
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's identification number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (<i>earlier known as the Department of Industrial Policy and Promotion</i>)
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FDI	Foreign Direct Investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with the rules and regulations thereunder

Term	Description
FEMA Non-debt Instruments Rules or the FEMA NDI Rules or FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal or Fiscal Year or FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIR	First information report
FPIs	Foreign portfolio investors as defined in, and registered with, the SEBI under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined in, and registered with, the SEBI under the SEBI FVCI Regulations
GDP	Gross domestic product
Government or Government of India	The government of India
GST	Goods and services tax
HR	Human resources
HUF	Hindu undivided family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
Income-tax Act	The Income-tax Act, 1961
Ind AS	The Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended under Section 133 of the Companies Act, 2013, as amended
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, as amended
Indian GAAP	The Generally Accepted Accounting Principles in India
INR	Indian rupees
IPC	Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time
IT	Information technology
IT Act	Information Technology Act, 2000
MAT	Minimum alternate tax
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal cost of funds based lending rate
Mn or mn	Million
N.A.	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NBFC	Non-banking financial company
NBFC-ND-SI	Systemically important non-deposit taking non-banking financial company
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NR or Non-resident	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
NRI	An individual resident outside India, who is a citizen of India
NRO	Non-resident ordinary
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately prior to such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Offer
p.a.	Per annum
P&L	Profit and loss
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number allotted under the Income-tax Act
PAT	Profit after tax
R&D	Research and development

Term	Description
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redressal System
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Master Circular	The SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI RTA Master Circular	The SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024, to the extent it pertains to UPI
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers) Regulations, 1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed by the SEBI AIF Regulations
State Government	The government of a State of India
Stock Exchanges	The BSE and the NSE
STT	Securities transaction tax
TAN	Tax deduction and collection account number allotted under the Income-tax Act
TDS	Tax deducted at source
Trade Marks Act	Trade Marks Act, 1999
U.S. or USA or United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD or US\$	United States Dollars
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act of 1933
UTs	Union territories
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or SEBI AIF Regulations, as the case may be
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or a fraudulent borrower as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Year or calendar year	Unless the context otherwise requires, shall mean the twelve month period ending December 31

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Restated Consolidated Financial Statements", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of the Articles of Association" on pages 31, 72, 87, 109, 163, 224, 321, 440, 482 and 504, respectively.

Summary of the primary business of the Company

We are engaged in the business of exploration, mining, processing, marketing, distribution and export of natural stones, with an emphasis on sustainability. We are India's largest producer and exporter of Black Galaxy Granite, a premium variety of Granite, and held a share of approximately 23% of the Indian export market for Black Galaxy Granite in Fiscal 2024 (*Source: CRISIL Report*), exporting 48,249 cubic meters of Black Galaxy Granite during Fiscal 2024. We are also one of the largest producers in Absolute Black Granite, both of which have high demand. Our Absolute Black Granite production accounted for 10.8% of the overall black granite production in India during Fiscal 2024. For further details on the business of our Company, see "Our Business" on page 224.

Summary of the Industry (*Source: CRISIL Report*)

In India, the granite industry is valued at US\$40 billion and it holds the potential to create semi-skilled employment, particularly in rural areas. While granite is considered costly for decorative purposes domestically, its export potential surpasses its utilisation and trade within the country. Granite production increased from 17,132 kt in Fiscal 2022 to 18,208 kt in Fiscal 2024, at a CAGR of 3.1%, driven by domestic demand for granite from the building and construction industry. Granite production is projected to grow to 24,366-25,537 KT in Fiscal 2029, at a CAGR of 6.0-7.0% between Fiscal 2024 and Fiscal 2029. The production is expected to be driven by increased domestic demand as well as exports of granite.

Name of Promoters

Mr. Kollareddy Rama Raghava Reddy, Mr. Kollareddy Ramachandra, Mrs. Kukreti Soumya and Mrs. Uma Priyadarshini Kollareddy. For details, see "Our Promoters and Promoter Group" beginning on page 312.

Offer size

Initial public offering of up to [●] Equity Shares of face value ₹5 each of our Company for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹6,500.00 million, comprising a fresh issue of up to [●] Equity Shares of face value ₹5 each by our Company aggregating up to ₹2,500.00 million and an offer for sale of up to [●] Equity Shares of face value ₹5 each aggregating up to ₹4,000.00 million by the Selling Shareholders, the details of whom are set out below:

S. No.	Name of the Selling Shareholder	Number of Equity Shares offered / Amount
1.	Mr. Kollareddy Rama Raghava Reddy	Up to [●] Equity Shares of face value ₹5 each aggregating up to ₹3,600.00 million
2.	Mr. Guntaka Ravindra Reddy	Up to [●] Equity Shares of face value ₹5 each aggregating up to ₹400.00 million

This Offer includes a reservation of up to [●] Equity Shares of face value ₹5 each, aggregating up to ₹[●] million (constituting up to 5% of the post-Offer paid-up equity share capital), for subscription by Eligible Employees (as defined hereinafter) ("Employee Reservation Portion"). Our Company in consultation with the BRLMs, may offer a discount of up to ₹[●] to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion. The Offer and the Net Offer shall constitute [●]% and [●]% of the post-Offer paid-up Equity Share capital of our Company, respectively.

In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of the Employee Discount, if any as applicable), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of the Employee Discount, if any as applicable). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer. Our Company may, in consultation

with the BRLMs, offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.

Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement aggregating up to ₹500.00 million, prior to the filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement will not exceed 20% of the size of the Fresh Issue.

For further details, see “*The Offer*” and “*Offer Structure*” beginning on pages 72 and 477, respectively.

Objects of the Offer

The Offer shall include a fresh issue of up to [●] Equity Shares of face value ₹5 each by our Company aggregating up to ₹2,500.00 million. The objects for which the Net Proceeds from the Fresh Issue shall be utilized are as follows:

Particulars	Amount (₹ million) ⁽¹⁾
Funding capital expenditure by Midwest Neostone Private Limited (“ Midwest Neostone ”), our wholly owned subsidiary, towards phase-II of the quartz grit and powder processing plant (the “ Phase-II Quartz Processing Plant ”)	1,270.49
Capital expenditure for purchase of electric dump trucks (“ Electric Dump Trucks ”) to be used by our Company and APGM, our Material Subsidiary	257.55
Capital expenditure for integration of solar energy at certain Mines of our Company	32.56
Pre-payment/re-payment of, in part or full, certain outstanding borrowings of the Company and APGM	538.00
General corporate purposes ⁽²⁾	[●]
Total	[●]

⁽¹⁾ Includes proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares pursuant to the Pre-IPO Placement, we may utilize the proceeds from the Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer.

⁽²⁾ To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilized for general corporate purposes shall not exceed 25% of the Net Proceeds.

For further details, see “*Objects of the Offer*” beginning on page 109.

Aggregate pre-Offer and post Offer shareholding of Promoters, Promoter Group and Selling Shareholders as a percentage of our paid-up Equity Share capital

The aggregate pre-Offer and post-Offer shareholding of our Promoters, Promoter Group and the Selling Shareholders as a percentage of the paid-up Equity Share capital of the Company is set out below:

Name of the Shareholder	Pre-Offer		Post-Offer ⁽¹⁾	
	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)	Number of Equity Shares held	Percentage of the post-Offer paid-up Equity Share capital (%)
Promoters				
Mr. Kollareddy Rama Raghava Reddy*	24,879,304	73.58	[●]	[●]
Mr. Kollareddy Ramachandra	1,690,621	5.00	[●]	[●]
Mrs. Kukreti Soumya	1,690,621	5.00	[●]	[●]
Mrs. Uma Priyadarshini Kollareddy	338,124	1.00	[●]	[●]
Total (A)	28,598,670	84.58	[●]	[●]
Promoter Group				
Mrs. Kollareddy Ranganayakamma	281,770	0.83	[●]	[●]
Mr. Guntaka Ravindra Reddy*	3,185,000	9.42	[●]	[●]
Mr. Deepak Kukreti	338,124	1.00	[●]	[●]
Total (B)	3,804,894	11.25	[●]	[●]
Total (A + B)	32,403,564	95.83	[●]	[●]

* Also a Selling Shareholder.

⁽¹⁾ To be computed prior to filing of the Prospectus with the RoC.

For further details, see “*Capital Structure*” beginning on page 87.

Summary of Restated Consolidated Financial Statements

The details of certain financial information as set out under the SEBI ICDR Regulations as of and for the Fiscals/period indicated, derived from the Restated Consolidated Financial Statements are as follows:

Particulars	As of and for the Financial Year ended March 31,		
	2024	2023	2022
	(₹ million, except per share data)		
Equity share capital ⁽¹⁾	96.61	7.43	7.43
Net worth ⁽²⁾	4,219.29	3,349.24	2,747.35
Revenue from operations ⁽³⁾	5,856.24	5,025.17	5,252.37
Profit After Tax for the year ⁽⁴⁾	1,003.24	544.36	670.93
Earnings per equity share of ₹5 each – Basic (in ₹/ share) ⁽⁵⁾	29.67	16.10	19.84
Earnings per equity share of ₹5 each – Diluted (in ₹/ share) ⁽⁵⁾	29.67	16.10	19.84
Net asset value per Equity Share ⁽⁶⁾	124.79	99.05	81.25
Total Borrowings ⁽⁷⁾	1,204.83	1,490.76	960.68

⁽¹⁾ Equity share capital for the relevant Fiscal Year.

⁽²⁾ Net worth of the Company means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

⁽³⁾ Revenue from operations for the relevant Fiscal Year

⁽⁴⁾ Profit for the relevant Fiscal Year

⁽⁵⁾ Earnings per equity share of ₹5 each – Basic and Earnings per equity share of ₹5 each – Diluted are calculated in accordance with Ind AS 33 prescribed under the Companies (Indian Accounting Standard) Rules, 2015 and adjusted for the bonus issue and split of equity shares post last balance sheet i.e. March 31, 2024.

⁽⁶⁾ Net Asset Value per Equity Share = Net worth as per the Restated Consolidated Financial Statements / Number of equity shares outstanding as at the end of the year and adjusted for bonus issue and split of equity shares post last balance sheet i.e. March 31, 2024.

⁽⁷⁾ Total Borrowings represents the aggregate of subordinated liabilities and borrowings as of the last day of the relevant Fiscal.

Auditor qualifications which have not been given effect to in the Restated Consolidated Financial Statements

There are no audit qualifications in the auditors’ reports on our audited consolidated financial statements for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 which are required to be given effect to, and which have not been given effect to, in the Restated Consolidated Financial Statements.

Summary table of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Promoters and Directors as of the date of this Draft Red Herring Prospectus, as also disclosed in “*Outstanding Litigation and Material Developments*” beginning on page 440, in terms of the SEBI ICDR Regulations and the Litigation Materiality Policy, is provided below:

Name of Entity	Number of Criminal Proceedings	Number of Tax Proceedings	Number of Statutory or Regulatory Proceedings	Number of Material Civil Proceedings	Number of Disciplinary Actions by the SEBI or the stock exchanges against our Promoters in the last five financial years	Aggregate amount involved (₹ million) ⁽¹⁾
<i>Company</i>						
Against our Company	Nil	14	11	Nil	Nil	440.91
By our Company	2	Nil	Nil	2	Nil	306.83
<i>Directors</i>						
Against our Directors	Nil	Nil	Nil	Nil	Nil	Nil
By our Directors	1	Nil	Nil	Nil	Nil	1.5
<i>Promoters</i>						
Against our Promoters	2	1	1	Nil	Nil	184.22

Name of Entity	Number of Criminal Proceedings	Number of Tax Proceedings	Number of Statutory or Regulatory Proceedings	Number of Material Civil Proceedings	Number of Disciplinary Actions by the SEBI or the stock exchanges against our Promoters in the last five financial years	Aggregate amount involved (₹ million) ⁽¹⁾
<i>By our Promoters</i>	Nil	Nil	Nil	Nil	Nil	Nil
<i>Subsidiaries</i>						
<i>Against our Subsidiaries</i>	Nil	2	Nil	1	Nil	256.55
<i>By our Subsidiaries</i>	Nil	Nil	Nil	Nil	Nil	Nil

⁽¹⁾To the extent ascertainable

Our Group Companies are not a party to any pending litigation which has a material impact on our Company.

For further details, see “*Outstanding Litigation and Material Developments*” beginning on page 440.

Risk Factors

For details of the risks applicable to us, see “*Risk Factors*” beginning on page 31.

Summary table of contingent liabilities

The following is a summary table of our contingent liabilities as per Ind AS 37, as of the date indicated, derived from our Restated Consolidated Financial Statements:

Contingent Liabilities and commitments		As of March 31, 2024 (₹ million)
<i>Contingent Liabilities</i>		
On account of Corporate guarantees		457.08
On account of Bank Guarantees		565.33
Income tax demands disputed/contested by the Company pending in appeal		151.42
Demand of Excise duty against the Company		19.32
Demand of Custom duty against the Company		261.90
Demand of Entry tax against the Company		96.69
On account of Bonds executed with Customs authorities		77.01
Demand of RCM on Royalty against the Company		26.89
Case of a past employee against the Company		0.76
APMDC - CLAUSE 17 case against the Company		9.72
Liquidator of BEML has filed Petition against the Company		106.70
Recovery Case against Debtor		4.13
Demand of royalty from office of ADMG - Telangana		74.38
<i>Capital Commitments</i>		
Unexecuted capital orders to the extent not provided for		163.69
Total		2,015.02

For further details of the contingent liabilities of our Company, see Note 36 to the Restated Consolidated Financial Statements included in “*Restated Consolidated Financial Statements*” beginning on page 321. Also see “*Risk Factors—We have certain contingent liabilities and commitments that have not been provided for and could materialize.*” on page 59.

Summary of related party transactions

The details of related party transactions for the Fiscals indicated, as per Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations are as set out in the table below:

Nature of Transaction	Name of the related parties	As of, and for the financial year ended,					
		March 31, 2024		March 31, 2023		March 31, 2022	
		Amount (₹ million)	Outstanding balance (₹ million)	Amount (₹ million)	Outstanding balance (₹ million)	Amount	Outstanding balance (₹ million)
I. Key Management Personnel							
Remuneration	K.Raghava Reddy	8.83	-	9.60	(1.13)	38.75	(28.07)
	K.Ramachandra	12.51	-	13.21	(37.25)	50.89	(36.34)
	K.Ranganayakamma	6.07	-	6.16	(4.17)	38.16	(36.96)
	K.Soumya	11.45	-	11.80	(1.68)	40.60	(22.46)
	G.Ravindra Reddy	4.14	-	3.81	(0.21)	1.43	(0.21)
	K.Uma Priyadarshini	14.84	-	15.29	-	43.99	(17.22)
	Chalasani Dilip Kumar	0.44	-	-	-	-	-
	Rohit Tibrewal	0.49	-	-	-	-	-
Commission	K.Ramachandra	62.68	-	36.78	-	-	-
Un-secured loan (Taken)	K. Soumya	-	-	-	-	-	(2.87)
	G. Ravindra Reddy	7.50	-	-	-	-	-
Repayment of loan	K.Ranganayakamma	-	-	-	-	2.75	-
	G.Ravindra Reddy	7.50	-	-	-	-	-
	K. Soumya	-	-	2.87	-	-	-
Rent paid	K.Ramachandra	4.20	-	4.20	-	4.20	-
	K.Soumya	2.10	-	2.10	-	2.10	-
Capital advance	K.Raghava Reddy	180.00	180.00	-	-	-	-
Sale of investments	K.Ramachandra	14.87	14.70	-	-	-	-
	K. Soumya	14.88	14.88	-	-	-	-
II. Relatives of Key Management Personnel							
Unsecured loan (taken)	K. Deepak	-	-	1.47	(2.99)	0.78	(1.52)
Repayment of unsecured loans to	K. Deepak	2.99	-	-	-	-	-
Reimbursement of expenses	K.Deepak	1.66	13.66	-	11.83	(0.75)	10.90
Rent paid	K.Deepak	2.10	-	2.10	-	2.10	-
Salaries	K.Deepak	7.79		16.81	(2.43)	45.46	(23.48)
Professional charges	K. Deepak	8.40	(1.62)	-	-	-	-
III. Joint Ventures							
Unsecured loans given	South Coast Infrastructure Development Company of Andhra Pradesh Limited	3.00	30.01	-	30.01	-	30.01
Unsecured loans received back	South Coast Infrastructure Development Company of Andhra Pradesh Limited	3.00	-	-	-	-	-

Nature of Transaction	Name of the related parties	As of, and for the financial year ended,					
		March 31, 2024		March 31, 2023		March 31, 2022	
		Amount (₹ million)	Outstanding balance (₹ million)	Amount (₹ million)	Outstanding balance (₹ million)	Amount	Outstanding balance (₹ million)
Rent received	SMW Granites LLP	-	-	0.25	0.76	0.22	0.74
Advance for expenses	SMW Granites LLP	-	-	0.02	-	0.10	-
Sale of goods	SMW Granites LLP	-	-	2.30	7.36	6.68	5.87
IV. Concern in which directors have interest							
Unsecured loans given	Midwest Advanced Materials Private Limited	14.57	31.41	13.50	14.29	-	-
	Midwest Energy Private Limited	3.69	1.90	1.14	1.14	-	-
Repayment of unsecured loans	Midwest Energy Private Limited	3.00	-	-	-	-	-
Rent received	Midwest Advanced Materials Private Limited	0.38	0.13	-	-	-	-
	Midwest Energy Private Limited	0.14	0.40	-	-	-	-
Interest accrued on loans	Midwest Advanced Materials Private Limited	2.37	-	0.79	-	-	-
	Midwest Energy Private Limited	0.14	-	-	-	-	-
Sale of Property, Plant and Equipment	Midwest Advanced Materials Private Limited	30.19	-	-	-	-	-
Investment in preferential shares	Midwest Energy P Ltd- 9% Non-Cum Preferential shares	8.50	134.70	66.20	60.00	60.00	-
Disposal in equity shares/LLP	Midwest Energy Private Limited	-	-	-	-	24.69	0.01
	SMW Granites LLP	4.00	-	-	-	-	-
	Astral Granite Private Limited	20.85	-	-	-	-	-
	Midwest Quartz Pvt Ltd	1.50	-	-	-	-	-
	Midwest Advanced Materials Private Limited	1.50	-	-	-	-	-
	Amaya Smart Technologies Private Limited	9.77	-	-	-	-	-

For details of the related party transactions and details of the transactions eliminated on consolidation for the Fiscals 2024, 2023 and 2022 as per Ind AS 24 – Related Party Disclosures, see “*Other Financial Information–Related Party Transactions*” and Note 37 to the Restated Consolidated Financial Statements included in “*Restated Consolidated Financial Statements*” beginning on pages 398 and 321, respectively.

Details of all financing arrangements

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, our Directors or their relatives have financed the purchase by any person of securities of our Company (other than in the normal course of business of the relevant financing entity) during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which specified securities were acquired by our Promoters and the Selling Shareholders, in the last one year preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, our Promoters and the Selling Shareholders have not acquired any specified securities in the last one year preceding the date of this Draft Red Herring Prospectus.

Name of the Shareholder	Number of Equity Shares acquired	Face value per Equity Share	Weighted average price per Equity Share (in ₹) ^{(1)##^}
Promoters			
Mr. Kollareddy Rama Raghava Reddy*	28,186,410	5	Nil
Mr. Kollareddy Ramachandra	1,688,621	5	Nil
Mrs. Kukreti Soumya	1,688,621	5	Nil
Mrs. Uma Priyadarshini Kollareddy	338,124	5	Nil
Selling Shareholders			
Mr. Guntaka Ravindra Reddy	3,045,000	5	Nil

⁽¹⁾ As certified by Majeti & Co., Chartered Accountants, pursuant to the certificate dated September 30, 2024.

* Also a Selling Shareholder.

Weighted average price has been calculated after considering all bonus issuances by the Company and split of face value of equity shares pursuant to a resolution dated May 15, 2024 passed by the Board of Directors of the Company and dated June 11, 2024 by the Shareholders of the Company. While determining the Weighted Average Price, only cost of acquisition made in last one year is considered. Sale transactions, if any, have not been considered. As in last one year apart from bonus issue, split of equity shares and receipt of Equity Shares through gifts, no Equity Shares were acquired, therefore cost of acquisition is Nil.

^ Number of shares acquired prior to the split of shares has been adjusted for the split as mentioned above.

Average cost of acquisition of specified securities for our Promoters and the Selling Shareholders

The average cost of acquisition of Equity Shares for our Promoters and the Selling Shareholders as of the date of this Draft Red Herring Prospectus is as set out below:

Name of the Shareholder	Number of Equity Shares held	Face value per Equity Share	Average cost of acquisition per Equity Share (in ₹) ⁽¹⁾
Promoters			
Mr. Kollareddy Rama Raghava Reddy*	24,879,304	5	Nil
Mr. Kollareddy Ramachandra	1,690,621	5	Nil
Mrs. Kukreti Soumya	1,690,621	5	Nil
Mrs. Uma Priyadarshini Kollareddy	338,124	5	Nil
Selling Shareholders			
Mr. Guntaka Ravindra Reddy	3,185,000	5	0.03

(1) As certified by Majeti & Co., Chartered Accountants, by way of their certificate dated September 30, 2024.

* Also a Selling Shareholder.

Details of price at which specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by our Promoters, Promoter Group, the Selling Shareholders or Shareholder(s) with rights to nominate Director(s) or other special rights

Except as disclosed below, none of our Promoters, Promoter Group or the Selling Shareholders have acquired specified securities in the last three years preceding the date of this Draft Red Herring Prospectus. There are no Shareholder(s) with rights to nominate Director(s) or holding other special rights.

Name	Category	Date of acquisition	Number of Equity Shares acquired	Face value per Equity Share	Acquisition price per Equity Share (in ₹) ⁽¹⁾
Promoters					
Mr. Kollareddy Rama Raghava Reddy ⁽²⁾	Bonus issue	October 3, 2023	778,632	100	N/A
	Bonus issue	July 15, 2024	12,613,770	5	N/A
Mr. Kollareddy Ramachandra	Bonus issue	October 3, 2023	1,200	100	N/A
	Bonus issue	July 15, 2024	19,500	5	N/A
	Transfer	September 27, 2024	1,645,121	5	Nil*
Mrs. Kukreti Soumya	Bonus issue	October 3, 2023	1,200	100	N/A
	Bonus issue	July 15, 2024	19,500	5	N/A
	Transfer	September 27, 2024	1,645,121	5	Nil*
Mrs. Uma Priyadarshini Kollareddy	Transfer	May 15, 2024	1,300	100	Nil*
	Bonus issue	July 15, 2024	19,500	5	N/A

Name	Category	Date of acquisition	Number of Equity Shares acquired	Face value per Equity Share	Acquisition price per Equity Share (in ₹) ⁽¹⁾
	Transfer	September 27, 2024	292,624	5	Nil*
Promoter Group					
Mr. Guntaka Ravindra Reddy ⁽²⁾	Bonus issue	October 3, 2023	84,000	100	N/A
	Bonus issue	July 15, 2024	1,365,000	5	N/A
Mr. Deepak Kukreti	Transfer	May 15, 2024	1,050	100	Nil*
	Transfer	May 15, 2024	250	100	Nil*
	Bonus issue	July 15, 2024	19,500	5	N/A
	Transfer	September 27, 2024	292,624	5	Nil*
	Bonus issue	October 3, 2023	26,724	100	N/A
Mrs. Kollareddy Ranganayakamma	Bonus issue	July 15, 2024	434,265	5	N/A
	Transfer	September 27, 2024	677,336	5	Nil*

* Acquired through a gift

** The table above does not include the Equity Shares acquired pursuant to the sub-division on June 11, 2024 of the equity shares of face value ₹100 into Equity Shares of face value ₹5.

(1) As certified by Majeti & Co., Chartered Accountants, pursuant to the certificate dated September 30, 2024.

(2) Also a Selling Shareholder.

Weighted average cost of acquisition for all specified securities transacted over the three years, 18 months and one year preceding the date of this Draft Red Herring Prospectus

The weighted average cost of acquisition of all specified securities transacted over the three years, 18 months and one year preceding the date of this Draft Red Herring Prospectus is set out below:

Period	Weighted Average Cost of Acquisition (WACA) (in ₹) ⁽¹⁾	Cap Price is 'X' times the WACA ⁽²⁾	Range of acquisition price: lowest price – highest price (in ₹) ⁽¹⁾
Last three years	26.08	[●]	0.00–709.80
Last 18 months	26.08	[●]	0.00–709.80
Last one year	26.08	[●]	0.00–709.80

⁽¹⁾ As certified by Majeti & Co., Chartered Accountants, pursuant to the certificate dated September 30, 2024.

⁽²⁾ Information will be included after finalization of the Price Band.

Note: As this is calculated basis all Equity Shares transacted we have considered all purchases and no sale transaction has been considered to avoid duplication of the entries.

Pre-IPO Placement

Our Company, in consultation with the BRLMs, may consider further issue of specified securities for cash consideration aggregating up to ₹500.00 million. The Pre-IPO Placement shall be undertaken prior to filing of the Red Herring Prospectus and the price of the specified securities allotted pursuant to the Pre-IPO Placement shall be determined by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Details of the allottees in the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus to be filed with the RoC. Prior to the completion of the Offer and if the Pre-IPO Placement is undertaken, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

Any issuance of Equity Shares in the last one year for consideration other than cash or by way of bonus issue

Except as disclosed in the section, “*Capital Structure*” beginning on page 87, our Company has not issued any Equity Shares in the one year immediately preceding the date of this Draft Red Herring Prospectus, for consideration other than cash or by way of bonus issue.

Any split / consolidation of Equity Shares in the last one year

Except as disclosed in the section, “*Capital Structure*” beginning on page 87, in relation to the split of equity shares with face value of ₹100 each to Equity Shares of face value ₹5 each, our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by Securities and Exchange Board of India

Our Company has not applied for or received any exemption from complying with any provisions of securities laws from Securities and Exchange Board of India.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. All references to the “U.S.”, “USA” or the “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Reserve and Resource Information

In this Draft Red Herring Prospectus, unless otherwise indicated, a reference to our “resource” base information is a reference to our “Proved Reserves”, “Indicated Reserves” and “Inferred Reserves” under the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“JORC Code”) for resource estimation and reporting.

In connection with the Offer, our Company has commissioned technical assessment reports titled “*JORC Report on Techno-Economic Assessment of Dimension Stone Granite Reserves, High grade Quartz Deposits in India and Heavy Mineral Sand Resources in Sri Lanka*”, dated June 22, 2024 (“**JORC Report**”) and “*Technical Report on Economic Feasibility of Coal Reserves in 5086C Moatize Coalfield, Mozambique*” dated August 31, 2024 prepared by G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code (“**Coal JORC Report**”), each from G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code. Further, Geovale Services Private Limited, independent mining and geological consultants, have reviewed the JORC Report and our resource reporting practices and issued an audit report titled “*Audit Report on JORC Compliant reports on DSG and Quartz mines in India and Maiden Heavy Mineral Sand resources in Sri Lanka for Midwest Granite Pvt Ltd*” dated July 24, 2024 thereon (“**Geovale Audit Report**”). The executive summary of the JORC Report along with the Geovale Audit Report and the Coal JORC Report have been included in the section “*Material Contracts and Documents for Inspection*” beginning on page 516.

The methodology followed for resource estimation and the resource classification under the JORC Code may be different from, and may not be comparable to, that followed under other international codes. For further information on reserve and resource classification under the JORC Code, see “*Our Business—Description of our Business—Natural Stone Segment—Reserves and Resources*” on page 241 and the JORC Report. Please also see, “*Risk Factors — Our estimates of natural stone reserves in our Mines may be materially different from the quantity and quality of natural stone that may actually be recovered from such Mines. Further, our estimates of mine life, i.e., the operational lifespan of a Mine, may prove to be inaccurate and market price fluctuations and changes in operating and capital costs may render certain of our natural stone reserves uneconomical to exploit*” on page 31.

Financial Data

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal Year, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Statements of the Company comprising the restated consolidated financial statements of the Company comprising the restated consolidated statements of assets and liabilities as of March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statements of cash flows and the restated statement of changes in equity for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, together with the summary of material accounting policies and explanatory information thereon, derived from the audited consolidated financial statements as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, prepared in accordance with Ind AS and each restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the Securities and Exchange Board

of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended. The financial statements of our Company as of and for the year ended March 31, 2024 were audited by our Statutory Auditors, M S K A & Associates, Chartered Accountants. The financial statements of our Company as of and for the years ended March 31, 2023 and March 31, 2022 were audited by the previous statutory auditors, Majeti & Co., Chartered Accountants.

For further information, see “*Restated Consolidated Financial Statements*” beginning on page 321.

Ind AS, U.S. GAAP and IFRS differ in certain significant respects from other accounting principles and standards with which investors may be more familiar. We have not made any attempt to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS or any other accounting principles or standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see “*Risk Factors — Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition, results of operations and cash flows.*” beginning on page 66. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar, and the impact on our financial data. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

All figures, including financial information, in decimals (including percentages) have been rounded off to two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts, as disclosed in “*Risk Factors*”, “*Our Business*” and “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 31, 224 and 402, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Statements.

Non-GAAP measures

We use a variety of non-GAAP financial and operational performance indicators to measure and analyze our financial and operational performance and financial condition from period to period, and to manage our business. Such non-GAAP measures include, but are not limited to EBITDA, EBITDA Margin, Net Profit Margin, Return on Capital Employed, Return on Equity, Debt to Equity Ratio, Current Ratio, Interest Coverage Ratio, Working Capital Cycle, Granite blocks produced and sold (in cubic meters), Diamond Wire produced and sold (in meters) (“**Non-GAAP Measures**”). These Non-GAAP Measures are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of these non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards.

Also see “*Risk Factors—This Draft Red Herring Prospectus includes certain Non-GAAP Measures, financial and operational performance indicators and other industry measures related to our operations and financial performance. The Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian mining industry and, therefore, may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies*” beginning on page 51.

Currency and Units of Presentation

All references to “₹” or “Rupees” or “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India.

All references to “US\$” or “USD” are to United States Dollars, the official currency of the United States of America.

All references “€” or “EUR” are to the Euro, the official currency of the European Union.

Certain numerical information has been presented in this Draft Red Herring Prospectus in “million” units. 1,000,000 represents one million and 1,000,000,000 represents one billion. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The table below sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies.

Currency	Exchange Rate as on:*(in ₹)		
	March 31, 2024	March 31, 2023	March 31, 2022
1 USD	83.37	82.22	75.81
1 EUR	90.21	89.61	84.66

Source: RBI reference rate and www.fbil.org.in

Note: Exchange rate is rounded off to two decimal places

* In case March 31 or any date of any of the respective years is a public holiday, the previous working day, not being a public holiday, has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources such as a report dated September, 2024 and titled “Assessment of the granite, quartz and heavy mineral sand industry” that has been prepared by CRISIL MI&A, which report has been commissioned and paid for by our Company pursuant to an engagement letter dated March 27, 2024 for the purposes of confirming our understanding of the industry in connection with the Offer (the “CRISIL Report”). CRISIL MI&A is an independent agency and is not a related party of our Company, our Promoters, our Promoter Group, our Subsidiaries, Directors, Key Managerial Personnel, Senior Management or the Book Running Lead Managers. References to segments in “Industry Overview” beginning on page 163 and information derived from the CRISIL Report are in accordance with the presentation, analysis and categorisation in the CRISIL Report. The segment reporting in the Restated Consolidated Financial Statements is based on the criteria set out in Ind AS 108 (Operating Segments) and accordingly, our Company does not prepare its financial statements based on the segments outlined in the “Industry Overview” beginning on page 163.

Additionally, certain industry related information in “Industry Overview”, “Our Business”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” beginning on pages 163, 224, 31 and 402, respectively, has been derived from the CRISIL Report. The CRISIL Report is subject to the following disclaimer:

CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL’s other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A’s informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. CRISIL MI&A’s strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India.

The CRISIL Report is available on the website of our Company at www.midwest.in and has also been included in “*Material Contracts and Documents for Inspection–Material Documents*” beginning on page 516.

These industry sources and publications are prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader’s familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business. Methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in “*Risk Factors–Industry information included in this Draft Red Herring Prospectus has been derived from the CRISIL Report, which was prepared by CRISIL MI&A and exclusively commissioned and paid for by our Company for the purposes of the Offer, and any reliance on information from the CRISIL Report for making an investment decision in the Offer is subject to inherent risks.*” on page 44. Accordingly, no investment decision should be made solely on the basis of such information.

In accordance with the SEBI ICDR Regulations, “*Basis for Offer Price*” beginning on page 146 includes information relating to our peer group company, which has been derived from publicly available sources.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “expect”, “estimate”, “intend”, “objective”, “plan”, “goal”, “project”, “propose”, “seek to”, “shall”, “likely”, “will” and “will continue” or other words or phrases of similar import. Similarly, statements that describe our Company’s expected financial condition, results of operations, business, prospects, strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exhaustive means of identifying forward looking statements. All forward-looking statements are based on our Company’s current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, changes in competition in our industry, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Our estimates of natural stone reserves in our Mines may be materially different from the quantity and quality of natural stone that may actually be recovered from such Mines. Further, our estimates of mine life, *i.e.*, the operational lifespan of a Mine, may prove to be inaccurate and market price fluctuations and changes in operating and capital costs may render certain or all of our natural stone reserves uneconomical to exploit.
- We depend on certain key customers for a significant portion of our revenue from operations, with our top 10 customers contributing 48.37%, 53.51% and 59.69% of our revenue from operations in Fiscals 2024, 2023 and 2022, respectively.
- We derive a significant portion of our revenue from operations from outside India and during Fiscals 2024 and 2023, more than 50% of our revenue from operations was derived from customers located in China, which acts as a global distribution hub for the Granite industry.
- We derive a substantial portion of our revenue from the sale of Black Galaxy Granite (72.35%, 70.46% and 71.91% in Fiscals 2024, 2023 and 2022, respectively), which is produced from three Mines located in Chimakurthy, Andhra Pradesh.
- Fluctuations in the prevailing exchange rates.
- Our inability to successfully secure additional resources and reserves that can be exploited economically.

Certain information in “*Industry Overview*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 163, 224 and 402, respectively, of this Draft Red Herring Prospectus have been obtained from the CRISIL Report, which has been commissioned and paid for by our Company.

For further discussion of factors that could cause the actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 31, 224 and 402, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses in the future could materially differ from those that have been estimated and are not a guarantee of future performance.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-

looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. None of our Company, our Promoters, our Promoter Group, our Directors, our KMPs, Senior Management, the Selling Shareholders, the Syndicate or any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment. In accordance with regulatory requirements including requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders will, severally and not jointly, ensure that investors are informed of material developments in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares from the date of the Red Herring Prospectus until the date of Allotment pursuant to the Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition as of the date of this Draft Red Herring Prospectus. The risks described below may not be exhaustive or the only ones relevant to us, the Equity Shares or the industry segments in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently do not deem material may arise or may become material in the future. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and investors may lose all or part of their investment. The risk factors have been presented below on the basis of their materiality. Furthermore, some events may be material collectively rather than individually. Some events may not be material at present but may have a material impact in the future. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer, including the merits and risks involved. Potential investors should consult their tax, financial and legal advisors about the particular consequences of purchasing our Equity Shares.

In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Industry Overview”, “Our Business”, “Key Regulations and Policies”, “Restated Consolidated Financial Statements”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Outstanding Litigation and Material Developments” on pages 163, 224, 265, 321, 402 and 440, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates, uncertainties and other factors, many of which are beyond our control. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For more details, see “Forward-Looking Statements” on page 29.

Our financial year ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the 12-month period ended March 31 that year, unless the context indicates otherwise.

Unless otherwise stated or the context otherwise requires, the financial information as of, and for the financial years ended, March 31, 2024, March 31, 2023 and March 31, 2022 included in this section have been derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus on page 321. We have also included various financial and operational performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Consolidated Financial Statements. The manner of calculation and presentation of some of these financial and operational performance indicators, and the assumptions and estimates used in such calculations, may vary from those used by other companies in India and other jurisdictions.

Unless stated otherwise, industry and market data used in this section have been extracted from the CRISIL Report, which was prepared and issued by CRISIL MI&A, and exclusively commissioned and paid for by our Company for the purposes of the Offer. The industry related data included in this section may have been re-ordered by us for the purposes of presentation, however, there are no parts, data or information (which may be relevant for the Offer) that have been left out in any manner. A copy of the CRISIL Report will be available on the Company’s website at www.midwest.in from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation—Industry and Market Data” on page 27.

Internal Risks

1. *Our estimates of natural stone reserves in our Mines may be materially different from the quantity and quality of natural stone that may actually be recovered from such Mines. Further, our estimates of mine life, i.e., the operational lifespan of a Mine, may prove to be inaccurate and market price fluctuations and changes in operating and capital costs may render certain or all of our natural stone reserves uneconomical to exploit.*

Our natural stone reserve estimates included in this Draft Red Herring Prospectus are ascertained based on engineering and geological interpretations and judgments using the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the “JORC Code”). Under the JORC Code, the location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. To convert estimates of mineral resources into ore reserves, the JORC Code requires the application of various subjective considerations or modifying factors. These considerations include, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

As a result, there are numerous uncertainties inherent in the process of estimating quantities of reserves and in projecting potential rates of production, including many factors beyond our control. Given that the estimation of ore

reserves involves the making of subjective determinations, the accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and the judgment of the assessor. For the reasons stated above, our estimates of natural stone reserves could materially differ from the actual quantities of natural stone that are recovered by us, thereby impacting our future financial performance.

For further details of our reserves and resources of natural stones and an explanation of key terms under the JORC Code, please see “*Our Business—Description of our Business—Reserves and Resources*” on page 241 and “*Certain Conventions, Presentation of Financial, Industry and Market Data*” on page 25.

Further, estimates of different JORC Code assessors may vary, and the results of our mining and production subsequent to the date of an estimate may lead to revision of such estimates, and accordingly, reserve estimates and estimates of Mine Life may require revision based on actual production experience and other factors. For example, fluctuations in the market price, reduced recovery rates or increased production costs due to inflation or other factors may render proven and probable reserves uneconomical to exploit and may ultimately result in a restatement of our reserves.

In connection with the Offer, our Company has commissioned technical assessment reports titled “*JORC Report on Techno-Economic Assessment of Dimension Stone Granite Reserves, High grade Quartz Deposits in India and Heavy Mineral Sand Resources in Sri Lanka*”, dated June 22, 2024 (“**JORC Report**”) and “*Technical Report on Economic Feasibility of Coal Reserves in 5086C Moatize Coalfield, Mozambique*” dated August 31, 2024 prepared by G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code (“**Coal JORC Report**”), each from G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code. Further, Geovale Services Private Limited, independent mining and geological consultants, have reviewed the JORC Report and our resource reporting practices and issued an audit report titled “*Audit Report on JORC Compliant reports on DSG and Quartz mines in India and Maiden Heavy Mineral Sand resources in Sri Lanka for Midwest Granite Pvt Ltd*” dated July 24, 2024 thereon (“**Geovale Audit Report**”). The executive summary of the JORC Report along with the Geovale Audit Report and the Coal JORC Report have been included in the section “*Material Contracts and Documents for Inspection*” beginning on page 516.

If our reserve estimates differ materially from quantities that are actually recovered or any of the assumptions used to estimate our reserves are found to be incorrect, our estimates of Mine Life may prove inaccurate and market price fluctuations and changes in operating and capital costs may render certain of our reserves uneconomical to mine. While there have not been any such instances where natural stone reserves have materially differed from the natural stone resources initially estimated, if such a material deviation occurs, it could adversely affect our business, results of operations, cash flows and financial condition.

2. There are outstanding legal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters. Any adverse outcome in such proceedings may adversely affect our reputation, business, results of operations, cash flows and financial condition.

There are outstanding legal proceedings involving our Company, Subsidiaries, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

A summary of the outstanding legal proceedings involving our Company, Subsidiaries, Directors and Promoters in accordance with requirements under the SEBI ICDR Regulations, to the extent quantifiable, has been set out below.

Name of Entity	Number of Criminal Proceedings	Number of Tax Proceedings	Number of Statutory or Regulatory Proceedings	Number of Material Civil Proceedings	Number of Disciplinary Actions by the SEBI or the stock exchanges against our Promoters in the last five financial years	Aggregate amount involved (₹ million) ⁽¹⁾
Company						
Against our Company	Nil	14	11	Nil	Nil	440.91
By our Company	2	Nil	Nil	2	Nil	306.83
Directors						
Against our Directors	Nil	Nil	Nil	Nil	Nil	Nil

Name of Entity	Number of Criminal Proceedings	Number of Tax Proceedings	Number of Statutory or Regulatory Proceedings	Number of Material Civil Proceedings	Number of Disciplinary Actions by the SEBI or the stock exchanges against our Promoters in the last five financial years	Aggregate amount involved (₹ million) ⁽¹⁾
<i>By our Directors</i>	1	Nil	Nil	Nil	Nil	1.5
<i>Promoters</i>						
<i>Against our Promoters</i>	2	1	1	Nil	Nil	184.22
<i>By our Promoters</i>	Nil	Nil	Nil	Nil	Nil	Nil
<i>Subsidiaries</i>						
<i>Against our Subsidiaries</i>	Nil	2	Nil	1	Nil	256.55
<i>By our Subsidiaries</i>	Nil	Nil	Nil	Nil	Nil	Nil

⁽¹⁾To the extent ascertainable

⁽²⁾There are no outstanding litigation involving our Group Companies which may have a material impact on our Company.

In particular, during Fiscal 2021, our Company had undertaken a buy-back of 17,030 equity shares of face value ₹100, which was completed on October 23, 2020 (“**2020 Buy-back**”). In relation to the 2020 Buy-back, M.V.V. Nagi Reddy (HUF), represented by its karta, M.V.V. Nagi Reddy, has filed a company petition before the NCLT alleging oppression and mismanagement in relation to the 2020 Buy-back. For further details, see “*Outstanding Litigation and Material Developments—Litigation involving our Company—Other Material Proceedings involving our Company*” on page 444. Such proceedings could divert management time, attention, and consume financial resources in their defence or prosecution.

Should any new developments arise, such as any rulings against us, we may need to make provisions in our financial statements that could increase expenses and current liabilities. Further, an adverse outcome in these proceedings may lead to a modification in our capital structure and may affect our reputation, standing and future business, and could adversely affect our business, prospects, financial condition and results of operations.

We cannot assure you that any of these proceedings will be decided in favour of our Company or that no further liability will arise out of these proceedings. Furthermore, we may not be able to quantify all the claims in which we are involved. Further, we cannot assure you that the provisions we have made will be sufficient or that further litigation will not be brought against us in the future. Failure to successfully defend these or other claims or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subjected to legal and other costs relating to defending such litigation, and such costs could be substantial. This could adversely affect our business, cash flows, financial condition, and results of operation.

- Our Company and one of our Promoters, Mr. Kollareddy Rama Raghava Reddy, are involved in a dispute with BEML Limited (“BEML”), the joint venture partner in BEML Midwest Limited (“BEML Midwest”), one of our Subsidiaries which is currently under liquidation by order of the National Company Law Tribunal. In this connection, various legal proceedings have been initiated and the Ministry of Corporate Affairs, Government of India (“MCA”) had ordered an investigation into the affairs of BEML Midwest. The results of such investigation included certain adverse recommendations against Mr. Kollareddy Rama Raghava Reddy. Such proceedings, or any further regulatory actions in relation to this dispute, could adversely affect our and our Promoter’s reputation or divert the time and attention of our management, and accordingly, may affect our business and results of operations.***

Our Company and BEML had entered into a shareholders partnership agreement dated September 17, 2005 (“SHA”), to establish a joint venture company, *i.e.*, BEML Midwest. Under the SHA, BEML held 45%, and our Company held 55%, of the equity shares of BEML Midwest. BEML Midwest was incorporated on April 18, 2007 and the then Chairman and Managing Director of BEML was appointed as the Chairman of BEML Midwest (“**BEML CMD**”) and certain persons were nominated by our Company as directors of BEML Midwest, including Mr. Kollareddy Rama Raghava Reddy (the “**Midwest Nominees**”). Subsequently, disputes arose between our Company and BEML over the operations of BEML Midwest. BEML filed a petition before the Company Law Board, Chennai (“**CLB**”) on January 10, 2008 alleging, *inter alia*, (i) mismanagement of BEML Midwest by our Company and the Midwest Nominees and (ii) that our Company siphoned ₹110.00 million through Reliance Granite Private Limited (an erstwhile subsidiary of

our Company) (“**Reliance Granite**”). BEML has further filed a criminal complaint dated June 2, 2009, against Mr. Kollareddy Rama Raghava Reddy, among other people, alleging forgery, cheating and misappropriation of funds (“**Complaint**”) in relation to the transactions with Reliance Granite. Additionally, in a separate proceeding, BEML has filed a criminal revision petition dated April 23, 2019, alleging conspiracy and fraud in relation to certain transactions undertaken by the Midwest Nominees in BEML Midwest (“**Revision Petition**”). For further information on the Complaint and the Revision Petition, see “*Outstanding Litigation and Material Developments–Litigation involving our Promoters–Criminal proceedings against our Promoters*” on page 447.

In 2009, our Company filed a petition before the CLB (“**Midwest CLB Petition**”) alleging that the BEML CMD and other nominees of BEML were dominating the administration of BEML Midwest and exercising their managerial powers to divert revenue from BEML Midwest to BEML while incurring the corresponding costs in the name of BEML Midwest. In the Midwest CLB Petition, we sought an investigation into the conduct of BEML and the BEML CMD, among others, and the mismanagement of BEML Midwest. By an order dated June 1, 2012, the CLB directed the Central Government to order an investigation into the affairs of BEML Midwest (“**Investigation**”) and on April 23, 2013, the MCA had appointed two inspectors from the Registrar of Companies, Andhra Pradesh at Hyderabad, to conduct the Investigation (“**MCA Investigators**”).

Subsequently, Mr. Kollareddy Rama Raghava Reddy also received a notice dated July 17, 2015, from the Central Bureau of Investigation (“**CBI**”) in relation to an investigation into the formation and operations of BEML Midwest. The information sought by the CBI was furnished on July 23, 2015 followed by a personal appearance by Mr. Kollareddy Rama Raghava Reddy before the CBI. No further communications have been received from the CBI in this matter.

The MCA Investigators had filed their report with the National Company Law Tribunal, Hyderabad (“**NCLT**”) (which had assumed jurisdiction over the matter from the CLB) on May 30, 2022 (“**Investigation Report**”). The Investigation Report found that the mismanagement of BEML Midwest was carried out by the BEML CMD and other nominee directors of BEML, and did not find merit in the allegations made by BEML regarding transactions between the BEML Midwest and Reliance Granite. However, the Investigation Report further concluded that the Midwest Nominees also bore responsibility (as directors of BEML Midwest) for allowing the affairs of BEML Midwest to be conducted in such a manner, and that all directors of BEML Midwest (including the Midwest Nominees) were jointly and severally responsible for its mismanagement. Accordingly, the Investigators recommended that (i) all directors of BEML Midwest (including Mr. Kollareddy Rama Raghava Reddy) must disgorge the amount mis-utilized jointly by them; (ii) there were *prima facie* circumstances existing against all directors of BEML Midwest to take action under Sections 241(3) and 242 of the Companies Act, 2013, including for removal and disqualification of all directors of BEML Midwest and appointment of Government nominee directors to the board of directors of BEML Midwest, to assess its financial condition and recover amounts from debtors of the Company and the erstwhile management. Our Company and BEML have contested the findings in the Investigation Report.

Additionally, the company petitions filed by BEML and our Company were returned by the NCLT on July 25, 2023, with liberty to refile, in light of the ongoing proceedings involving BEML Midwest under the Insolvency and Bankruptcy Code, 2016. BEML Midwest is currently undergoing liquidation proceedings pursuant to the order of the NCLT dated October 20, 2023. For further details of the ongoing liquidation proceedings involving BEML Midwest, see “*Outstanding Litigation and Material Developments–Litigation involving our Subsidiaries–Other Material Proceedings involving our Subsidiaries*” on page 446.

While there have been no further proceedings by the MCA based on the Investigation Report, there can be no assurance that proceedings will not be initiated against our Company or our Promoter, Mr. Kollareddy Rama Raghava Reddy in the future. Any such proceedings, or any further regulatory actions in relation to this dispute, could adversely affect our and our Promoter’s reputation or divert the time and attention of our management, and accordingly, may affect our business and results of operations.

4. *Our previous statutory auditors have issued qualified audit reports and included certain other matters in their audit reports on the consolidated financial statements of our Company as of, and for the Fiscals ended March 31, 2023 and March 31, 2022.*

The audit reports issued by our previous statutory auditors on the consolidated financial statements of our Company as of, and for the Fiscals ended March 31, 2023 and March 31, 2022 which have been used for the preparation of the Restated Consolidated Financial Statements include certain qualifications and other matter paragraphs. The table below sets out the qualifications and other matter paragraphs on the consolidated financial statements of our Company for the periods indicated.

Fiscal	Qualification	Other Matters
2023	<ul style="list-style-type: none"> As explained in Note no. 38.3 to the Consolidated Ind AS financial statements, BEML Midwest Limited, a subsidiary, has not been consolidated in the absence of its Ind AS financial statements. As per the accounting principles, the financial statements of this subsidiary should have been consolidated. The effects on the consolidated Ind AS financial statements, of the failure to consolidate this subsidiary company, net of provision for diminution already made in the value of the investment, has not been determined. 	<ul style="list-style-type: none"> The subsidiary auditors also qualified matters related to going concern in their respective audit reports. - Refer Note no 42 (A) to the Consolidated Ind AS financial statements (d) Refer Note no 42(B) w.r.t., ongoing litigation against South Coast Infrastructure Development Company of Andhra Pradesh Ltd. This investment has been accounted under equity method based on the unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management of the Company, these financial statements are not material to the Group.
2022	<ul style="list-style-type: none"> As explained in Note no. 38.3 to the Consolidated Ind AS financial statements, BEML Midwest Limited, a subsidiary, has not been consolidated in the absence of its Ind AS financial statements. As per the accounting principles, the financial statements of this subsidiary should have been consolidated. The effects on the consolidated Ind AS financial statements, of the failure to consolidate this subsidiary company, net of provision for diminution already made in the value of the investment, has not been determined. As explained in Note no. 38 to the Consolidated Ind AS financial statements, financial statements of Seven subsidiaries (including 5 step-down subsidiaries) have been furnished to us by the Management whose financial statements reflect total assets of Rs. 1673.41 million and net assets of Rs. 254.97 million as at 31st March, 2022, total revenue of Rs.49.42 million and total comprehensive income of Rs. 37.66 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are material to the Group. The subsidiary auditors have qualified the audit report about nonattendance of physical verification of stocks due to COVID and FUEL Crisis Lockdown as at the balance sheet date. Inventory amounting to Rs. 21.09 million of South Asia Granite and Marble Private Limited (Sri Lanka) has been accounted based on the management valuation. The subsidiary auditors also qualified matters related to going concern in their respective audit reports. – Refer Note no 	<ul style="list-style-type: none"> The auditor of South Coast Infrastructure Development Company of Andhra Pradesh Limited has Disclaimed their Audit opinion about Internal Financial Controls Over Financial Reporting under opinion for the ongoing litigations against the company (Refer Note no 42(D) to the Consolidated Ind AS financial statements). In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Fiscal	Qualification	Other Matters
	42 (B) to the Consolidated Ind AS financial statements	

There is no assurance that our auditors' reports for any future reporting periods will not contain such qualifications and other matters which could subject us to additional liabilities which could adversely affect our reputation, results of operations and financial condition.

- 5. We depend on certain key customers for a significant portion of our revenue from operations, with our top 10 customers contributing 48.37%, 53.51% and 59.69% of our revenue from operations in Fiscals 2024, 2023 and 2022, respectively. A decrease in the revenue we earn from such customers could adversely affect our business, results of operations, cash flows and financial condition.**

We depend on certain key customers for a significant portion of our revenue from operations, which exposes us to a risk of customer concentration. The table below sets out our revenue from our top 10 customers, on the basis of revenue contribution, including as a percentage of revenue from operations for the periods indicated.

(₹ million, except % data)

S. No.	Fiscal 2024		Fiscal 2023			Fiscal 2022			
	Name of the customer	Amount	% of revenue from operations	Name of the customer	Amount	% of revenue from operations	Name of the customer	Amount	% of revenue from operations
1.	Xiamen Jingtaiquan Industrial Co., Ltd.	398.00	6.80	East Profit International Enterprises Ltd.	524.86	10.44	East Profit International Enterprises Ltd.	693.11	13.20
2.	Yutian Stone (Shenzhen) Co. Limited	384.51	6.57	Marmo Limited	495.49	9.86	Marmo Limited	590.79	11.25
3.	East Profit International Enterprises Ltd.	375.97	6.42	Anjani Exports	304.47	6.06	Trimurthi Exports	413.99	7.88
4.	Xiamen Lianfa (Group) Forever Cp., Ltd.	323.55	5.52	Triple Line Ltd. Xiamen	295.85	5.89	Agencia Comercial WaiKei	390.37	7.43
5.	Anjani Exports	303.06	5.18	Xiamen Jingtaiquan Industrial Co., Ltd.	242.41	4.82	Anjani Exports	332.35	6.33
6.	Xiamen Bright Stone Import and Export Co. Ltd.	238.28	4.07	Agencia Comercial WaiKei	229.26	4.56	Best Cheer Global Trading Limited	237.14	4.51
7.	Xiamen Jianshijia Import and Export Co. Ltd.	220.91	3.77	Hong Kong Advance Hand In Hand Trading Co Ltd	205.00	4.08	Xiamen Xinrongshun Import And Export Co.,Ltd	168.77	3.21
8.	Triple Line Ltd. Xiamen	208.74	3.56	Xiamen Jianshijia Import And Export Co., Ltd.	167.84	3.34	Sinotex Corporation Limited	117.66	2.24
9.	Best Cheer (Xiamen) Stone Works Co. Ltd.	206.08	3.52	Xiamen Bright Stone Import And Export Co., Ltd	121.79	2.42	Hong Kong Advance Hand In Hand Trading Co Ltd	97.42	1.85
10.	Rich Knowledge Trading Co., Limited	173.56	2.96	Trimurthi Exports	101.95	2.03	Rich Knowledge Trading Co., Limited	93.40	1.78
	Total	2,832.66	48.37	—	2,688.91	53.51	—	3,135.01	59.69

Our contracts with our top 10 customers (based on their contribution to our revenue from operations in Fiscal 2024) typically have a tenure ranging from two years to three years. Our agreements with such customers may be terminated by giving no prior notice, and without compensation. While, in Fiscals 2024, 2023 and 2022, there have been no such instances of a loss of a customer which was a part of our top 10 customers, we cannot assure you that our contracts with such customers will not be terminated abruptly or that they will be renewed on terms favourable to us, within the anticipated timeframe, or at all.

If we fail to retain these customers on terms that are commercially reasonable or if there is any significant reduction in the volume of business with such customers or if there are adverse changes in the financial condition of such key customers, it could materially and adversely affect our business, results of operations, cash flows and financial condition.

6. *We derive a significant portion of our revenue from operations from outside India and during Fiscals 2024 and 2023, more than 50% of our revenue from operations was derived from customers located in China, which acts as a global distribution hub for the Granite industry. Any adverse developments in these markets or an inability of China to continue to act as a hub to cater to the global demands, could adversely affect our business and results of operations.*

We have historically derived a significant portion of our revenue from operations from markets outside India. During Fiscal 2024, we had customers across 17 countries. The table below sets out our region-wise revenue from operations for the periods indicated.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022		<i>(₹ million, except % data)</i>
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations	
Revenue from operations							
Within India (A)	2,198.73	37.55	1,986.73	39.54	2,503.68	47.67	
Outside India							
China	3,197.66	54.60%	2,529.77	50.34%	2,158.32	41.09%	
Rest of the world	459.85	7.85%	508.67	10.12%	590.37	11.24%	
Sub-total for Outside India (B)	3,657.51	62.46	3,038.44	60.46	2,748.69	52.33	
Total (A + B)	5,856.24	100.00%	5,025.17	100.00%	5,252.37	100.00%	

In the Granite industry, a significant portion of the raw material is commonly sent to China for processing before being distributed to the rest of the world. (*Source: CRISIL Report*) Accordingly, during Fiscals 2024 and 2023, more than 50% of our revenue from operations was derived from customers located in China. Any changes in the legal and regulatory environment in China, the diplomatic relationship between India and China, changes in the export or import laws of both countries, instability in the region due to war or natural calamity, any significant social, political or economic disruption or civil disruptions, or international sanctions or changes in the policies of the government in China could adversely affect our distribution activities, resulting in modification of our business strategy, which could in turn have a material adverse effect on our business, financial condition, results of operations and cash flows. Our failure to effectively react to these situations could adversely affect our business, prospects, results of operations, financial condition and cash flows.

For instance,

- during Fiscals 2020 and 2021, we faced minor shipment delays and congestions in ports located in China due to lock-downs imposed in China in response to COVID-19 pandemic, which resulted in an increase in holding periods at stockyards; and
- in October, 2023, we faced shortage of availability of ships due to uncertainty in global sea freight markets caused by the Red Sea conflict, resulting in accumulation of stocks both at port and at our Mines.

Any adverse developments in these markets outside India, particularly China, could adversely affect our business, results of operations and financial condition.

7. *We derive a substantial portion of our revenue from the sale of Black Galaxy Granite (72.35%, 70.46% and 71.91% in Fiscals 2024, 2023 and 2022, respectively), which is produced from three Mines located in Chimakurthy, Andhra Pradesh. The disruption of production at our Black Galaxy Granite Mines or reduction in demand for Black Galaxy Granite could adversely affect our business, financial condition, results of operations and cash flows.*

We rely heavily on revenue generated from the sale of Black Galaxy Granite. The table below sets out the revenues generated from the sale of Black Galaxy Granite, including as a percentage of our revenue from operations for the periods stated.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of Revenue from operations	Amount	% of Revenue from operations	Amount	% of Revenue from operations
Revenue from sale of Black Galaxy Granite	4,237.26	72.35	3,540.74	70.46	3,776.93	71.91

However, if there is a significant shift in the demand for Black Galaxy Granite, it could adversely affect our financial condition, cash flows, and results of operations. While we have not experienced any material decline in our sale of Black Galaxy Granite in Fiscals 2024, 2023 or 2022, there is no assurance that we will not face any such decline in the future.

Further, extraction of Black Galaxy Granite is carried out by us from three mines located in a single location, *i.e.*, Chimakurthy, Andhra Pradesh. If there is any disruption of production at any of these mines due to environmental, social or political disturbances, our cash flows, results of operations and financial condition would be materially and adversely affected.

8. Exchange rate fluctuations may adversely affect our business, financial conditions, cash flows and results of operations.

We transact a significant portion of our business in foreign exchange, primarily, the U.S. Dollar. Our contracts with overseas customers are typically denominated in foreign currencies and we also import certain equipment and vehicles required for our mining operations. Accordingly, we are exposed to foreign exchange transaction risks and fluctuations in the exchange rate of the Indian Rupee against foreign currencies, especially the U.S. Dollar, may have a material impact on our results of operations, cash flows and financial condition.

The table below sets out the details of our revenue from operations undertaken in foreign currencies for the periods indicated.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations	Amount (in ₹ million)	% of revenue from operations
Revenue earned in INR	2,198.73	37.55	1,986.73	39.54	2,503.68	47.67
INR value of revenue earned in foreign currency	3,657.51	62.46	3,038.44	60.46	2,748.69	52.33
Revenue from operations	5,856.24	100.00	5,025.17	100.00	5,252.37	100.00

* Exchange rate of USD 1 = ₹83.37 as at March 28, 2024; Source: www.rbi.org.in and www.fbil.org.in.

The table below sets out the details of our expenses undertaken in foreign currencies for the periods indicated.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses	Amount (₹ million)	% of total expenses
Total Expenses incurred in USD	99.94	2.15	118.09	2.66	281.58	6.31
Total Expenses incurred in Euro	7.81	0.17	3.75	0.08	2.81	0.06
Total Expenditure	4,655.25	100.00	4,435.39	100.00	4,461.91	100.00

* Exchange rate of USD 1 = ₹83.37 and Euro 1 = ₹90.22 as at March 28, 2024; Source: www.rbi.org.in and www.fbil.org.in.

While we enter into forward contracts to mitigate the risk of changes in exchange rates and our exposure is in part naturally hedged by the fact that we export products to overseas customers, there can be no guarantee that such fluctuations will not affect our financial performance in the future during periods of high currency volatility or that our business operations, financial conditions, results of operations and cash flows will not be affected by such exchange rate fluctuations.

The table below sets out the details of our unhedged net payables as a percentage of our total liabilities, on a consolidated basis for the periods indicated.

Particulars	As of March 31, 2024		As of March 31, 2023		As of March 31, 2022	
	Amount (₹ million)	% of Total Payables	Amount (₹ million)	% of Total Payables	Amount (₹ million)	% of Total Payables
INR value of unhedged net payables which are payable in USD	12.80	5.93	8.07	3.94	24.63	12.42
INR value of unhedged net payables which are payable in Euro	0.00	0.00	1.61	0.79	2.79	1.41
Unhedged Payables	12.80	5.93	9.68	4.73	27.42	13.83
Total Payables	215.79	100.00	205.01	100.00	198.35	100.00

* Exchange rate of USD 1 = ₹83.37 and Euro 1 = ₹90.22 as at March 28, 2024; Source: www.rbi.org.in and www.fbil.org.in.

Also see, “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting our Financial Condition and Results of Operations—Fluctuations in exchange rates” on page 408.

In addition, while our financial statements are denominated in Indian rupees, we hold various overseas assets, the value of which we are required to convert into Indian rupees for the preparation of our financial statements, thereby exposing us to foreign currency translation risks, *i.e.*, we may incur a financial loss that is not a result of a change in the underlying assets, but as a result of the change in the current value of the assets due to exchange rate fluctuations. Further, while we generally obtain payments from our customers in other jurisdictions through letters of credit to mitigate credit and foreign exchange risk, there can be no assurance that any change in the legal and regulatory landscape and other factors beyond our control may adversely impact our ability to recover such amounts payable by our customers to us and may also increase our exposure to exchange rate risk. Any of the foregoing events, may adversely affect our profitability and financial condition.

9. We have significant power and fuel requirements and incur significant operating expenditure. Any disruption to the supply of power or any significant change in our operating costs could disrupt our manufacturing operations and increase our production costs, which could adversely affect our results of operations.

We require substantial power to operate our Mines, processing units and Diamond Wire manufacturing plant and energy costs represent a key component of the production costs of our operations. We source a substantial portion of our electricity requirements from state electricity distribution companies and rely on our captive solar power plants and diesel generator sets for the remaining requirements. Inadequate or unavailability of electricity supply from state electricity distribution companies, cloud cover or other adverse factors affecting our solar plants or unavailability of diesel for our generators could result in interruption or suspension of our operations. Any significant increase in the cost of electricity/ diesel could result in an unexpected increase in our production costs. In order to reduce our carbon emissions, lower our operating costs and reduce dependency on conventional sources of power and fuel, we have installed a 1.10 MW solar power plant at Arpanapally in Telangana, India which caters to a part of the energy requirements at our two operating Mines in the location. We also propose to install additional solar power plants at two locations, representing an additional 0.66 MW of solar energy. Our inability to effectively implement this strategy could result in a disruption or slowdown of production in our mining operations which would adversely affect our business, results of operations and prospects. For further details, see “Our Business—Our Strategies—Improve efficiency and sustainability of our operations” and “Objects of the Offer—Details of Objects” on pages 239 and 111, respectively.

The table below sets out our expenses on power and fuel, including as a percentage of our revenue from operations for the periods indicated.

(₹ million, except % data)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Expenses on power	108.97	1.86	104.82	2.09	85.58	1.63
Expenses on fuel	563.68	9.63	686.82	13.67	552.80	10.52
Total (power + fuel)	672.65	11.49	791.64	15.75	638.38	12.15

The table below sets out the breakdown between the electricity sourced from state electricity distribution companies in the states we operate in, and our own captive solar plants and diesel generators to meet our overall electricity requirements for the period indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Consumption (KW)	% of total electricity required	Consumption (KW)	% of total electricity required	Consumption (KW)	% of total electricity required
State electricity distribution companies (A)						
Andhra Pradesh	4,851.03	41.42	5,062.75	41.87	4,491.24	49.43
Telangana	5,112.01	43.64	5,123.39	42.38	4,477.7	49.28
Captive solar plants (B)	1,555.24	13.28	1,495.95	12.37	-	-
Diesel Generators (C)	194.21	1.66	408.99	3.38	117.15	1.29
Total (A+B+C)	11,712.49	100.00	12,091.08	100.00	9,086.09	100.00

Frequent production shutdowns lead to loss of production and increased costs associated with restarting production. Therefore, if electricity supply arrangements to our facilities were disrupted, our operations could be adversely affected, and our profitability could decline. While we have not experienced any significant interruptions to our power or fuel supplies during Fiscals 2024, 2023 and 2022, we cannot assure you that interruptions would not occur due to any events unforeseen by us. In addition, any significant increase in the cost of power and fuel would adversely affect our cost of production and profitability.

In addition, we incur significant operating expenditure towards (i) consumption of stores and spare parts; (ii) repairs to machinery; and (iii) carriage and freight. We use significant quantities of lubricants, tires, steel and other materials, as well as spare parts and other consumables in our operations, which we account for as consumption of stores and spares. Further, our operations involve use of large earth moving equipment and other heavy machinery, which requires us to incur significant costs towards maintenance and repairs for our machinery. We also incur significant carriage and freight costs as our products are sold to overseas customers on a ‘free on board’ basis, and the transportation costs from our Mines and stock yards to the ports is borne by us. We also require substantial power to operate our Mines, machinery and facilities, and energy costs represent a key component of our cost of production. While we have not experienced any adverse impacts on our operations due to any significant change in our operating costs during Fiscals 2024, 2023 and 2022, there is no assurance that we will not face any such impact in the future. For further details, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 402.

Any significant social, political or economic disruption or natural calamities could require us to incur significantly increased operational expenditure and could adversely affect our business, results of operations and financial condition. For instance, our power and fuel expenses and carriage and transportation costs could increase significantly due to increases in fuel prices, strikes or stoppages by logistics providers, increase in the per unit cost of electricity supplied by the state electricity board, among others. Since most of our contracts with our overseas customers are priced on a ‘free on board’ basis, any adverse increase in our operating expenses are required to be borne by us and could adversely affect our profitability, sales, business or financial condition. Additionally, while we aim to pass on some of the increase in these operating costs to our customers, there is no assurance that we may be able to pass on some or any of these increased costs to our customers and our failure to do so could adversely affect our profitability and financial condition.

10. *Our business operations are subject to significant regulation. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business, and we may experience delays in obtaining, renewing or maintaining such licenses or permits or be unable to obtain such licenses and approvals due to litigation and change in regulatory landscape.*

Exploration, mining and processing of natural stones are subject to significant government regulation, and we are required to obtain a number of statutory permits and approvals under Central and State Government rules to conduct our business operations. In India, the state governments grant exploration and production rights through mining leases, mining licenses, permits and other regulatory approvals. These rights are granted for specified periods and not in perpetuity. Operationalizing mines and maintaining operationalized mines requires obtaining and maintaining the leasehold rights and obtaining approval of a mining plan, which contains annual extraction limits, as well as environmental clearances and environmental approvals in respect of the specific plans described in the mining plan.

Applying for new mining licenses or entering into mining leases or extending existing licenses or mining leases is time-consuming and requires the review and approval of several government authorities. Our mining lease contracts also contain various obligations and restrictions, which includes, among other things (i) payment of seigniorage fee or dead rent whichever is higher on the minerals dispatches or minerals consumed from the land at the applicable rates, (ii) prohibition on usage of explosives in conducting mining operations without obtaining prior permission of the competent authority, (iii) make arrangement for accessing the area granted for mining and also for the adjacent agricultural land holders, if any, and (iv) carry mining operations in accordance with the mining plan, if breached may lead to adverse consequences, such as penalties and/or suspension or termination of our license or mining lease contracts. The Union Government and State Governments through various regulatory authorities regulate or are involved in the development of regulations for various matters connected with the Granite mining industry in India. The mining industry is under increasing scrutiny from governments and civil society due to the significant impact of mining activities on the environment.

In July 2024, the Supreme Court of India overruled a past judgment and held that the State Governments in India have the right to impose tax on minerals and this right was not limited to the Central Government. In August 2024, the Supreme Court also clarified that the States can impose this tax with retrospective effect from April 1, 2005, with amounts to be paid to the State Government over a 12-year period beginning April 1, 2026. Our Mines are located in the States of Andhra Pradesh and Telangana. It is currently unclear if any such tax will be imposed on us or the impact of such tax on our business and financial results. There can be no assurance that the imposition of such tax may not have an adverse effect on our business, results of operations and financial condition.

Any changes in government policies, or court orders or judgments in particular policies, orders or judgments on taxation of mining and processing of natural stones could adversely affect our ability to expand our business and results of operations. For further details, see “*Key Regulations and Policies in India*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Significant Factors Affecting Our Financial Condition and Results of Operations*” on pages 265 and 406, respectively.

Additionally, the permits and approvals for our Mines, processing units and manufacturing facilities are valid only for a specified period of time and may expire in the ordinary course. There can be no assurance that we will be able to obtain, retain or renew such permits and rights on acceptable terms, or in a timely manner. The terms under which such rights or approvals are received may also involve requirements which restrict our ability to conduct our operations or to do so profitably. Further, there can be no assurance that the relevant state government will renew our existing permits, approvals and/or rights under the same or favourable terms in future, which may adversely affect our business and results of operations.

For instance, our revenue attributable to the Natural Stone Segment decreased by 3.78% to ₹4,831.92 million for Fiscal 2023 from ₹5,021.70 million in Fiscal 2022, primarily due to a temporary stoppage of production at certain Black Galaxy Granite mines in the quarter ended March 31, 2023, due to delays in making applications for renewal of regulatory licenses and applications for increase in authorized production levels, resulting in reduced production in Fiscal 2023. Occurrence of similar events in the future could adversely affect our ability to expand our business and results of operations. For further details see, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Fiscal 2023 compared to Fiscal 2022*” on page 430.

Further, mining leases or approvals granted to us may be subject to legal challenges. For instance, our Company is currently involved in a litigation filed before the Andhra Pradesh High Court, Hyderabad (“**High Court**”) where we have challenged an order passed by the Director of Mines and Geology, Government of Andhra Pradesh suspending all operations of our Company at our Mine situated in survey number 55/5 of R.L. Puram Village, Chimakurthy, Prakasam District, Andhra Pradesh (“**Order**”). While the Order has been suspended by the High Court, any adverse outcome in such or similar litigation may have an adverse impact on our business. Additionally, challenges by third parties to mining leases granted to us can also adversely affect our operations and financial conditions. For instance, a writ petition has been filed before the Andhra Pradesh High Court, at Amravati challenging the order passed by the

Government of Andhra Pradesh granting a mining lease to us at survey number 55/5 of R.L. Puram Village, Chimakurthy, Andhra Pradesh for the production of Black Galaxy Granite. Any adverse outcome of such or similar proceedings, and subsequent loss of a mining lease could adversely affect our business, operations and financial conditions.

11. *Our inability to successfully secure additional resources and reserves that can be exploited economically could materially and adversely affect our results of operations, profitability and financial condition.*

Granite reserves are gradually depleted in the ordinary course of a mining operation. As mining progresses, distances to the saws, loaders and dump lands become longer and pits become steeper. As a result, over time, we typically experience rising unit extraction costs with respect to each Mine. Further, given that Granite reserves decline as the granite is mined, our future results and margins depend upon our ability to access mineral reserves with geological characteristics that allow mining at competitive costs. Replacement reserves may not be available when required or, if available, may not be of a quality capable of being mined at costs comparable to the existing or exhausted mines. Our growth depends on our ability to conduct successful exploration and development activities at our existing mines and to acquire and develop additional reserves. While we have made efforts to expand our reserves base and acquired 43.87 acres land, 79.74 acres of land and 77.76 acres land in Fiscals 2024, 2023 and 2022, respectively, we cannot assure you that we will be able to capitalize on the land acquired or replace our existing reserves. Our ability to obtain replacement reserves could also be limited by lack of suitable acquisition options, regulatory and licensing restrictions, difficulties in obtaining mining leases and surface rights or the inability to acquire such properties on commercially reasonable terms, or at all.

In addition, we may not be able to accurately assess the geological characteristics of any reserves that we acquire, which may adversely affect our results of operations and financial condition. Because the value of reserves depends on that part of our mineral deposits that are economically and legally exploitable at the time of the reserve calculation, a decrease in prices of our products may result in a reduction in the value of mineral reserves that we obtain as a lesser portion of the mineral deposits contained in the deposit would be economically exploitable at the lower prices.

Our inability to successfully secure additional resources and reserves that can be exploited economically could therefore, materially and adversely affect our results of operations, profitability and financial condition.

12. *The activities carried out at our Mines, processing facilities and Diamond Wire manufacturing facility are hazardous in nature and may result in injury to persons or property.*

The activities carried out at our Mines, processing facilities and Diamond Wire manufacturing facility require the use of explosives, heavy machinery, corrosive chemicals and handling and storage of large rock masses, among other things. As a result, our operations are subject to the following operating risks:

- explosions;
- flooding;
- fires;
- collapse of mine walls;
- mechanical failures and other operational problems; and
- discharge or exposure to hazardous chemicals.

While our employees are provided regular training on the handling of explosives, heavy machinery and various substances used in our Mines, along with suitable personal protection equipment, accidents may nevertheless occur at our facilities. An accident may result in personal injury to our personnel, destruction of property or equipment, manufacturing or delivery delays, environmental damage, suspension of our operations and/or imposition of liabilities. The losses and liabilities arising from such risks may involve additional costs relating to mine reclamation, rehabilitation of affected persons, environmental clean-up, disaster recovery and workers' compensation. Such accidents may also result in litigation, the outcome of which is difficult to assess or quantify. Any claims or litigation arising from such accidents, individually or in aggregate, if decided against us, may adversely affect our business, results of operations and financial condition.

While we have obtained insurance coverage for workplace injuries, our insurance may not be sufficient to provide complete coverage for any injuries or losses sustained. As a result, the costs to defend any action or the potential

liability resulting from any such accident or death or arising out of any other litigation may need to be borne by our Company, which could adversely affect our cash flows, financial condition and results of operations.

Such accidents may also lead to negative publicity for our Company which would adversely affect our brand equity and reputation, and may also adversely affect our business, results of operations, cash flows and prospects.

13. *Our operations are subject to environmental laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incident or non-compliance of environmental and other similar laws and regulations.*

Our operations are subject to extensive environmental laws and regulations in India, including the Environment Protection Act, 1986, the Water (Prevention and Control of Pollution Act) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India and various statutory and regulatory authorities and agencies in India. Any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our mines and our processing facilities.

The mining industry is subject to strict regulations with respect to a range of environmental matters including limitations on land use, licensing requirements, the storage of inflammable substances and associated risks, the remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of pollutants into the environment. The discharge of dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties and may result in our incurring costs to remedy any such discharge or emissions.

Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest further in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines.

As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict. Any of the foregoing could adversely affect our business and results of operations.

14. *We have made incorrect form filings in the past, including those relating to the appointment of certain of our directors, and some of the forms relating to the allotment of certain of our Equity Shares in the past are not traceable. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard.*

Certain corporate records of our Company and form filings with the Registrar of Companies are not traceable. Such untraceable corporate records and form filings relate to the following:

- i. Form-2 filed in relation to the allotment of 5,700 equity shares on January 24, 1983 and the payment challan for such form;
- ii. Form-2 filed in relation to the allotment of 6,602 equity shares on January 28, 1987 and the payment challan for such form;
- iii. Form-2 filed in relation to the allotment of 30,000 equity shares on February 16, 1998 and the payment challan for such form;
- iv. Share transfer forms pertaining to transfer of shares approved in the Board meeting dated September 20, 1983 for 50 equity shares and the payment challan for such form;
- v. Share transfer forms pertaining to transfer of shares approved in the Board meeting dated July 01, 1997 for 100 equity shares and the payment challan for such form;
- vi. Share transfer forms pertaining to transfer of shares approved in the Board meeting dated December 12, 1996 for 6,910 equity shares and the payment challan for such form;

- vii. Share transfer forms pertaining to transfer of shares approved in the Board meeting dated June 25, 1999 for 3,150 equity shares and the payment challan for such form; and
- viii. share transfer forms pertaining to approval of transfer of shares in the Board meeting dated March 31, 2000 for 7,000 equity shares and the payment challan for such form.

While we have conducted searches of our records at our Company's offices, the portal of Ministry of Corporate Affairs and the records maintained by the jurisdictional RoC, we have not been able to trace the above corporate records, form filings and challans. In this regard, we have also relied on the search report dated September 30, 2024 prepared by Divya Mohta, an independent practicing company secretary, which was prepared based on their search of the documents and records available on the portal of the Ministry of Corporate Affairs and physical and online search of the RoC records ("PCS Search Report"). Accordingly, we have included the details of the build-up of the share capital of our Company in this Draft Red Herring Prospectus, by placing reliance on other corporate records such as board resolutions, the annual returns filed by our Company, to the extent available, the register of members and register of transfers, maintained by our Company and the PCS Search Report, for our disclosures. We have also, by a letter dated September 26, 2024, intimated the RoC regarding such missing corporate records and form filings.

Further, in relation to our Director, Mrs. Kukreti Soumya, there is a discrepancy in relation to her date of appointment as a Director of our Company. As per the board resolution dated September 21, 2012, Mrs. Kukreti Soumya's tenure as a Director was to come into effect from September 21, 2012, however, in the extra ordinary general meeting dated October 26, 2012, the tenure was noted to come into effect from November 1, 2012. Additionally, the Form 32 filed by our Company for the appointment of Mrs. Soumya as a Director of our Company, specifies the date of appointment as October 26, 2012.

Although no legal proceedings or regulatory actions have been initiated or are pending against us in relation to such incorrect or untraceable form filings/ corporate records, if we are subject to any such liability, it could adversely affect our reputation, financial condition, cash flows and results of operations.

Further, while we understand that the issuances, allotments and transfers were undertaken in a valid manner in terms of applicable law and our Articles of Association, there can be no assurance that the corporate records and form filings which we have not been able to locate will be available in the future, or that the regulatory filings were made in accordance with applicable law or at all or in a timely manner.

In addition, our Company had previously filed a compounding application in connection with the 2020 Buy-back, since we had failed to open a separate bank account to deposit the consideration payable for the equity shares tendered as part of the 2020 Buy-back, as required under Rule 17(8) of the Companies (Share Capital and Debentures) Rules, 2014. By an order dated July 11, 2024, the Regional Director, Hyderabad disposed the compounding application and levied a compounding fee of (i) ₹0.20 million against our Company and (ii) ₹0.13 million each against three of our Directors, which has been paid by our Company and the relevant Directors. There can be no assurance that there will be no such delays or non-compliances in the future or that any future compounding applications filed by our Company will be compounded and our Company will not be subject to adverse actions by the authorities in this regard.

15. *Industry information included in this Draft Red Herring Prospectus has been derived from the CRISIL Report, which was prepared by CRISIL MI&A and exclusively commissioned and paid for by our Company for the purposes of the Offer, and any reliance on information from the CRISIL Report for making an investment decision in the Offer is subject to inherent risks.*

Certain sections of this Draft Red Herring Prospectus include information that is based on or derived from the CRISIL Report, which was prepared by CRISIL MI&A and exclusively commissioned and paid for by our Company for the purposes of the Offer pursuant to an engagement letter dated March 27, 2024. CRISIL MI&A is not related to our Company, our Promoters, our Directors, Key Managerial Personnel, Senior Management or the Book Running Lead Managers. A copy of the CRISIL Report will be available on the Company's website at www.midwest.in from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

In view of the foregoing, you should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the CRISIL Report before making any investment decision regarding the Offer. Also see, "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation—Industry and Market Data" and "Industry Overview" on pages 27 and 163, respectively.

16. Our Mines, Granite processing facilities, Diamond Wire manufacturing facility and Registered Office are located in the southern Indian states of Telangana and Andhra Pradesh and any adverse changes in the region can adversely impact our business, financial condition, results of operations and cash flows.

Our Mines, Granite processing facilities, Diamond Wire manufacturing facility and Registered Office are all located in the southern Indian states of Telangana and Andhra Pradesh. Further, Black Galaxy Granite, which accounted for 72.35%, 70.46% and 71.91% of our revenue from operations in Fiscals 2024, 2023 and 2022, respectively, is entirely mined from our three Mines in Chimakurthy, Andhra Pradesh. Any significant social, political or economic disruption or natural calamities in this region or changes in the policies of these states or local governments could lead to a disruption of our operations, which may adversely affect our business, cash flows, results of operations and financial condition.

Factors beyond our control, including disruptions in electrical power or water resources, strikes, political unrest, or natural disasters, could result in a slowdown or shutdown of our operations and damage to our facilities, machinery and equipment or render us unable to access ports and other transportation infrastructure in the region. We will be required to incur significant expenditure repair and maintenance costs to repair any damage to our facilities and equipment. The effect of such damages and expenses for repairs and maintenance on our business and results of operations could be significant.

While we have not experienced any material disruptions at our Mines, processing facilities or our Diamond Wire manufacturing facility during Fiscals 2024, 2023 and 2022, we cannot assure you that there will not be any such disruptions in the future. Our inability to effectively respond to such events and rectify any disruptions, in a timely manner or at an acceptable cost, may adversely affect our business, cash flows, results of operations and financial condition.

17. Our Company has entered into joint venture agreements with other parties for certain of our business ventures and a failure by our Company to perform its obligations could impose additional financial and performance obligations resulting in reduced profits or, in some cases, significant losses, and it could adversely affect our business, results of operations and financial condition.

Our Company, from time to time, enters into various joint venture agreements with other parties, including government companies, for the purposes of various business ventures, including mineral exploration and mining. For instance, we have entered into an agreement dated June 4, 2007 with Andhra Pradesh Mineral Development Corporation Limited (a wholly owned undertaking of the Government of Andhra Pradesh) (“APMDC”) for the establishment and operation of Andhra Pradesh Granite (Midwest) Private Limited (“APGM”), our Material Subsidiary (“APGM Agreement”).

Under the terms of the APGM Agreement read with a supplementary agreement dated February 15, 2014, we are required to ensure that the stipulated minimum assured production from the relevant Mines is complied with, along with the payment of a minimum assured amount to APMDC and provision of a performance bank guarantee to APMDC, which can be invoked by APMDC for any breach of the APGM Agreement. Further, under the APGM Agreement, we are required to ensure, among other things, that (i) APMDC holds 11% of the paid-up capital of APGM at all times; (ii) APMDC has directors on the board of directors of APGM in proportion to their shareholding in APGM, subject to a minimum of one director; (iii) assume responsibility for all damages, losses, compensation or any outstanding amount payable by APGM for failure to comply with applicable law; and (iv) payment of an annual infrastructure development fee to a committee established under the terms of the APGM Agreement.

Any disputes that may arise between us and our JV counterparties may cause disruptions and stoppages in operations. We may, in certain instances, fail to reach agreement on significant decisions in a timely manner. We also cannot control the actions of our JV counterparties, including any non-performance, default by, our JV counterparties, and we typically bear liability or have several liability with our partners for such matters. For further details, see “*History and Certain Corporate Matters*” on page 273.

In addition, in order to establish or preserve relationships with our partners, we may agree to assume risks and contribute resources that are proportionately greater than the returns we expect to receive in the related joint venture. Such agreements may reduce our income and returns on these investments compared to what we would have received if our assumed risks and contributed resources were proportionate to our returns. Any of the foregoing could adversely affect our business, financial condition and results of operations.

18. We cannot assure you that the Objects of the Offer will be achieved within the expected time frame, or at all, and any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

Our Company proposes to utilize the Net Proceeds towards the following objects:

Particulars	Amount (₹ million)
Funding capital expenditure by Midwest Neostone, our wholly owned subsidiary, towards the Phase-II Quartz Processing Plant	1,270.49
Capital expenditure for purchase of Electric Dump Trucks to be used by our Company and APGM, our Material Subsidiary	257.55
Capital expenditure for integration of solar energy at certain Mines of our Company	32.56
Pre-payment/re-payment of, in part or full, certain outstanding borrowings of our Company and APGM	538.00
General corporate purposes ⁽¹⁾⁽²⁾	[●]
Net Proceeds⁽¹⁾	[●]

⁽¹⁾ To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

⁽²⁾ The amount utilized for general corporate purposes shall not exceed 25% of the Net Proceeds.

While a monitoring agency will be appointed to monitor the utilization of the Gross Proceeds, the proposed utilization of the Net Proceeds is based on current business plans, current conditions and other commercial and technical factors including interest rates and other charges, the financing and other agreements entered into by our Company, the cost assessment reports prepared by Dun & Bradstreet, for the Phase II Quartz Processing Plant and integration of solar energy at certain of our Mines and quotations received from third-party vendors, which may be subject to change in light of changes in external circumstances and other factors beyond our control such as general economic conditions, inflation, technological changes, changing customer preferences and competitive landscape, credit availability and interest rate levels or updates to quotations from third-party vendors. Our management will have broad discretion to revise our business plans, estimates and budgets from time to time in compliance with applicable law. Consequently, our funding requirements and deployment of funds may change, which may result in rescheduling of the proposed utilization of the Net Proceeds, subject to compliance with applicable law.

In case of an increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements. If actual utilization towards the Objects of the Offer is lower than the proposed deployment, such balance will be used for future growth opportunities, including funding other existing objects, subject to compliance with applicable law. If the proposed utilization of the Net Proceeds is not completed within a fiscal year, it shall be carried forward. Further, at this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control.

Any variation in the objects of the Offer shall be made in compliance with Sections 13(8) and 27 of the Companies Act which requires us to obtain shareholders' approval, and Regulation 59 of the SEBI ICDR Regulations which requires us to provide an exit opportunity to shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI and in accordance with any other applicable law. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business, results of operations and financial condition.

Further, our Promoters would be required to provide an exit opportunity to shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement for our Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI. For further details, see "Objects of the Offer" on page 109.

19. We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements which includes the establishment of the Phase II Quartz Processing Facility, electrification of our mine equipment and integration of certain of our facilities with solar energy. As of the date of this Draft Red Herring Prospectus, we have not placed the orders and have not entered into definitive agreements for the capital expenditure proposed to be funded from the Net Proceeds which may expose us to the risk of unanticipated delays in implementation and cost overruns.

We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements towards establishing the Phase II Quartz Processing Facility, the electrification of mine equipment and integration of certain of our facilities with solar energy. For further details, see “*Objects of the Offer—Details of Objects*” on page 111.

However, we cannot assure you that our planned capital expenditures will result in business growth or that we will not experience delays in implementing such planned capital expenditures or that we will not be required to make certain incremental capital expenditure and other investments in order to operate effectively. Additionally, we may be required to incur certain additional or unanticipated capital expenditure for maintenance, such as for upgrading and improving our facilities, infrastructure, equipment and technology, to allow us to continue to operate effectively or to reduce our operating costs.

As of the date of this Draft Red Herring Prospectus, we have not placed orders for the capital expenditure proposed to be funded from the Net Proceeds and have not entered into any definitive agreements with the vendors in relation to such capital expenditure. We have relied on cost assessment reports dated September 27, 2024 prepared by Dun & Bradstreet, for the Phase II Quartz Processing Plant and integration of solar energy in our Mines and quotations received from third parties for estimation of the costs. Further, most of these quotations are valid for a certain period of time and their validity may expire. Additionally, these quotations may be subject to revisions including due to increases in raw material costs, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will be no cost escalations in the future. For further details, see “*Objects of the Offer—Details of Objects*” on page 111.

20. We intend to utilize a portion of the Net Proceeds to replace certain of our diesel-based dump trucks with electric dump trucks and our relative inexperience in their operation and maintenance could adversely affect our business, results of operations and prospects.

We propose to increase the sustainability of our operations and lower our operating costs by replacing our diesel-based dump trucks with electric dump trucks (“**Electric Dump Trucks**”). Our inability to effectively implement this strategy could result in a disruption or slowdown of production in our mining operations which would adversely affect our business, results of operations and prospects. For further details, see “*Objects of the Offer—Details of Objects*” on page 111.

This strategy is subject to various risks inherent to the use of novel technologies and electric vehicles, including the durability and suitability of battery-operated vehicles in high temperature environments, availability of spare parts and availability of experienced vendors to service and maintain such vehicles. Further, we have limited experience in the use of Electric Dump Trucks, particularly in their operation and maintenance. While we had conducted a pilot program to evaluate the use of Electric Dump Trucks and their suitability for our operations, the deployment of such vehicles at an operational scale may present challenges that were not anticipated during the pilot program and may result in the Electric Dump Trucks performing below our expectations. If we experience any such problems, it could adversely affect our business, financial condition, cash flows and results of operations.

21. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.

As of the date of this Draft Red Herring Prospectus, our funding requirements are based on management estimates in view of past expenditures, cost assessment reports prepared by Dun & Bradstreet and quotations received from third parties and have not been appraised by any bank or financial institution, since the Objects are being funded completely out of the Net Proceeds. Our funding requirements and proposed deployment of the Net Proceeds are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors.

The utilization of Net Proceeds towards general corporate purposes shall be at the discretion of the management of our Company. We cannot ascertain the quantum or period of utilization of funds towards general corporate purposes,

which shall be determined by our Board based on business needs and requirements, subject to applicable laws to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations and in compliance with the objectives as set out under “*Objects of the Issue—Details of the Objects—General corporate purposes*” on page 141. Accordingly, prospective investors in the Offer will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it could adversely affect our business and the results of operations. For further details, see “*Objects of the Offer—Details of Objects*” on page 111.

22. We have experienced negative cash flows from operating activities during Fiscal 2023. Any negative cash flows in the future would affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

The following table sets forth certain information relating to our restated statements of cash flows for the periods indicated, as per the Restated Consolidated Financial Statements:

Particulars	Fiscal 2024	Fiscal 2023 (₹ million)	Fiscal 2022
Net cash flow/ (used) from/in operating activities	1,279.07	(519.46)	1,433.12

Our negative cash flows in Fiscal 2023 were primarily attributable to a temporary stoppage of production at certain Black Galaxy Granite mines in the quarter ended March 31, 2023, due to delays in making applications for renewal of regulatory licenses and applications for increase in authorized production levels, resulting in reduced production in Fiscal 2023. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operation—Cash Flows—Fiscal 2023*” on page 433. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans and could adversely affect our cash flows, business, future financial performance and results of operations. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 402.

23. We propose to enter into new business segments and our inability to establish ourselves in such nascent business segments could adversely affect, our business condition, results of operations and cash flows.

We are expanding our business activities by building capabilities in (i) extraction and processing of Quartz; and (ii) mining of Heavy Mineral Sands. We propose to enter into the extraction and processing of Quartz, and are expanding our capabilities, primarily to cater to the market for Engineered Stone and propose to further expand our capabilities to produce Quartz for use in the manufacture of Solar Glass. We also propose to commence mining of Heavy Mineral Sands, and have obtained mining licenses in Sri Lanka for the extraction of ores such as Ilmenite, Rutile, Garnet, Zircon, among others.

We do not have prior experience in the extraction and processing of Quartz or the mining of Heavy Mineral Sands and there can be no assurance that our proposed businesses will be successful, particularly since our competitors may have more experience and a deeper understanding of these segments. We may also find it more difficult to hire, train and retain qualified employees for operating in these segments.

The extraction and processing of Quartz and Heavy Mineral Sands is highly technical in nature, and we may experience problems during such processes for a variety of reasons, including equipment malfunctions, failure to follow specified protocols and procedures, failure to obtain appropriate licenses and approvals, natural disasters or other environmental factors. If we experience any such problems and are unable to sell any of the products from our proposed new business segments in the future, it could adversely affect our business, financial condition, cash flows and results of operations.

In addition, we are introducing certain exclusive varieties of natural stones such as Laza Grey Marble and Celestia Quartzite which can compete with Marble currently being imported into India and cater to the growing market for Quartzite. To this end, we have one Mine that produces Quartzite in Hanumanthunipadu, Andhra Pradesh and another operating Mine in Sidhout, Andhra Pradesh. We have outsourced the processing of Laza Grey Marble and Celestia Quartzite on job work basis to a unit located in Rajasthan. Our Laza Grey Marble and Celestia Quartzite is proposed to be marketed on a B2B2C model, where we will be responsible for branding, positioning and pricing the product through an asset-light contract manufacturing arrangement. We have also signed a memorandum of understanding with a Turkish producer of high purity Quartz with plans to co-operate and develop a long-term partnership covering development and establishment of Quartz processing unit in India. There can be no assurance that our proposed

business will be successful, particularly since the processing of products are outsourced to a third-party. We may also find it more difficult to optimize costs of our products.

Entering a new business can be risky and expensive, and we cannot assure you that our new products will gain market acceptance or meet the particular tastes or requirements of customers. Our success in these new activities depend on our ability to adapt to rapidly changing marketing trends. The impact of our marketing initiatives may not be as effective as we anticipate. If we do not successfully establish our reputation and brand image in these new activities, it could adversely affect our cash flows, results of operations and financial condition.

24. Certain of our Subsidiaries and Joint Ventures have incurred losses in the past. Any future losses could adversely affect our operations, financial conditions and results of operations.

Certain of our Subsidiaries and Joint Ventures have incurred losses in the past. The table below sets forth our profit/(loss) after tax of our Subsidiaries and Joint Ventures, for the periods indicated.

S. No.	Name of the Entity	Fiscal 2024	Fiscal 2023	Fiscal 2022	(₹ million)
Subsidiaries*					
1.	Midwest Neostone Private Limited	(3.03)	(5.13)	(9.99)	
2.	AP Midwest Galaxy Private Limited	(0.08)	(0.62)	-	
3.	Deccan Silica LLP	(0.04)	(0.01)	(0.24)	
4.	NDR Mining Co	(1.73)	(0.04)	-	
5.	Baahula Minerals	(0.41)	(0.35)	(0.33)	
6.	Midwest Holdings Ltd	(7.86)	(21.82)	36.14	
7.	Midwest Heavy Sands Private Ltd.	(2.13)	-	-	
8.	Trinco Mineral Sands Private Limited	(0.49)	-	-	
9.	Maitreya Minerals	(0.49)	-	-	
Joint Venture					
10.	SMW Granites LLP	(2.86)	0.05	0.09	

*Subsidiaries as on the date of this DRHP.

We cannot assure you that our Subsidiaries and Joint Ventures will not incur losses in the future, or that such losses will not adversely affect our business or reputation.

25. Our operations are dependent on ongoing research and development (“R&D”) activities, and our inability to identify mineral bearing parcels suitable for mining activities, evaluating emerging technologies and industry methods, customer preferences and regulatory change could adversely affect our business.

The mining industry is characterised by technological advancements, introduction of innovative technologies, price fluctuations and intense competition. Our Company engages in continuous R&D activities to study:

- (i) geological, geo-physical, geo-chemical, tectonic and geographical information system data to identify mineral bearing parcels in areas suitable for mining activities;
- (ii) evaluating emerging technologies and industry methods in particular towards making improvements in our Diamond Wire Segment and adapting such technologies and industry methods to our operations; and
- (iii) sustainable materials and environmentally friendly practices, that have minimal environmental impact.

We commit substantial effort, funds and other resources towards R&D in areas which we believe have significant growth potential. The table below sets out our research and development expenditure as a percentage of our revenue, for the periods indicated.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of Revenue	Amount (₹ million)	% of Revenue	Amount (₹ million)	% of Revenue
R&D expenditure	114.61	1.96	57.84	1.15	41.69	0.79

The laws and regulations applicable to our operations change from time to time. Any regulatory changes may render our products and technologies non-compliant or obsolete. Our ability to anticipate changes in technology and

regulatory standards, understand industry trends and requirements, changes in customer preferences and to successfully align and introduce new production processes and sustainable measures to address industry trends, is a significant factor in our ability to remain competitive. This depends on a variety of factors, including:

- (i) complying with schedules for production and regulatory approvals;
- (ii) hiring, training and retention of qualified personnel;
- (iii) achieving cost and production efficiencies;
- (iv) identification of emerging regulatory and technological trends in our industry;
- (v) development and validation of innovative technologies and sustainable measures;
- (vi) analyze customer interest in new products; and
- (vii) the costs and customer acceptance of the new or proposed products.

Our success depends significantly on our ability to successfully commercialize our initiatives under development in a timely manner. Even after successful R&D initiatives, which in itself are time-consuming, commercial production may take longer due to multiple factors such as the significant gestation period for the operationalization of new Mines and long periods for adaptation to new methods and technologies. Implementation of R&D initiatives may require significant capital expenditure. Our inability to realize the benefits of such expenditure could adversely impact our results of operations, profitability and financial condition.

Further, we are also highly dependent on a skilled workforce. As of March 31, 2024, we had a qualified and experienced R&D team with 9 members comprising 7 geologists, 1 quality control specialist and 1 chemist. The loss of the services of such skilled personnel or our inability to recruit or train a sufficient number of experienced personnel could adversely affect our financial results and business prospects.

There can be no assurance that we will be able to secure the required capabilities through our own R&D activities or through strategic acquisitions that will allow us to continue to develop our product portfolio and resource base or that we will be able to optimize our production methods and costs, which could adversely affect our business and results of operations.

26. *Our operations are labor intensive and may be subject to strikes, work stoppages or increased wage demands by our employees or the employees of our sub-contractors.*

Our operations are labor intensive and we are dependent on a large workforce for our operations. As of March 31, 2024, we had a workforce which comprised 409 permanent employees, 791 contract workers and 32 consultants. The number of contract workers employed by us varies from time to time based on the nature and extent of work we are involved in. Our dependence on such contract labor may result in significant risks for our operations, relating to the availability and skill of such contract labourers, as well as contingencies affecting availability of such contract labor during periods of high demand in the labor market. There can be no assurance that we will have adequate access to a skilled workforce at reasonable rates or at all. As a result, we may be required to incur additional costs to ensure continuity of production. The utilization of our workforce is affected by a variety of factors including our ability to forecast our production schedules and contract labor requirements. The success of our operations depends on the availability of labor and maintaining good relationships with our workforce. Shortage of skilled and unskilled personnel or work stoppages caused by disagreements with employees could materially and adversely affect our business and results of operations. If we are unable to employ contract labour at reasonable costs or manage the requirements of our workforce effectively, our business, prospects, financial condition and results of operations may be adversely affected.

India has stringent labor legislations that protect the interests of workers. We are also subject to laws and regulations governing relationships with employees, in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Although our employees are currently not unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labor policies.

While we have not experienced disruption in our business operations due to disputes with our workforce during Fiscals 2024, 2023 and 2022, there can be no assurance that we will not experience disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert our management's attention and result in increased costs.

27. We are highly dependent on our Promoters, our Key Managerial Personnel and our Senior Management. Any inability on our part to retain or recruit skilled personnel could adversely affect our business, results of operations and financial condition.

We are highly dependent on our Promoters, Key Managerial Personnel and Senior Management, for setting our strategic business direction and managing our business. Mr. Kollareddy Rama Raghava Reddy and Mr. Ram Kollareddy, who are among our Promoters, have significant experience in the Dimension Stone industry and have led our business and operations. They play a vital role in providing us strategic guidance and direction. For further details, see “*Our Promoters and Promoter Group*” and “*Our Management*” on pages 312 and 292, respectively. A loss of the services of any of our Promoters could adversely affect our business, results of operations and financial condition.

Further, our success depends to a large extent upon the continued efforts and services of our Key Managerial Personnel, including our Senior Management with technical expertise, and we rely significantly on their experience. For further details, see “*Our Management*” on page 292. Our success also depends, in part, on key customer relationships forged by them and we cannot assure you that we will be able to continue to maintain these customer relationships, or renew them, if we are unable to retain such members of our Key Managerial Personnel and Senior Management, which could adversely affect our business and results of operations.

Our business is manpower intensive and our continued success and ability to meet future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. As of March 31, 2024, we had 409 permanent employees. Our attrition rate in the Fiscals 2024, 2023 and 2022 was 11.00%, 4.50% and 4.50%, respectively. For further details, see “*Our Business—Employees*” on page 261. In the future, we may also be required to increase our levels of compensation more than in the past in order to remain competitive and attract skilled and experienced professionals. Our inability to recruit or train a sufficient number of such personnel or our inability to manage the attrition levels in different employee categories may materially and adversely affect our business and results of operations.

28. This Draft Red Herring Prospectus includes certain Non-GAAP Measures, financial and operational performance indicators and other industry measures related to our operations and financial performance. The Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian mining industry and, therefore, may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain Non-GAAP Measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such Non-GAAP Measures, financial and operational performance indicators and other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used to evaluate the operational performance of entities in the Indian mining industry, many of which provide such Non-GAAP Measures, financial and operational performance indicators and other industry related statistical information.

These Non-GAAP Measures, financial and operational performance indicators and other industry related statistical information relating to our operations and financial performance may not necessarily be defined under, or presented in accordance with, Ind AS and may not have been derived from the Restated Consolidated Financial Statements. These Non-GAAP Measures, financial and operational performance indicators and other industry related statistical information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies in India and other jurisdictions. Such supplemental financial and operational information is therefore of limited utility as an analytical tool and should not be viewed as substitutes for performance or profitability measures under Ind AS or as indicators of our operating performance, financial condition, cash flows, liquidity or profitability. Investors are cautioned against considering such information either in isolation, or as a substitute for an analysis, of the Restated Consolidated Financial Statements.

Further, we track certain financial and operational performance indicators, including EBITDA, EBITDA Margin, Net Profit Margin, Return on Capital Employed, Return on Equity, Debt to Equity Ratio, Current Ratio, Interest Coverage Ratio, Working Capital Cycle, Granite blocks produced and sold (in cubic meters), Diamond Wire produced and sold (in meters) (collectively, the “**Key Performance Indicators**” or “**KPI**”). The KPIs are supplemental measures of our operations and financial performance and are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP, and are prepared with internal systems and tools that are not independently verified by any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources,

methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics under count or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our measures for the applicable period of measurement, there are inherent challenges in measuring how our Mines and Diamond Wire manufacturing facilities operate. Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies.

Further, there can be no assurance that our KPIs will be higher than our comparable listed industry peers in the future. An inability to improve, maintain or compete, or any reduction in such KPIs in comparison with the listed comparable industry peers may adversely affect the market price of the Equity Shares.

Also see, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Measures and Financial and Operational Performance Indicators*” on page 410.

29. We are dependent on third party transporters and certain ports for the delivery of our products and are exposed to the risk of disruption in their operations or a decrease in the quality of their services.

We use third party transporters to transport rough Granite blocks to (i) ports and stockyards, and (ii) our Granite processing facilities. Further, we rely on access to port facilities to export our products to overseas customers, primarily the port facilities located at Chennai in Tamil Nadu and Krishnapatnam, Andhra Pradesh. Our success depends on the smooth supply and transportation of our products, which is subject to various risks, uncertainties and other hazards beyond our control such as unavailability of vessel space at the ports, port congestion, inadequate port infrastructure, accidents, adverse weather conditions, strikes and civil unrest, which could adversely affect supplies from our suppliers.

In addition, our products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of our finished products which may also adversely affect our business and results of operations.

While we have not encountered any major disruptions in the transportation of Granite blocks in the Fiscals 2024, 2023 and 2022, we cannot assure you that we may not encounter any delay, interruption or reduction in the supply of raw materials in the future. If we lose one or more of our transportation providers, we may not be able to obtain terms as favourable as those we receive from the providers that we currently use, which in turn would increase our costs and adversely affect our operating results. Further, if our transportation providers do not carry sufficient insurance coverage, any losses that may arise during the transportation process will have to be claimed under our insurance policies. We cannot assure you that we will receive compensation for any such claims in a timely manner, or at all, which may adversely affect our business, cash flows, financial condition and results of operations.

Disruptions of transportation services because of weather-related problems, strikes, inadequacies in the road infrastructure, or other events could impair the ability of the third-party transportation providers to deliver our products in a timely manner, or at all. While we have not experienced any such disruptions during Fiscals 2024, 2023 and 2022, we cannot assure you that there will be no disruptions in the supply of our products, any such disruptions may adversely affect our business, cash flows and results of operations.

30. Inability to effectively utilize our installed Granite processing capacity could have an adverse effect on our financial performance.

Our Company, along with our then consortium partner, Savema S.P.A., Italy, entered into a joint venture agreement dated June 4, 2007 with Andhra Pradesh Mineral Development Corporation Limited (the “APMDC” and such agreement, the “**Joint Venture Agreement**”) pursuant to which, among other things, we were required to establish an export oriented Granite processing facility with a stipulated minimum annual capacity and ensure that a certain percentage of the raw blocks mined in the Quarry Lease Area are processed at such facility. Pursuant to the supplementary agreement dated February 15, 2014, the requirement that a stipulated quantity of raw Granite extracted from the Quarry Lease Area be sent to the processing facility was modified, and sale of raw Granite blocks directly from the Mines without processing was permitted, provided the minimum revenue commitments to APMDC are satisfied.

Accordingly, for the reasons stated above, the Granite processing facilities only account for a minor portion of our revenue from operations, with the majority of the rough Granite blocks extracted from our Mines being sold to buyers and transported directly from the relevant Mine or stock yard to the ports for transportation or to the processing facility of the buyer. Our Granite processing facilities are established close to our Mines in the state of Andhra Pradesh, to improve our product recovery by salvaging low-quality commercial blocks which might not be economical to transport and process elsewhere. The details of the capacity utilization at our Granite processing facilities have been provided below.

Unit	Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Granite Processing Facility – Chimakurthy, Andhra Pradesh	Installed capacity ⁽¹⁾	2,330,328	2,330,328	2,330,328
	Actual production ⁽²⁾	122,170	96,181	48,350
	Utilization Rate (in %)	5.24	4.13	2.07
Granite Processing Facility – Ongole, Andhra Pradesh	Installed capacity	300,000	300,000	300,000
	Actual Production	67,463	18,059	8,247
	Utilization Rate (in %)	22.49	6.02	2.75

As certified by E. Raghunath, Chartered Engineer, by way of their certificate dated September 24, 2024.

⁽¹⁾ The information relating to the installed capacity as of the dates included above are based on various assumptions and estimates that have been considered for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the granite industry after examining the calculations and explanations provided by the Company and other ancillary equipment installed at the facilities. The assumptions and estimates considered include the following: (i) number of working days in a year is 240 days; (ii) number of working days in a month is 20 days; (iii) number of working shifts in a day is 1 shift; (iv) number of working hours in a shift is 8 hours; and (v) schedule preventive maintenance days are included within the 125 non-working days.

⁽²⁾ The information relating to the actual production as of the dates included above is based on the examination of the internal production records provided by the Company, explanations provided by the Company, the period during which the manufacturing facility operates in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

⁽³⁾ Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of the relevant manufacturing facility as of the end of the relevant period.

For further details in relation to our Granite processing facilities, see “Our Business—Description of our Business—Natural Stone Segment—Processing” on page 251.

Given that a majority of the rough Granite blocks extracted from our Mines are sold directly to customers, the utilization of the installed capacity at our Granite processing facilities has remained low during the Fiscals 2024, 2023 and 2022. However, our ability to maintain optimum operating costs at our processing facilities and improve the recovery from our mining operations depends on our ability to maintain sufficient levels of capacity utilization at our processing facilities. If the capacity utilization at our Granite processing facilities is not maintained at optimum levels for a prolonged period, it may result in operational inefficiencies which could adversely affect our business and financial condition.

31. Our Registered Office is located on premises not owned by us and has been leased to us. Any non-renewal of the lease may lead to disruptions and affect our business operations.

Our Registered Office is located on premises that we occupy under a lease arrangement. The tenure of the lease for our Registered Office is one year and is renewable in accordance with the terms of the relevant lease deeds. For details of our properties, see “Our Business—Description of our Business—Properties” on page 263.

We may be required to re-negotiate rent or other terms and conditions of the lease deeds. We may not be able to renew or extend the lease of our Registered Office at commercially acceptable terms, or at all and if we are unable to renew the lease deeds on terms and conditions acceptable to us, or at all, we would need to find alternative premises, which may be more expensive and/or be situated in a less desirable location and the relocation to the new premises could disrupt our operations.

We may also be required to vacate the premises at short notice as prescribed in the lease deed, and we may not be able to obtain possession of an alternate location, in a short period of time. Our ability to obtain possession of an alternate location depends on a variety of factors that are beyond our control such as overall economic conditions, our ability to identify such properties and competition for such properties. In addition, properties in convenient locations or

supported by quality infrastructure may command a premium, which may exceed our budget. Occurrence of any of the above events could adversely affect our business and results of operations.

32. Our Company has entered into transactions with one of our Promoters for the acquisition of land and we cannot assure you that such transactions will not adversely affect our financial condition and results of operations.

Our Company has entered into the following transactions with one of our Promoters, Mr. Kollareddy Rama Raghava Reddy, for the acquisition of land, as described below:

Date	Transferor	Use	Transferee	Particulars of Land	Acquisition Cost (in ₹ million)
August 28, 2023	Mr. Kollareddy Rama Raghava Reddy	Dump land for mining operations	Company	29.33 acres of land in Theegalaveni village, Gudur Mandal, Mahboobabad District, Telangana.	140.00
January 31, 2024	Mr. Kollareddy Rama Raghava Reddy	Dump land for mining operations	Company	7 acres and 20 guntas of land in Theegalaveni village, Gudur Mandal, Mahboobabad District, Telangana.	42.00

While our Company has executed agreements to sell for each of the abovementioned transactions with Mr. Kollareddy Rama Raghava Reddy, we are yet to execute any sale deed in this regard and accordingly, the amounts paid to Mr. Kollareddy Rama Raghava Reddy have been recorded in the Restated Consolidated Financial Statements as capital advances. Any failure to timely execute the sale deed for these transactions or a failure in mutation of the land records in favour of our Company could adversely affect our financial condition and results of operations. For further details in relation to the interests of our Promoters in our Company, please see “*Our Management*”, “*Our Promoters and Promoter Group*” and “*Restated Consolidated Financial Statements*” on pages 292, 312 and 321, respectively.

33. Our operations may be affected by changes in weather conditions and adverse weather conditions may have a material impact on our operations.

Our operations at our Mines may be obstructed by difficult working conditions caused by high temperatures during the summer months and excessive rain during the monsoon season, which may hamper our ability to carry on mining activities and fully utilize our available resources. During periods of curtailed activity due to adverse weather conditions, we may be required to continue to incur operations expenses but our revenue from operations may reduce or be delayed. Although such adverse weather conditions do not typically have a material impact on our operations, abnormally hot summer months or excessive monsoon rain may have a material impact on our operations. While during Fiscals 2024, 2023 and 2022, there have been no such instances of which have materially affected however, if any such risks materialize, it may have a material impact on our operations.

34. We have operations in foreign countries which exposes us to risks inherent to operations in foreign jurisdictions.

As a part of our existing and proposed business operations, we operate Subsidiaries in Mozambique, Sri Lanka, Isle of Man and Mauritius. Each of these countries have distinct legal and regulatory systems and we may be subject to risks arising from the distinct legal, regulatory and operational environments in these jurisdictions. These include risks related to:

- changes in laws, regulatory requirements and exchange control restrictions on repatriation of revenue or profits;
- challenges caused by language and cultural differences;
- health and security threats or the outbreak of an infectious disease;
- imposition of international sanctions on one or more of the countries in which we operate;
- fluctuations in currency exchange rates;
- political, social or economic instability in such countries
- changes in taxes, trade policies and treaties;

- circumstances and conditions outside of our control such as natural disasters, civil disturbance, terrorist attacks, war or other military action;
- legal compliance costs associated with multiple international locations; and
- exposure to local banking, currency control and other financial-related risks.

While there have not been any such instances which have materially affected us during the Fiscals 2024, 2023 and 2022, if any such risks do materialize, it could adversely affect our business, cash flows, results of operations and prospects.

The growth in size or scope of our business, expansion of our footprint in existing regions in which we operate and entry into new markets will also expose us to regulatory regimes with which we have no prior direct experience and expansion into new product areas could lead to us becoming subject to additional or different laws and regulations. If any of these risks materialize, it could adversely affect our business, cash flows, results of operations and prospects. Our failure to effectively react to such situations in these markets could adversely affect our business, prospects, results of operations and financial condition.

35. *While acquiring land parcels or other properties, we may not be aware of legal uncertainties and defects such as ambiguities in the ownership of the property by the seller of such property, which may have an adverse impact on our ability to conduct our business and operations on such lands.*

We use different ways to acquire land. Land is typically acquired directly through negotiations with the seller. It can also be acquired through acquisitions, joint ventures, or other such arrangements with the entities that hold land parcels. While making such purchases or acquisitions, we may be unable to identify various legal defects and irregularities to the title of the land that we purchase. Property records in India have not been fully computerized and are generally maintained and updated manually through physical records of all land related documents. This process may take a significant amount of time and result in inaccuracies or errors. For example, there could be discrepancies in the land area in revenue records, the area in title deeds or the actual physical area of some of our land. In addition, we may not be aware of all the risks associated with acquisitions of land or property. It is often difficult for us to conduct a substantial independent due diligence of non-public information about the target company or property.

Further, we may also be exposed to risk of litigation on account of acquisition of land or property without requisite approvals, which could affect our title to such land or property. For instance, our Company has filed a writ petition before the Andhra Pradesh High Court, Amravati on February 3, 2023 against the Joint Sub-Registrar, Vishakhapatnam and others in relation to the non-registration of the certain property documents of Opusasia Technologies Private Limited, which was merged into our Company. The matter is currently pending. Legal disputes in respect of land title can take several years and considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. Following the completion of a purchase or an acquisition, we may have to incur significant expenditure to maintain the assets we have acquired and to comply with regulatory requirements. The costs and liabilities actually incurred in connection with such acquisitions may exceed those anticipated. For further details, see *History and Certain Corporate Matters—Scheme of amalgamation of Ind Natali Granite Private Limited, Opusasia Technologies Private Limited, Reliance Granite Private Limited, Subhiksha Agro Farms Private Limited, Victorian Granites Private Limited, Yarra Agro Estates Private Limited with our Company and their respective shareholders*” on page 280.

In addition, we may not have good and marketable title to some of our land as a result of non-execution, non-registration, or not having obtained requisite approvals from courts or concerned governmental authorities for acquisition of land or property, or may be subject to, or affected by, encumbrances of which we may not be aware. We may not therefore be able to assess or identify disputes, unregistered encumbrances or adverse possession rights over title to real property in which we have invested or may invest. Any potential defects in our ownership or title to properties used in our operations could affect our ability to carry out business from such locations and may adversely affect our business, financial condition, cash flows and results of operations.

36. *The title rights or other interests overland where our land over which we have rights are located may be subject to legal uncertainties and defects, which may interfere with our ownership result in us incurring costs to remedy and cure such defects.*

There may be various legal defects and irregularities in the title to the land over which we have rights. Our rights or title in respect of these lands may be adversely affected by improperly executed, unregistered or insufficiently stamped conveyance instruments in the property's chain of title, encumbrances in favour of third parties, or irregularities in the process of mutation of the land records in favour of our Company, rights of adverse possessors, ownership claims of

successors of prior owners, and irregularities or mismatches in record-keeping, non-issuance of public notice prior to acquisition or when the title report is issued or updated, the absence of conveyance by all right holders, ownership claims of family members or co-owners or prior owners or other defects that we may not be aware of. These defects or irregularities may not be fully identified or assessed. Our Company's rights or title in respect of these lands may be adversely affected.

Legal disputes in respect of land title in India can take several years and can entail considerable expense to resolve if they become the subject of court proceedings and their outcome can be uncertain. If such disputes are not resolved between our Company and the claimants, our Company may either lose their interest in the disputed land or may be restricted from carrying mining activities.

There have been certain instances where there have been (i) delays in mutation of land records for lands that we have acquired; (ii) delays in clearance of encumbrances created by previous owners; (iii) delays in clearing the details of certain lands from reflecting in the prohibition list on government portals including the 'dharani portal' maintained by the Government of Telangana; (iv) recording of incorrect survey numbers of lands in sale deeds and 'pattadar passbooks' maintained with the local government bodies; (v) delays in conversion of certain lands to non-agricultural land; (vi) discrepancies in the online title records maintained on government portals; (vii) delays in obtaining land use certificate for certain lands; and (viii) failure to furnish 'pattadar passbooks' as maintained with local government bodies for transfer of land. Any adverse outcome or regulatory decision in any such matters could invalidate our title to these lands and may have a material adverse effect on our title and interest in such assets.

The method of documentation of land records in India has not been fully digitized. Land records may be hand-written, in local languages, illegible or may not match with the approvals granted to us by regulatory authorities. Land records may also be untraceable or not always updated. Limited availability of title insurance, coupled with difficulties in verifying title to land, may increase the vulnerability of our Company's title over the land over which we have rights. This could result in loss of title to the property or affect valuations of the property.

37. There have been certain instances of delays in payment of statutory dues by our Company. Any further delays in payment of statutory dues may attract financial penalties and may adversely affect our business, financial condition and results of operations.

Set forth below are details of statutory dues paid by our Company and our Material Subsidiary, APGM, for the periods indicated.

Midwest Limited:

Fiscal	No. of Employee as on the last day of the Fiscal	Total amount due (in ₹)	Paid (in ₹)	Unpaid (in ₹)
Employee's Provident Fund				
2024	318	11,205,143	11,205,143	-
2023	332	10,699,443	10,699,443	-
2022	289	10,160,761	10,160,761	-
Profession Tax				
2024	270	645,250	645,250	-
2023	269	655,600	655,600	-
2022	265	613,750	613,750	-
Employees' State Insurance				
2024	55	364,910	364,910	-
2023	64	246,972	246,972	-
2022	23	242,661	242,661	-

Andhra Pradesh Granite (Midwest) Private Limited:

Fiscal	No. of Employee as on the last day of the Fiscal	Total amount due (in ₹)	Paid (in ₹)	Unpaid (in ₹)
Employee's Provident Fund				
2024	72	3,006,465	3,006,465	-
2023	71	2,963,052	2,963,052	-

Fiscal	No. of Employee as on the last day of the Fiscal	Total amount due (in ₹)	Paid (in ₹)	Unpaid (in ₹)
2022	81	2,951,657	2,951,657	-
Profession Tax				
2024	79	185,200	185,200	-
2023	75	185,450	185,450	-
2022	76	179,100	179,100	-
Employees' State Insurance				
2024	3	29,622	29,622	-
2023	3	27,251	27,251	-
2022	6	64,323	64,323	-

The details of delays in payments of statutory dues by our Company and APGM, our Material Subsidiary, during the above periods have been set out below.

Particulars	Financial Year 2024		Financial Year 2023		Financial Year 2022	
	Number of Instances	Amount delayed (in ₹)	Number of Instances	Amount delayed (in ₹)	Number of Instances	Amount delayed (in ₹)
Midwest Limited						
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	-	-	-	-	2	495,572
Employee State Insurance Act, 1948	4	59,244	10	4,333	-	-
Professional Taxes	5	154,300	8	207,050	14	367,200
Income Tax Act, 1961 (TCS)	15	351,928	5	163,462	4	510,263
Income Tax Act, 1961 (TDS)	41	5,384,900	11	968,720	18	17,025,593
Goods and Services Tax	2	765,073	3	5,372,336	11	16,841,427
Andhra Pradesh Granite (Midwest) Private Limited						
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	2	499,887	12	293,714	4	488,215
Employee State Insurance Act, 1948	4	9,878	-	-	-	-
Professional Taxes	9	66,650	-	-	3	45,750
Income Tax Act, 1961 (TCS)	-	-	-	-	5	102,917
Income Tax Act, 1961 (TDS)	6	935,598	2	142,866	39	3,194,126
Goods and Services Tax	1	4,586,624	-	-	5	21,400,755

Any future delays in payments of statutory dues could attract financial penalties from government authorities, which could adversely affect our reputation and financial condition.

38. We operate in an industry with a few large players and any increased competition with them may lead to a reduction in our revenues, reduced profit margins or a loss of market share.

The granite industry is highly capital-intensive, characterised by long gestation periods and significant entry barriers. (*Source: CRISIL Report*) Establishing operations in this sector requires substantial upfront investment in mining. (*Source: CRISIL Report*) Increased competition from our competitors who may have stronger financial resources and possess greater economies of scale, who may successfully attract our customers by matching or exceeding what we offer may lead to a reduction in our revenues, reduced profit margins or a loss of market share. Our success depends on our ability to anticipate, understand and address the preferences of our existing and prospective customers as well as to understand evolving industry trends and our failure to adequately do so could adversely affect our business. Further, if the quality of our products or the level of our services deteriorates, or if we are unable to provide high-quality products in a timely, reliable and secure manner, our reputation and business may suffer.

Among other things, our competitors may:

- reduce, or offer discounts on, their prices for similar products as ours;

- target the same products as us or develop different products that compete with our current offerings;
- attract or retain a key managerial or sales personnel with relationships with a key customer or confidential information regarding our future product pipeline and growth plans;
- harness better process technology or improved process yield and respond more quickly and effectively than we do to new or changing opportunities, applications, technologies, standards, or customer requirements;
- possess greater financial resources than we do, and may be able to devote greater resources to pricing and promotional programs.

If any or a combination of the foregoing factors occur, we may not be able to maintain our growth rate and our revenues and operating margins may decline. We cannot assure you that we will continue to effectively compete with our competitors in the future, and our inability to compete effectively could affect our ability to retain our existing customers or attract new customers, which may in turn materially and adversely affect our business, financial condition, results of operations and prospects. Also, see “*Our Business—Competition*” on page 256.

39. *Uncertainty regarding the real estate, infrastructure, and other related markets could adversely affect the demand for our products and services.*

Our products, in particular Black Galaxy Granite, is primarily used in high-value real estate projects including luxury hotels, condominiums and apartments for use in kitchen counters, flooring, bathroom vanities, window sills, back splashes, fire place wraps, accent walls, sculptures, coffee tables, steps and building facades Any slowdown in these industries and the economy in general could affect the natural stone industry. Any adverse developments in the economic outlook of these sectors could directly affect the demand for our products. Our financial performance depends significantly on the stability of the real estate, infrastructure and other related sectors. Adverse conditions such as a general slowdown in the economy affecting the purchasing power of the consumer could cause them not to invest in real estate or delay purchase of properties. The state of the credit markets, including interest rates, mortgages, consumer credit and other conditions beyond our control, could further adversely affect the demand for our products and could adversely affect our business, financial condition, results of operations and prospects.

40. *Our customers may engage in transactions in or with countries or persons that are subject to U.S. and other sanctions.*

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject to comprehensive sanctions and with certain persons or businesses that have been specially designated by the Office of Foreign Assets Control (“OFAC”) of the US Department of the Treasury or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. We may enter into transactions with customers who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply. We cannot assure you that we will be able to fully monitor all of our transactions for any potential violation. If it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers’ dealings in or with countries or with persons that are the subject of U.S. sanctions. Any of the foregoing could adversely affect our business, financial condition, results of operations and prospects.

41. *Our mining operations could be subject to adverse publicity which could adversely affect our brand, business, financial condition, results of operations and prospects.*

Operations in the mining industry are often under scrutiny for environmental related matters, working conditions in Mines and bureaucratic processes, among others. Print, electronic and other forms of media engage extensively with the issues in the mining industry and the industry is often subject to discussion in public fora. With growing investor consciousness about environmental, social and governance norms and deliberations around sustainability and conservation increasing, negative media coverage of our Company could adversely affect our brand, business and financial conditions. While our Company has focused on mitigating environmental concerns by reducing the use of explosives at our Mines, integration of renewable sources of energy in our operations and working towards the use of electric dump trucks, there can be no assurance that these initiatives would be sufficient in preventing adverse publicity or media coverage for our operations. Any form of adverse coverage on the mining industry in general could also

impact our brand and value in the future. Further, any allegations of impropriety in allocation of mines by government agencies, as has happened in India in the past, could also affect the general perception of the industry. Additionally, while our Company aims to ensure a safe working environment for our workers and prevent any accidents or injuries at our Mines and facilities, such accidents may nevertheless occur subjecting us to negative coverage in the media, which could adversely affect our reputation, results of operations and prospects.

42. *We have certain contingent liabilities and commitments which, if materialized, may adversely affect our financial condition.*

We have certain contingent liabilities and commitments which, if materialized, may adversely affect our financial condition. Set forth below are details of our contingent liabilities and commitments as of March 31, 2024.

Contingent Liabilities and commitments	As of March 31, 2024 (₹ million)
<i>Contingent Liabilities</i>	
On account of Corporate guarantees	457.08
On account of Bank Guarantees	565.33
Income tax demands disputed/contested by the Company pending in appeal	151.42
Demand of Excise duty against the Company	19.32
Demand of Custom duty against the Company	261.90
Demand of Entry tax against the Company	96.69
On account of Bonds executed with Customs authorities	77.01
Demand of RCM on Royalty against the Company	26.89
Case of a past employee against the Company	0.76
APMDC - CLAUSE 17 case against the Company	9.72
Liquidator of BEML has filed Petition against the Company	106.70
Recovery Case against Debtor	4.13
Demand of royalty from office of ADMG - Telangana	74.38
<i>Capital Commitments</i>	
Unexecuted capital orders to the extent not provided for	163.69
Total	2,015.02

For further details, see Note 36 to our Restated Consolidated Financial Statements included in “*Restated Consolidated Financial Statements*”, on page 379.

Any or all of the abovementioned contingent liabilities may crystallise and become actual liabilities. In the event that any of our contingent liabilities become non-contingent, financial condition, cash flows and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current financial year or in the future.

43. *Information relating to the installed capacity, actual production and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.*

Information relating to the installed capacity, actual production and capacity utilization of our Granite processing facilities and Diamond Wire manufacturing facility included in this Draft Red Herring Prospectus is based on various assumptions and estimates of our management that have been taken into account by E. Raghunath, an independent chartered engineer, in their certificate dated September 24, 2024, for the calculation of the installed capacity, actual production and capacity utilization of our facilities and such calculations may not be computed on the basis of, or in accordance with, any standard methodology and may not be comparable to those employed by our competitors. These assumptions and estimates include the standard capacity calculation practice of the granite mining industry after examining the calculations and explanations provided by the Company and other ancillary equipment installed at the facilities.

Actual production levels and future capacity utilization rates may vary from the estimated production capacities of our manufacturing facilities and their historical capacity utilization rates. Undue reliance should therefore not be placed on the historical installed capacity, actual production and capacity utilization for our facilities included in this Draft Red Herring Prospectus. Also see, “*Our Business—Description of our Business—Natural Stone Segment—Processing*” and “*Our Business—Description of our Business—Diamond Wire Segment—Capacity and Capacity Utilization*” on pages 251 and 253, respectively.

44. Our financing arrangements contain certain restrictive covenants, and non-compliance with any of the covenants of our financing agreements could trigger an event of default.

As of August 31, 2024, our total borrowings were ₹1,503.71 million. Since the interest rates on certain of our borrowings may be subject to changes based on the prime lending rate of the respective lenders, such borrowings may be subject to renegotiation and/or escalation on a periodic basis.

The agreements governing certain of our debt obligations include terms that, in addition to certain financial covenants, restrict our ability to, *inter alia*, without the prior consent of lenders:

- change in ownership of the Company;
- undertake or permit any reorganization, amalgamation, reconstruction, takeover or any other scheme of compromise or arrangement;
- change in management or constitution of our Company;
- any expansion, new project, investment/ acquiring assets under lease/ enter into borrowings arrangements with any other bank/ financial institution;
- carry out any amendments to the Memorandum of Association and Articles of Association of our Company; and
- undertake any expansion, modernization, augmentation of our existing business or operations.

We have received consents from our lenders, where required, for the Offer.

Further, any adverse operating results by us or adverse trends in the industry generally may result in a downgrade of our credit ratings, which in turn may lead to an increase in our borrowing costs and constrain our access to financing, as a result, may adversely affect our business growth. Any downgrade of our credit ratings could result in default under our financing arrangements or lenders imposing additional terms and conditions in any future financing or refinancing arrangements in the future. Details of our credit ratings have been provided below:

Agency	Date of Credit Rating	Instrument	Rating/ Outlook
CRISIL	April 19, 2024	Issuer Rating	CRISIL A-/Stable

If one or a combination of the abovementioned factors were to arise, our business, financial condition, results of operations and growth prospects could be materially and adversely affected.

45. We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not adversely affect our financial condition and results of operations.

We enter into certain transactions with related parties (including our Promoters and Group Companies) in the ordinary course of our business and may continue to enter into related party transactions in the future.

Our related party transactions include transactions with our Promoters, and Group Companies for unsecured loans, rent, sale of investments, professional charges, sale of property, plant and equipment and investments, among others. Our related party transactions (excluding related party transactions eliminated during the year), as a percentage of our revenue from operations, constituted 8.23%, 4.19% and 6.90% in Fiscals 2024, 2023 and 2022, respectively. For details of our related party transactions in Fiscals 2024, 2023 and 2022, see “Offer Document Summary—Summary of related party transactions” and Note 37 to our Restated Consolidated Financial Statements included in “Restated Consolidated Financial Statements” on pages 19 and 380, respectively.

As certified by Majeti & Co., Chartered Accountants pursuant to their certificate dated September 30, 2024, all related party transactions of our Company as disclosed in the Restated Consolidated Financial Statements are in compliance with applicable laws, including taking necessary approval/resolution from our Audit Committee, Board of Directors and our Shareholders, to the extent applicable.

The transactions we have entered into have involved, and any future transactions with our related parties could potentially involve, conflicts of interest. All related party transactions that we may enter into after listing on the Stock Exchanges will be subject to approval by our Audit Committee, our Board, or our Shareholders, as required under the Companies Act and the SEBI Listing Regulations. Related party transactions that our Company enters into in the future may involve conflicts of interest, which shall be in compliance with applicable law but may be detrimental to the

interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority Shareholders and will not adversely affect our business, results of operations and financial condition.

46. *Our business is capital intensive. We may not be able to obtain future financing on favorable terms or at all or furnish bank guarantees in the future. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations.*

Our business is capital intensive, and there could be situations where the total funds available to us may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. Our total outstanding borrowings as of August 31, 2024 were ₹ 1,503.71 million.

If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. As we pursue our growth plan, we expect that we will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of capital. However, our ability to arrange financing and the cost of capital of such financing is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financial covenants that would restrict our operations. If we experience insufficient cash flows or are unable to borrow funds on a timely basis or at all to meet our capital and other requirements, it could adversely affect our business and results of operations.

Capital investment requires mobilization of significant resources, which in turn requires us to effectively assess viable business opportunities. If we are unable to successfully identify business opportunities, our business, results of operations and financial condition could be adversely affected. For instance, we operate two Mines which yield tan brown Granite in Vilasagar, Telangana. While we are able to operate these Mines, based on our assessment of demand and the pricing of tan brown Granite, the extraction and production of tan brown Granite at these mines is not currently viable. Occurrence of similar events in the future could adversely affect our ability to meet our capital requirements and adversely impact our financial condition. There can be no assurance that we will be able to effectively manage our capital requirements.

47. *We are subject to risks arising from interest rate fluctuations, which could reduce our profitability and adversely affect our business, cash flows, financial condition and results of operations.*

Our operations are partly funded by debt and increases in interest rate and a consequent increase in the cost of servicing such debt may adversely affect our cash flows, results of operations and financial condition. The interest rate for certain loan amounts availed by us is expressed as the base rate of a specified lender and interest spread per annum, which is variable. As of August 31, 2024, our total outstanding borrowings were ₹ 1,503.71 million, out of which a total outstanding of ₹ 497.29 million was subject to variable interest rates. Changes in prevailing interest rates affect our interest expense in respect of our borrowings, and may have an adverse affect on our business, results of operations, cash flows and financial condition. The table below sets out our interest expenses, including as a percentage of total expenses for the periods indicated.

Particulars	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Amount (₹ million)	% of Total Expenses	Amount (₹ million)	% of Total Expenses	Amount (₹ million)	% of Total Expenses	Amount (₹ million)	% of Total Expenses	Amount (₹ million)
Interest on term loans	59.00	1.27	61.40	1.38	52.94	1.19			
Interest on working capital	21.91	0.47	20.03	0.45	11.63	0.26			

For a description of interest typically payable under our financing agreements, see “*Financial Indebtedness*” on page 400.

Although we may in the future exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements or re-

finance onerous debt obligations, there can be no assurance that we will be able to do so on commercially reasonable terms or that these agreements, if entered into, will protect us adequately against interest rate risks. Further, if such arrangements do not protect us adequately against interest rate risks, they would result in higher costs.

48. Our insurance coverage may not be adequate to protect us against all material risks.

Our principal type of insurance coverage include amongst others, employees' compensation insurance, personal accident insurance, public liability insurance, standard fire and special perils insurance and various vehicle insurance policies. We also maintain a directors' and officers' liability policy for all our Directors.

We cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. The table below sets out our insurance claims receivable and our insurance expenses for the periods indicated.

Particulars	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Insurance claims receivable	-	-	0.79
Insurance expenses	16.73	18.27	17.26

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at an acceptable cost, or at all.

The table below describes the amount and percentage of coverage of insurance vis-a-vis the total assets of the Company on a consolidated basis for the periods indicated:

(in ₹ million, except % data)				
Particulars	Amount of Assets	Percentage of total Assets (in %)	Amount of insurance coverage	Percentage of insurance coverage (in %)
Insured Assets	1,429.01	56.65	2,229.04	155.98
Non-insurable Assets	1,093.43	43.35	-	-
Total Assets	2,522.44	100.00%		

To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. Also see, "*Our Business—Description of our Business—Insurance*" on page 262.

49. Any disruption or failure of our technology systems may adversely affect our business and operations. Additionally, challenges in implementation of new technologies for our operations could be significant.

Our business is significantly dependent on the efficient and uninterrupted operation of our technology infrastructure and systems. We leverage our technology infrastructure to maintain our inventory levels and track our production levels. For instance, we have implemented an SAP ERP software which helps us track our inventory and production levels and supports all aspects of our business and has the capability to generate in-depth tracking reports on the movement of our stock, purchases and sales. For further details, see "*Our Business—Description of our Business—IT Systems*" on page 261.

If we do not allocate and effectively manage the resources necessary to implement and sustain appropriate IT infrastructure, we could be subject to errors and inefficiencies. Our technology infrastructure is vulnerable to interruption by events beyond our control such as fire, earthquake, power loss, telecommunications or internet failures, terrorist attacks and computer viruses. We may also be subject to hacking or other attacks on our IT systems and we cannot assure you that we will be able to successfully block or prevent all such attacks. Any breaches of our IT systems may require us to incur further expenditure on repairs or more advanced security systems. While there have been no such instances of failures and interruptions to our IT systems in Fiscals 2024, 2023 or 2022, a significant system failure could adversely affect our ability to manage overall operations, thereby adversely affecting our results of operations, reputation and cash flow. If such interruption is prolonged, our business, results of operations and financial condition may be materially and adversely affected.

Any significant upgrade to or replacement of our systems could require considerable capital expenditure, which could adversely affect our financial condition. Implementation of technology enhancements also entail risks such as administrative delays and failure to effectively train our personnel to operate new, emerging technologies. In addition, technological advances from time to time may result in our systems, methods or processing facilities becoming obsolete or performing less efficiently compared to newer and better technologies and processes in the future. Certain of our competitors may have access to similar or superior technology or may have better adapted themselves to technological changes. Moreover, we may be unable to anticipate, understand and address the preferences of our existing and prospective customers or to understand evolving industry trends. Any of these risks may place us at a competitive disadvantage, limit our growth opportunities and adversely affect our business, results of operations and financial condition.

50. *Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation.*

The use of our trademarks or logos by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. As of the date of this Draft Red Herring Prospectus, we have obtained a registration for the word mark ‘Midwest’ under Class 19 and have made an application for its registration under Class 37. However, our logo  MIDWEST is currently unregistered and we have made applications for its registration under Classes 19 and 37 under the Trade Marks Act, 1999. For further details, see “*Our Business—Description of our Business—Intellectual Property*” on page 262.

If our trademarks or other intellectual property are improperly used or our applications for registration are not accepted, the value and reputation of our business could be harmed. The measures we take to protect our intellectual property, such as registration of our trademarks, may not be adequate to prevent unauthorized use of our intellectual property by third parties. Despite these precautions, it is possible that third parties may copy or otherwise infringe upon our rights, which may adversely affect our business, financial condition and results of operations.

51. *We will continue to be controlled by our Promoters after the completion of the Offer and there may be a conflict of interest between the interests of our Promoters and other shareholders.*

As of date of this Draft Red Herring Prospectus, our Promoters and Promoter Group together hold 32,403,564 Equity Shares constituting 95.83% of the issued, subscribed and paid-up share capital of our Company, and will hold [●] % of our Equity Share capital after the completion of the Offer. After the Offer, our Promoters will continue to exercise significant control or exert significant influence over us which will allow them to vote together in capacity as shareholders of the Company on certain matters in general meetings of the Company. Accordingly, while the interests of our Promoters, in their capacity as shareholders of the Company, may conflict with your interests and the interests of other shareholders of the Company, we will comply with applicable laws, including SEBI Listing Regulations in relation to such conflicts. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

52. *Certain of our Subsidiaries and Joint Ventures are engaged in similar lines of business as our Company, and certain of our Promoters and Promoter Group have nominal shareholding in such entities.*

Set out below are details of the Subsidiaries which are engaged in similar lines of business as our Company, and the details of our Promoter’s shareholding in such Subsidiaries.

S. No.	Subsidiary / Joint Venture	Country of Incorporation of the entity	Name of the Promoter / Promoter Group	No. of equity shares / common stock of the specific entity	Percentage of total shareholding of the specific entity (%)
1.	Andhra Pradesh Granite (Midwest) Private Limited (“APGM”)	India	Mr. Kollareddy Rama Raghava Reddy	10	0.0001%
2.	AP Midwest Galaxy Private Limited	India	Mr. Kollareddy Ramachandra	10	0.01%
3.	BEML Midwest Limited*	India	Mr. Kollareddy Ramachandra and Mr. Kollareddy Raghava Reddy	200	0.0017%
4.	Midwest Heavy Sands Private Limited	Sri Lanka	Mr. Kollareddy Ramachandra and Mrs. Kukreti Soumya	3,90,690	3.37%

S. No.	Subsidiary / Joint Venture	Country of Incorporation of the entity	Name of the Promoter / Promoter Group	No. of equity shares / common stock of the specific entity	Percentage of total shareholding of the specific entity (%)
5.	Trinco Mineral Sands Private Limited	Sri Lanka	Mr. Kollareddy Ramachandra and Mrs. Kukreti Soumya	2,05,588	2.08%
6.	Maven Holdings Limited	Mauritius	Mr. Deepak Kukreti	1,000	0.97%

*Under liquidation by order of the National Company Law Tribunal

Such Subsidiaries may have common business objects with our Company. We cannot assure you that there will not be any conflict of interest between our Company and such Subsidiaries or that such entities will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without which could adversely affect our business and financial condition.

53. Our Company will not receive the proceeds from the Offer for Sale.

The Offer includes a Fresh Issue of Equity Shares aggregating up to ₹2,500.00 million by our Company and an Offer for Sale of such number of Equity Shares by the Selling Shareholders aggregating up to ₹4,000.00 million. The proceeds from the Offer for Sale will be paid to the Selling Shareholders, in proportion to their respective portion of the Offered Shares (net of their proportion of the Offer-related expenses), and our Company will not receive any such proceeds. For further details, see “*Objects of the Offer*” on page 109.

54. Our Promoters, our Directors and Key Managerial Personnel have interests in our business other than the reimbursement of expenses incurred or normal remuneration or benefits.

We have entered into related party transactions with our Promoters for, among other things, unsecured loans, rent, sale of investments, professional charges. For details, see “*Restated Consolidated Financial Statements—Note 37 Related Party Disclosures*” on page 380. We enter into certain related party transactions in the ordinary course of our business, and we cannot assure you that such transactions will not adversely affect our financial condition and results of operations. Further, our Promoters are also interested in our Company to the extent of the Equity Shares held by them and any remuneration received by them in their capacity as Directors of our Company.

External Risks

55. Changes in royalty rates could have an adverse effect on our profitability, financial condition and results of operations.

Under the terms of our mining leases entered into with the relevant state Government, we are required to pay certain royalties to the respective government granting us such a lease. The royalties are typically levied as a specified percentage of the sales price, determined on a ‘free on board’ and unit basis. The details of the amount of royalty paid by us during Fiscals 2024, 2023 and 2022 have been provided below:

State	Royalties Paid			(in ₹ million)
	Fiscal 2024	Fiscal 2023	Fiscal 2022	
Andhra Pradesh*	1,014.42	928.75	1,012.12	
Telangana	30.64	24.86	19.46	
Total	1,045.06	953.61	1,031.58	

* The Royalty includes the amount paid to APMDC (Andhra Pradesh Mineral Development Corporation Limited) towards consideration under the Joint Venture Arrangement.

Any revision in the amount of the royalties, particularly an increase in the amount which we are required to pay, may impact our operating margins and render it difficult for us to conduct our operations at a particular Mine, which will adversely affect our profitability, financial condition and results of operations.

56. Adverse macroeconomic conditions in India and globally could adversely affect our business, results of operations and financial condition.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore, any slowdown in the Indian economy would materially and adversely affect our business, financial

condition, results of operations and cash flows. An increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and affect our ability to raise overseas financing, the interest rates and other commercial terms at which such additional financing is available.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. Further, financial turmoil in United States, United Kingdom, China and elsewhere in the world in recent years has adversely affected, and may continue to affect, the Indian economy. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy. Further, geopolitical developments in other regions of the world including the conflict between Ukraine and Russia and the Israel-Palestine conflict may also affect our business. Moreover, a potential China-Taiwan conflict could have adverse impacts on our customers thereby indirectly harming our business.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies including market perceptions regarding the impact of elections on such policies; political instability, terrorism or military conflict in India or in countries in the region or globally; the occurrence of natural or man-made disasters; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

57. Any adverse change in India's sovereign credit rating by an international rating agency could adversely affect our business and results of operations.

Our borrowing costs and our access to the international debt financing depend significantly on India's sovereign ratings. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our Company's control. Any adverse revisions to India's credit ratings by international rating agencies may adversely affect our ratings, terms on which we are able to raise additional finances or refinance any existing indebtedness. This could have an adverse affect on our business growth and financial performance, ability to obtain financing and the price of the Equity Shares.

58. Changing regulations in India could lead to new compliance requirements that are uncertain.

The regulatory and policy environment in which we operate is evolving and is subject to change. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules or regulations and policies applicable to us and our business could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements. In such instances, our business, results of operations and prospects may be adversely affected to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may adversely affect our future business, prospects, results of operations and financial condition.

There can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements, in part or at all. Failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may adversely affect our future business, prospects, results of operations and financial condition. Furthermore, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, including the instances mentioned below, may adversely affect our business, results of operations and financial condition.

59. If inflation rises in India, increased costs could result in a decline in profits.

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation relative to developed countries in the recent past. In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of crude oil prices, international commodity prices, and domestic consumer and supplier prices. While the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees and other expenses.

Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations and financial

condition. In particular, we might not be able to control the increase in our expenses related to salaries or wages payable to our employees or increase the price of our services to pass the increase in costs on to our customers. In such case, our business, results of operations and financial condition may be adversely affected.

60. *Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition, results of operations and cash flows.*

Our Restated Consolidated Financial Statements have been prepared in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations, as amended and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further details, see "*Restated Consolidated Financial Statements*" on page 321. The degree to which the financial information included in this Draft Red Herring Prospectus provide meaningful information may be dependent on the reader's level of familiarity with Ind AS. Ind AS differs in certain significant respects from other accounting principles and standards with which investors may be more familiar with, such as Indian GAAP, IFRS and U.S. GAAP.

We have not made any attempt to explain those differences or quantify their impact on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of the Restated Consolidated Financial Statements to any other accounting principles or standards. If we were to prepare the Restated Consolidated Financial Statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. We have not attempted to quantify the impact of Indian GAAP, US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of Indian GAAP, US GAAP or IFRS. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Draft Red Herring Prospectus.

61. *We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.*

The Competition Act, 2002, as amended (the "**Competition Act**") prohibits any anti-competitive agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India. Any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India ("CCI"). The Competition Act was amended in April 2023 and the amendment strengthens the merger control by providing for faster timelines for merger approvals and strengthens the punishment for violations. Any breach of the provisions of Competition Act, may attract substantial monetary penalties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, results of operations and financial condition.

62. *Investors may have difficulty enforcing foreign judgments against our Company or our management.*

Our Company is incorporated under the laws of India as a public company limited by shares and all our Directors are based in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (“CPC”). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with certain countries including the United Kingdom, the United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India.

63. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

Certain provisions in Indian law may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that the interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of our Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

64. The average cost of acquisition of Equity Shares acquired by our Promoters, including the Promoter Selling Shareholder, may be less than the Offer Price.

The average cost of acquisition of Equity Shares acquired by our Promoters, including the Promoter Selling Shareholder, may be less than the Offer Price. The details of the average cost of acquisition of Equity Shares held by our Promoters are set out below.

S. No.	Name of the Promoter	Number of Equity Shares held	Face Value	Average cost of acquisition per Equity Share* (₹)
1.	Mr. Kollareddy Rama Raghava Reddy**#	24,879,304	5	Nil
2.	Mr. Kollareddy Ramachandra	1,690,621	5	Nil
3.	Mrs. Kukreti Soumya	1,690,621	5	Nil
4.	Mrs. Uma Priyadarshini Kollareddy	338,124	5	Nil

*As certified by Majeti & Co., Chartered Accountants, pursuant to a certificate dated September 30, 2024.

#Also a Selling Shareholder.

65. We cannot assure the payment of dividends on the Equity Shares in the future.

The declaration and payment of dividends on the Equity Shares is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable law, including the Companies Act. While our Company has paid a dividend of ₹1,800 per equity share of face value ₹100 each for Fiscal 2023, we cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our Directors and Shareholders. For further details, see “*Dividend Policy*” on page 320.

66. The determination of the Price Band is based on various factors and assumptions and the Offer Price may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices. You may be unable to resell the Equity Shares you purchase in the Offer at or above the Offer Price or at all.

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs through the Book Building Process. The Price Band will be based on various factors, including factors described in “*Basis for Offer Price*” on page 146 and the Price Band and the Offer Price may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors:

- quarterly variations in our results of operations;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- changes in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third-parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of Directors, Key Managerial Personnel and Senior Management;
- a downgrade in the Government’s credit rating;
- changes in exchange rates;
- fluctuations in stock market prices and volumes; and
- general economic and stock market conditions.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Manager is below their respective issue price. For further details, see “*Other Regulatory and Statutory Disclosures—Price information of past issues handled by the Lead Managers*” beginning on page 464.

You may be unable to resell the Equity Shares you purchase in the Offer at or above the Offer Price or at all.

67. Investors may be subject to Indian taxes and duties arising out of capital gains on the sale of the Equity Shares.

A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository,

the onus will be on the transferor. The Finance Act, 2020, has, among other things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, both resident as well as non-resident, and that such dividends likely be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of our Equity Shares on a stock exchange held for more than 12 months is subject to long term capital gains tax in India. Such long-term capital gains exceeding ₹0.10 million arising from the sale of listed equity shares on a stock exchange are subject to tax at the rate of 12.50% (plus applicable surcharge and cess). A STT will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realized on the sale of our Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long-term capital gains tax in India. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to short-term capital gains tax at a higher rate compared to the transaction where STT has been paid in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident.

In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations may materially and adversely affect our business, financial condition, results of operations and cash flows.

68. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/Offer Closing Date.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

69. *Any future issuance of Equity Shares or convertible securities or any other equity linked instruments may dilute your shareholding and adversely affect the trading price of the Equity Shares and sales of the Equity Shares by our Promoter Group and other major Shareholders may adversely affect the trading price of the Equity Shares.*

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares, may lead to the dilution of an investor's shareholdings in us. Any future issuances of Equity Shares or

the disposal of Equity Shares by our Promoter Group and other major Shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India, may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences, including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that our Promoter Group or other major Shareholders will not dispose of Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares.

70. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse affect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

71. *Upon listing of the Equity Shares, our Company may be subject to pre-emptive surveillance measures by the Stock Exchanges, such as additional surveillance measures (ASM) and graded surveillance measures (GSM), which are implemented in order to enhance market integrity and safeguard the interests of investors, which may adversely affect the trading price of the Equity Shares.*

The SEBI and the Stock Exchanges have implemented surveillance measures in order to enhance market integrity and safeguard the interests of investors, such as “additional surveillance measures” (“ASM”) and “graded surveillance measures” (“GSM”), which are applicable to securities based on certain criteria notified by the Stock Exchanges. The criteria for placing a security under the GSM framework include a failure of the listed entity to maintain a specified net worth, net fixed assets, market capitalization, price-to-earnings ratio, etc. Generally, securities that exhibit price or volume variation and volatility in trading are placed under the ASM framework. The market price of the Equity Shares may fluctuate after listing due to, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control, which could lead to the Equity Shares and our Company being placed under the ASM or GSM frameworks. The surveillance actions applicable to such securities which have been placed under the ASM or GSM frameworks include monitoring of price and volume movements, shifting to the trade-to-trade segment of the Stock Exchanges, restrictions on intraday leverage and pledging of such securities and limits on the trading frequency of such securities. If our Company is placed under the ASM or GSM framework by the Stock Exchanges, trading in the Equity Shares may be adversely affected. There can be no assurance that investors will be able to sell their Equity Shares in such a scenario at or above the Offer Price or at all, resulting in a loss of all or part of their investment.

72. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.*

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. In accordance with current regulations and circulars issued by SEBI, the Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that the trading in the Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing and trading of the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares.

73. *The Offer Price, market capitalisation to revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing.*

Our revenue from operations, EBITDA, and profit after tax for Fiscal 2024 were ₹5,856.24 million, ₹1,514.43 million, and ₹1,003.24 million. Our market capitalization (based on the Offer Price) to revenue (Fiscal 2024) multiple is [●]

times; our market capitalization (based on the Offer Price) to price to earnings ratio (based on profit after tax for Fiscal 2024) is [●] at the upper end of the Price Band; and our enterprise value to EBITDA ratio (based on EBITDA for Fiscal 2024) is [●]. The Offer Price will be determined by our Company in consultation with BRLMs through the Book Building Process, and will be based on numerous factors, including factors as described under “*Basis for Offer Price*” beginning on page 146 and may not be indicative of the market price for the Equity Shares after the Offer. Accordingly, the Offer Price, multiples and ratio may not be indicative of the market price of the Equity Shares on listing or thereafter. The factors that could affect the market price of the Equity Shares include, among other, broad market trends, our financial performance and results post-listing, and other factors beyond our Company’s control. We cannot assure you that an active market will develop, or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

74. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the FDI Policy dated October 15, 2020 and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government. For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 502.

SECTION III: INTRODUCTION

THE OFFER

The details of the Offer are summarized below:

Offer of Equity Shares of face value of ₹5 each	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹6,500.00 million
<i>Of which</i>	
Fresh Issue ⁽¹⁾	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹2,500.00 million
Offer for Sale ⁽²⁾	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹ 4,000.00 million
<i>Of which</i>	
Employee Reservation Portion ⁽⁷⁾	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹[●] million
<i>Of which</i>	
QIB Portion ⁽³⁾⁽⁵⁾⁽⁶⁾	Not more than [●] Equity Shares of face value of ₹5 each
<i>Of which</i>	
Anchor Investor Portion ⁽⁴⁾	Up to [●] Equity Shares of face value of ₹5 each
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹5 each
<i>Of which</i>	
Mutual Fund Portion	[●] Equity Shares of face value of ₹5 each
Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹5 each
Non-Institutional Portion ⁽⁵⁾⁽⁶⁾	Not less than [●] Equity Shares
<i>Of which:</i>	
One-third shall be available for allocation to Bidders with an application size between ₹200,000 to ₹1,000,000	[●] Equity Shares of face value of ₹5 each
Two-thirds shall be available for allocation to Bidders with an application size of more than ₹1,000,000	[●] Equity Shares of face value of ₹5 each
Retail Portion ⁽⁵⁾⁽⁶⁾	Not less than [●] Equity Shares of face value of ₹5 each
Pre and Post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as of the date of this Draft Red Herring Prospectus)	33,812,415 Equity Shares of face value of ₹5 each
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹5 each
Use of Net Proceeds by our Company	For details of the use of proceeds from the Fresh Issue, see “ <i>Objects of the Offer</i> ” beginning on page 109. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Offer has been authorized by a resolution dated September 19, 2024 passed by our Board and the Fresh Issue has been approved by a special resolution dated September 19, 2024 passed by our Shareholders. Further, our Board has taken on record the participation of the Selling Shareholders in the Offer for Sale pursuant to the resolution passed at its meeting dated September 30, 2024. Our Company may consider a Pre-IPO Placement aggregating up to ₹500.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement shall be undertaken in consultation with the BRLMs and the price of the securities allotted pursuant to the Pre-IPO Placement shall be determined by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus. We may utilize the proceeds from the Pre-IPO Placement towards the objects of the Offer prior to completion of the Offer. Prior to the completion of the Offer and if the Pre-

IPO Placement is undertaken, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

- (2) *The details of authorization by each Selling Shareholder approving their participation in the Offer for Sale are as set out below:*

S. No.	Name of the Selling Shareholder	Date of consent letter	Number of Equity Shares offered / Amount
1.	Mr. Kollareddy Rama Raghava Reddy	September 28, 2024	Up to [●] Equity Shares of face value ₹5 each aggregating up to ₹3,600 million
2.	Mr. Guntaka Ravindra Reddy	September 28, 2024	Up to [●] Equity Shares of face value ₹5 each aggregating up to ₹400 million

Each Selling Shareholder confirms that the Equity Shares being offered by them are eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations.

- (3) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Offer the Equity Shares will be allotted in the following order: (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed; (ii) upon (i), all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder); and (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion. See “Terms of the Offer–Minimum Subscription” beginning on page 476.*
- (4) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. In case of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back to the Net QIB Portion. See “Offer Procedure” beginning on page 482. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. See “Offer Procedure” beginning on page 482.*
- (5) *The Equity Shares available for allocation to Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allocation to each Non-Institutional Bidder shall not be less than the applicable minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis. For details, please refer to the section titled “Offer Procedure” beginning on page 482. Further, SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use the UPI Mechanism. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid cum Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.*
- (6) *Allocation to Bidders in all categories, except the Retail Portion, Non-Institutional Portion (for application sizes of more than ₹200,000 and up to ₹1,000,000) and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price, as applicable. Allocation to Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see “Offer Structure”, “Terms of the Offer” and “Offer Procedure” beginning on pages 477, 471 and 482, respectively.*
- (7) *The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. Any unsubscribed portion remaining in the Employee Reservation Portion shall be added to the Net Offer. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of Employee Discount, if any, as applicable). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount, if any, as applicable). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any, as applicable), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any, as applicable). Further, our Company, in consultation with the Book Running Lead Managers, may offer a discount of up to [●] % to the Offer Price (equivalent of ₹ [●] per Equity Share) to Eligible Employees, which shall be announced at least two Working Days prior to the Bid /Offer Opening Date. For details, see “Offer Structure” beginning on page 477.*

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Consolidated Financial Statements. The summary financial information presented below should be read in conjunction with “*Restated Consolidated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 321 and 402, respectively.

(Remainder of this page has been intentionally left blank)

SUMMARY RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(All amounts are in Indian Rupees in millions, except where stated otherwise)

Particulars	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	2,389.71	2,427.82	2,186.24
Capital work-in-progress	132.73	21.56	96.43
Right-of-use assets	131.27	110.74	116.71
Goodwill	15.48	15.30	18.10
Other intangible assets	0.31	0.31	0.31
Intangible assets under development	1,058.85	1,032.23	934.65
Investments accounted for using the equity method	-	6.85	6.81
Financial assets			
(i) Investments	185.73	184.57	106.04
(ii) Other financial assets	123.60	120.07	117.07
Deferred tax assets (net)	36.07	31.28	40.86
Other non-current assets	534.08	293.16	307.74
Total non-current assets	4,607.83	4,243.89	3,930.96
Current assets			
Inventories	371.99	574.18	509.86
Financial assets			
(i) Investments	189.32	8.26	-
(ii) Trade receivables	1,190.69	962.46	416.41
(iii) Cash and cash equivalents	254.58	110.16	356.10
(iv) Bank Balance other than (iii) above	27.33	23.85	280.98
(v) Loans	118.00	110.48	115.79
(vi) Other financial assets	94.02	1.42	6.10
Current tax assets (net)	-	-	20.35
Other current assets	717.46	525.30	400.97
Total current assets	2,963.39	2,316.11	2,106.56
Total assets	7,571.22	6,560.00	6,037.52
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	96.61	7.43	7.43
Other equity	4,848.55	4,088.84	3,452.88
Equity attributable to equity holders of the parent	4,945.16	4,096.27	3,460.31
Non-controlling interest	45.57	22.46	62.15
Total Equity	4,990.73	4,118.73	3,522.46
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	566.44	613.80	537.21
(ia) Lease liabilities	30.08	17.94	17.26
(ii) Other financial liabilities	174.29	-	-
Provisions	48.37	48.33	46.56
Other non-current liabilities	-	2.24	10.30
Total non-current liabilities	819.18	682.31	611.33
Current liabilities			
Financial liabilities			
(i) Borrowings	638.39	876.96	423.47
(ia) Lease liabilities	6.55	1.53	-
(ii) Trade payables:			
(a) Total outstanding dues of micro enterprises and small enterprises	30.03	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	185.76	205.01	198.35
(iii) Other financial liabilities	199.81	183.17	345.91
Other current liabilities	648.13	450.67	923.04

(All amounts are in Indian Rupees in millions, except where stated otherwise)

Particulars	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Provisions	18.33	13.13	12.96
Current tax liabilities (net)	34.31	28.49	-
Total current liabilities	1,761.31	1,758.96	1,903.73
Total liabilities	2,580.49	2,441.27	2,515.06
Total equity and liabilities	7,571.22	6,560.00	6,037.52

SUMMARY RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(All amounts are in Indian Rupees in millions, except share data and stated otherwise)

Particulars	For the year ended,		
	March 31, 2024	March 31, 2023	March 31, 2022
INCOME			
Revenue from operations	5,856.24	5,025.17	5,252.37
Other income	177.06	197.16	142.46
Total income (A)	6,033.30	5,222.33	5,394.83
EXPENSES			
Quarry expenses	550.81	635.00	638.16
Seigniorage and cess fees	1,045.06	953.61	1,031.58
Cost of materials consumed	72.23	82.92	88.57
Purchases of stock-in-trade	68.65	42.46	45.39
Consumption of stores and spare parts	753.55	909.18	748.12
changes in inventories of finished goods, stock-in-trade and work-in-progress	184.86	(114.85)	87.76
Employee benefits expense	414.99	389.20	549.33
Finance costs	91.64	90.61	90.53
Depreciation and amortisation expense	221.80	215.43	176.33
Other expenses	1,251.66	1,231.83	1,006.14
Total expenses (B)	4,655.25	4,435.39	4,461.91
Profit before share of profit of joint ventures and tax (C=A-B)	1,378.05	786.94	932.92
Share of profit of joint ventures accounting using the equity method	-	0.05	0.09
Profit before tax for the year	1,378.05	786.99	933.01
Tax expenses			
(a) Current tax	371.43	228.19	266.50
(b) Tax pertaining to earlier years	13.44	6.04	(0.47)
(c) Deferred tax	(10.06)	8.40	(3.95)
Total tax expense (D)	374.81	242.63	262.08
Profit after tax for the Year (E=C-D)	1,003.24	544.36	670.93
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss:			
(i) Remeasurement gains/ (losses) on defined benefit plans	(1.58)	4.64	(1.69)
(ii) Income tax relating to above item	0.36	(1.17)	0.43
Items that may be reclassified to profit or loss:			
(i) Exchange differences in translating the financial statements of foreign operations	8.04	57.39	10.71
(ii) Income tax relating to above	-	-	-
Other comprehensive income for the year (Net of Tax) (F)	6.82	60.86	9.45
Total Comprehensive Income for the Year (G=E+F)	1,010.06	605.22	680.38
Profit for the Year attributable to:			
Owners of the Company	965.29	540.83	637.77
Non-controlling interests	37.95	3.53	33.16
Other Comprehensive income for the Year attributable to:			
Owners of the Company	6.61	60.62	9.73
Non-controlling interests	0.21	0.24	(0.28)
Restated Total Comprehensive Income for the Year attributable			
Equity holders of the parent	971.90	601.45	647.50
Non-controlling interests	38.16	3.77	32.88
Earnings per equity share (bearing face value ₹5 each)			
Basic	29.67	16.10	19.84
Diluted	29.67	16.10	19.84

SUMMARY RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts are in Indian Rupees in millions, except where stated otherwise)

Particulars	For the year ended,		
	March 31, 2024	March 31, 2023	March 31, 2022
A. Cash Flow from Operating Activities			
Restated Profit before tax for the Year	1,378.05	786.94	932.92
Adjusted for:			
Depreciation Expense	221.80	215.43	176.33
Finance costs	91.64	90.61	90.53
Profit on sale of Property, Plant and Equipment	(28.86)	(9.77)	(0.74)
Bad debts written off	68.09	43.30	15.69
Net fair value gain on foreign exchange forward contracts	-	4.68	(2.30)
Provision towards/ (write-off) credit impaired trade receivables	7.60	(22.87)	30.61
Sundry balances (written back) / written off	4.83	-	(0.63)
Liabilities no longer required written back	(28.10)	(8.19)	(0.27)
Provision for doubt full advances	2.89		37.27
Dividend income received from others	(1.01)	(0.79)	(0.05)
Net gain on financial asset measured at FVTPL	(23.09)	8.09	(6.90)
Assets discarded	16.17	0.42	4.75
Interest income	(13.53)	(15.97)	(9.83)
Operating Profit Before Working Capital changes	1,696.48	1,091.88	1,267.38
Working capital adjustment:			
(Increase)/ Decrease in Trade Receivables	(296.32)	(558.37)	55.02
(Increase)/ Decrease in Inventories	202.19	(64.31)	88.09
(Increase)/ Decrease in Others Financial Assets	(96.13)	(3.00)	(21.70)
(Increase)/ Decrease in Other Current Assets	(247.75)	(157.04)	(47.15)
(Increase)/ Decrease in Trade Payables	10.78	2.68	20.89
(Increase)/ Decrease in Other Financial Liabilities	185.51	(159.72)	(131.30)
(Increase) / Decrease in Provisions	3.66	1.78	7.95
(Increase) / Decrease in Other Liabilities	199.70	(472.37)	529.32
Cash Generated from Operations	1,658.12	(318.47)	1,768.50
Income Taxes Paid (net of refunds)	(379.05)	(200.99)	(335.38)
Net Cash Generated/ Used from/ in Operating Activities (A)	1,279.07	(519.46)	1,433.12
B. Cash Flow from Investing Activities			
Payments for purchase of Property, Plant and Equipment (including capital advances)	(630.90)	444.52	643.77
Purchase of right-to-use asset	(19.71)		
Proceeds from disposal of property, plant and equipment	163.42	101.58	83.68
Payment for purchase of investments	(159.57)	(110.85)	(111.90)
Proceeds from sale of investments	7.29	15.98	12.34
Payment of acquisition of shares from Non-controlling interest		(16.00)	
Deposits placed having original maturity of more than 3 months (net)	(3.48)	257.13	(254.35)
Loans (given) / received to related parties and others	(7.48)	5.33	(84.31)
Dividend received from others	1.01	0.79	0.05
Interest received	13.53	15.97	9.83
Net Cash Flow used in investing Activities (B)	(635.89)	(174.59)	(988.43)
C. Cash Flow from Financing Activities			
Proceeds from/(repayment) of long term borrowings (net)	(47.46)	110.03	(9.18)
Proceeds from/(repayment) of short term borrowings (net)	(238.47)	415.89	(52.47)
Proceeds from/(repayment) of Lease Liability (net)	(4.80)	(1.70)	(1.42)
Share application money received	6.15	21.34	14.31
Dividend paid to the Company's shareholders	(133.76)	-	-
Dividend paid to non-controlling interests	(16.50)	(11.00)	-
Interest paid	(63.92)	(86.45)	(88.11)
Net Cash generated/ used in Financing Activities (C)	(498.76)	448.11	(136.87)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	144.42	(245.94)	307.82
Cash and Cash equivalents at the beginning of the year	110.16	356.10	48.28
Cash and Cash equivalents at the end of the year	254.58	110.16	356.10

GENERAL INFORMATION

Registered and Corporate Office of our Company

Midwest Limited

8-2-684/3/25 & 26

Road No.12, Banjara Hills

Hyderabad 500 034

Telangana, India

CIN: U14102TG1981PLC003317

Registration Number: 003317

For details of our incorporation and changes in our registered office, see “*History and Certain Corporate Matters*” beginning on page 273.

Address of the RoC

Registrar of Companies, Telangana at Hyderabad

2nd Floor, Corporate Bhawan

GSI Post, Nagole, Bandlaguda

Hyderabad 500 068

Telangana, India

Board of Directors

As of the date of this Draft Red Herring Prospectus, the Board of Directors comprises the following:

S. No.	Name	Designation	DIN	Address
1.	Mr. Rana Som	Chairman and Independent Director	00352904	14, Sarat Chatterjee Avenue, Tallygunge, Kolkata, 700029
2.	Mr. Kollareddy Ramachandra	Whole-time Director and Chief Executive Officer	00060086	Villa 54, NSL Orion Villas, near Raidurgam Police Station, Gachibowli, Gachibowli, K.V. Rangareddy, Telangana 500 032
3.	Mrs. Kukreti Soumya	Whole-time Director	01760289	Villa 1038 Mallikharjuna Krinss, SY No 282P and 283P, near future kids school, Pullaguda village, Pullaguda, K.V. Rangareddy, Telangana 500 089
4.	Mrs. Uma Priyadarshini Kollareddy	Whole-time Director	02736184	Villa 54, NSL Orion Villas, Raidurgam, near Raidurgam Police Station, Gachibowli, K.V. Rangareddy, Telangana 500 032
5.	Mr. Duvva Pavan Kumar	Independent Director	01282226	P No.2, Survey No. 12, Khanamet Village, Madhapur, Serilingampally, Shaikpet, Hyderabad, Telangana 500081
6.	Ms. Smita Amol Lahoti	Independent Director	08764528	Flat No. 801, 8 th Floor, 6 Prabhat C.T.S. No. 37/1, Prabhat Road, Erandwana on Plot No. 33/1, Pune City, Deccan Gymkhana, Pune, Maharashtra 411004

For further details of our Board, see “*Our Management*” beginning on page 292.

Company Secretary and Compliance Officer

Mr. Rohit Tibrewal

8-2-684/3/25 & 26

Road No.12, Banjara Hills

Hyderabad 500 034

Telangana, India

Tel: +91 40 2330 5194

E-mail: cs@midwest.in

Filing of the Offer Documents

A copy of this Draft Red Herring Prospectus has been filed electronically through the SEBI intermediary portal at <https://siportal.sebi.gov.in>, in accordance with the SEBI ICDR Master Circular, and has been emailed to SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure –Division of Issues and Listing –CFD” and as specified in Regulation 25(8) of the SEBI ICDR Regulations. A copy of this Draft Red Herring Prospectus will also be filed with the SEBI at the following address:

Securities and Exchange Board of India

Corporate Finance Department, Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, ‘G’ Block
Bandra Kurla Complex Bandra (E)
Mumbai 400 051
Maharashtra, India

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act shall be filed with the RoC and a copy of the Prospectus shall be filed with the RoC under Section 26 of the Companies Act through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

Book Running Lead Managers

DAM Capital Advisors Limited

One BKC, Tower C, 15th Floor, Unit No. 1511
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4202 2500
E-mail: midwest.ipo@damcapital.in
Website: www.damcapital.in
Investor grievance e-mail: complaint@damcapital.in
Contact Person: Chandresh Sharma / Puneet Agnihotri
SEBI Registration No.: MB/INM000011336

Intensive Fiscal Services Private Limited

914, 9th Floor, Raheja Chambers
Free Press Journal Marg
Nariman Point, Mumbai 400 021
Maharashtra, India
Tel: + 91 22 2287 0443
E-mail: Midwest.ipo@intensivefiscal.com
Website: www.intensivefiscal.com
Investor grievance e-mail: grievance.ib@intensivefiscal.com
Contact Person: Harish Khajanchi / Anand Rawal
SEBI Registration No.: INM000011112

Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot
Prabhadevi, Mumbai 400 025
Maharashtra, India
Tel: +91 22 7193 4380
E-mail: midwest.ipo@motilaloswal.com
Website: www.motilaloswalgroup.com
Investor grievance e-mail: moiapiaddressal@motilaloswal.com
Contact Person: Kunal Thakkar/ Sankita Ajinkya
SEBI Registration No.: INM000011005

Syndicate Members

[•]

Legal Advisers to our Company as to Indian Law

S&R Associates

One World Center
1403 Tower 2 B
841 Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4302 8000

Statutory Auditors of our Company

M S K A & Associates, Chartered Accountants

1101B, Manjeera Trinity Corporate, 11th Floor

JNTU Hitech City Road, Kukatpally

Hyderabad 500 072

Telangana, India

Tel.: +91 40 4852 4966

E-mail: ananthakrishnanGovindan@mska.in

Firm Registration No.: 105047W

Peer Review Certificate No.: 016966

Changes in Statutory Auditors

Except as disclosed below, there has been no change in our auditors in the three years preceding the date of this Draft Red Herring Prospectus:

Name of Auditor	Date of Change	Reason for Change
Majeti & Co., Chartered Accountants 101, Ganesh Sri Sampada Apts 6-3-347/17, Dwarakapuri Colony, Panjagutta Hyderabad 500 082 Tel. : +91 40 2335 8055 E-mail : kiran@majeti.co.in Firm Registration No. : 015975S Peer Review No. : 15877	January 23, 2024	Resignation due to professional pre-occupancy
M S K A & Associates, Chartered Accountants 1101B, Manjeera Trinity Corporate, 11 th Floor JNTU Hitech City Road, Kukatpally Hyderabad 500 072 Telangana, India Tel. : +91 40 48524966 E-mail : ananthakrishnanGovindan@mska.in Firm Registration No. : 105047W Peer Review No. : 016966	January 31, 2024	Appointment as statutory auditors to fill casual vacancy caused by resignation of Majeti & Co., Chartered Accountants

Registrar to the Offer

KFin Technologies Limited

Selenium Tower-B

Plot No. 31 & 32, Financial District

Nanakramguda, Serilingampally

Hyderabad 500 032

Telangana, India

Tel.: +91 40 6716 2222

Website: www.kfintech.com

E-mail: midwest.ipo@kfintech.com

Investor grievance e-mail: einward.ris@kfintech.com

Contact Person: M. Murali Krishna

SEBI Registration No.: INR000000221

Banker(s) to the Offer

Escrow Collection Bank(s)

[•]

Refund Bank(s)

[•]

Public Offer Account Bank(s)

[•]

Sponsor Banks

[•]

Bankers to our Company

HDFC Bank Limited

Bank House, Floor No # 7
 Roxana Palladium, Banjara Hills
 Hyderabad 500 034
Tel: +91 99661 60565
E-mail: nithin.mukkawar@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Nithin Mukkawar

Kotak Mahindra Bank Limited

H. No 6-3-1109/1/P/202, 1st Floor, Jewel Pavani Towers
 Raj Bhavan Road, Somajiguda
 Hyderabad 500 082
Tel: +91 9299900999/ 9985103701
E-mail: narendradev.gobburu@kotak.com/
 veluri.srikar@kotak.com
Website: www.kotak.com
Contact Person: Mr. Narendradev Gobburu/ Mr. Srikanth Veluri

Designated Intermediaries

SCSBs and mobile applications enabled for UPI mechanism

The banks registered with the SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35) as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

CDPs

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipo/asba_procedures.htm, as updated from time to time.

Credit Rating

As the Offer is an initial public offering of Equity Shares, the appointment of a credit rating agency is not required.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As the Offer is an initial public offering of Equity Shares, the appointment of debenture trustees is not required.

Monitoring Agency

In terms of Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a credit rating agency registered with SEBI as the monitoring agency for the Fresh Issue prior to the filing of the Red Herring Prospectus with the RoC. The details of the monitoring agency shall be included in the Red Herring Prospectus.

Appraising Agency

The objects of the Offer for which the Net Proceeds will be utilized have not been appraised by any agency.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Experts

Our Company has not obtained any expert opinions other than as disclosed below.

Our Company has received written consent dated September 30, 2024, 2024 from M S K A & Associates, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated September 27, 2024 on the Restated Consolidated Financial Statements; and (ii) their report dated September 30, 2024 on the statement of special tax benefits available to our Company, Andhra Pradesh Granite (Midwest) Private Limited and their respective shareholders in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated September 11, 2024 from G.Lakshminarayana, MAusIMM, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of (i) the JORC Report and (ii) the Coal JORC Report.

Our Company has received written consent dated September 18, 2024 from Geovale Services Private Limited, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their audit report titled “*Audit Report on JORC Compliant reports on DSG and Quartz mines in India and Maiden Heavy Mineral Sand resources in Sri Lanka for Midwest Granite Pvt Ltd*” dated July 24, 2024, on the JORC Report and our resource reporting practices.

Our Company has received written consent from E. Raghunath, independent chartered engineer, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013

in connection with their certificate dated September 24, 2024 on the installed capacity and capacity utilization of our Company.

Our Company has received written consent dated September 28, 2024 from Majeti & Co., independent chartered accountant to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificates in connection with the Offer.

Our Company has received written consent dated September 18, 2024 from Divya Mohta, practicing company secretary, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated September 30, 2024 in connection with the Offer.

Inter-se Allocation of Responsibilities between the BRLMs

The table below sets forth the *inter-se* allocation of responsibilities for various activities among the BRLMs.

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	All BRLMs	DAM Capital
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI including finalisation of RHP, Prospectus, Offer Agreement, and Underwriting Agreements and RoC filing	All BRLMs	DAM Capital
3.	Drafting and approval of all statutory advertisements	All BRLMs	DAM Capital
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI	All BRLMs	Motilal Oswal
5.	Appointment of Registrar Ad agency and printer (including coordination of all agreements)	All BRLMs	DAM Capital
6.	Appointment of all other intermediaries including Banker (s) to the Issue, sponsor bank, syndicate members, share escrow agent, monitoring agency, etc. (including coordination of all agreements)	All BRLMs	Intensive
7.	Preparation of road show presentation and FAQs for the road show team	All BRLMs	Motilal Oswal
8.	International institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules 	All BRLMs	Motilal Oswal
9.	Domestic institutional marketing of the Offer, which will cover, inter alia: <ul style="list-style-type: none"> • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules 	All BRLMs	DAM Capital
10.	Conduct non-institutional marketing of the Offer, which will cover, inter-alia: <ul style="list-style-type: none"> • Finalising media, marketing, public relations strategy and publicity budget • Formulating strategies for marketing to Non – Institutional Investors 	All BRLMs	Motilal Oswal
11.	Conduct retail marketing of the Offer, which will cover, inter-alia: <ul style="list-style-type: none"> • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows; • Finalising collection centres 	All BRLMs	Intensive

Sr. No.	Activity	Responsibility	Co-ordination
	<ul style="list-style-type: none"> Finalising centres for holding conferences for brokers etc. Finalising commission structure and co-ordinate with RTA for commission payouts Follow-up on distribution of publicity and Offer material including form, RHP / Prospectus and deciding on the quantum of the Offer material 		
12.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, anchor coordination, anchor CAN and initiation of anchor allocation	All BRLMs	Intensive
13.	Managing the book and finalization of pricing in consultation with Company	All BRLMs	DAM Capital
14.	Post-Offer activities – finalisation of the basis of allotment, coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Self-Certified Syndicate Banks etc., including responsibility for underwriting arrangements, as applicable, listing of instruments, demat credit and refunds / unblocking of funds, payment of the applicable STT on behalf of the Selling Shareholder, coordination for investor complaints related to the Offer, submission of final post issue report.	All BRLMs	Motilal Oswal

Book Building Process

Book building process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band and minimum Bid Lot. The Price Band (including Employee Discount, if any) and the minimum Bid Lot size will be decided by our Company in consultation with the BRLMs, and shall be advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation, and advertised at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges to upload on their respective websites. Pursuant to the book building process, the Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date. For further details, see “*Offer Procedure*” on page 482.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the UPI Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. Individual Non-Institutional Investors with an application size of up to ₹500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and can withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. See “*Offer Structure*” and “*Offer Procedure*” beginning on pages 477 and 482, respectively.

Except for Allocation to RIBs, NIBs and Anchor Investors, allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis. For allocation to the Non-Institutional Bidders, the following shall be followed:

- One-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000;
- Two-thirds of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹1,000,000.

Provided that the unsubscribed portion in either of the sub-categories specified under clauses (a) or (b), may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI, which are subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note that the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and filing of the Prospectus with the RoC.

For further details on the method and procedure for Bidding, see “Offer Structure” and “Offer Procedure” beginning on pages 477 and 482, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see “Offer Procedure” beginning on page 483.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. Prior to the filing of the Red Herring Prospectus or the Prospectus with the RoC, as applicable, and in accordance with the nature of underwriting which is determined in accordance with Regulation 40(3) of SEBI ICDR Regulations, our Company and the Selling Shareholders will enter into the Underwriting Agreement with the Underwriters, for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. The extent of underwriting obligations and the Bids to be underwritten by each Underwriter shall be in accordance with the Underwriting Agreement. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite such number of Equity Shares as disclosed below:

(This portion has been intentionally left blank and will be filled in before the Prospectus is filed with the RoC)

Name, Address, Telephone Number and E-mail Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalized after determination of the Offer Price and Basis of Allotment and the allocation of Equity Shares, subject to and in accordance with the provisions of the SEBI ICDR Regulations, including Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of each of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to Equity shares allocated to Bidders procured by them in accordance with the Underwriting Agreement.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment disclosed in the table above.

CAPITAL STRUCTURE

Our Company's share capital, as of the date of this Draft Red Herring Prospectus, is disclosed below.

(₹ except share data)

S. No.	Particulars	Aggregate Value at Face Value (₹)	Aggregate Value at Offer Price*
A AUTHORIZED SHARE CAPITAL			
	50,000,000 Equity Shares of face value of ₹5 each	250,000,000	[●]
	Total	250,000,000	[●]
B ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER			
	33,812,415 Equity Shares of face value of ₹5 each	169,062,075	[●]
	Total	169,062,075	[●]
C PRESENT OFFER			
	Offer of up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹6,500.00 million ⁽¹⁾ which includes		
	Fresh Issue of up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹2,500.00 million ⁽¹⁾	[●]	[●]
	Offer for Sale of up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹4,000.00 million ⁽²⁾ which includes	[●]	[●]
	Employee Reservation Portion of up to [●] Equity Shares of face value ₹5 each aggregating up to ₹[●] million ⁽³⁾	[●]	[●]
	Net Offer of up to [●] Equity Shares of face value ₹5 each	[●]	[●]
D ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER*			
	[●] Equity Shares of face value of ₹5 each	[●]	-
E SECURITIES PREMIUM ACCOUNT			
	Before the Offer		Nil
	After the Offer		[●]*

*To be included upon finalization of Offer Price.

- (1) The Offer has been authorized by a resolution dated September 19, 2024 passed by our Board and the Fresh Issue has been approved by a special resolution dated September 19, 2024 passed by our Shareholders. Our Board has taken on record the participation of the Selling Shareholders in the Offer for Sale pursuant to a resolution dated September 30, 2024. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement shall be undertaken in consultation with the BRLMs and the price of the securities allotted pursuant to the Pre-IPO Placement shall be determined by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer and if the Pre-IPO Placement is undertaken, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.
- (2) Each of the Selling Shareholders confirms that the Equity Shares to be offered by such Selling Shareholder in the Offer for Sale have been held by them for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and are accordingly, eligible for being offered for sale in the Offer for Sale. For details of the authorizations by the Selling Shareholders in relation to the Offer for Sale, see "The Offer" beginning on page 72.
- (3) Eligible Employees bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000 (net of the Employee Discount). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of the Employee Discount). Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of the Employee Discount), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of the Employee Discount). Our Company, in consultation with the Book Running Lead Managers, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees, which shall be announced at least two Working Days prior to the Bid /Offer Opening Date. For details, see "Offer Structure" beginning on page 477.

For details in relation to the changes in the authorized share capital of our Company in the last 10 years, see "History and Certain Corporate Matters—Amendments to the Memorandum of Association in the last 10 years" on page 274.

[the remainder of this page has been intentionally left blank]

Notes to Capital Structure

1. Share Capital History of our Company

(a) The history of the equity share capital of our Company is disclosed below:

Date of allotment/ buyback	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)	Name of allottees		
December 11, 1981	20	100	100	Initial subscription to the Memorandum of Association	Cash	20	2,000	10 equity shares were allotted to Mr. Kollareddy Rama Raghava Reddy and 10 equity shares were allotted to Mr. Guntaka Ravindra Reddy.		
January 24, 1983*	5,700	100	100	Further issue	Cash	5,720	572,000	S. No.	Name of allottee	Number of equity shares
								1.	M. Vijaya Laxmi	600
								2.	K. Ramadevi	400
								3.	Jalamma	100
								4.	K. Padmavati	200
								5.	M Durga Devi	100
								6.	K. Sarojini	50
								7.	Kollareddy Ranganayakamma	200
								8.	K. Suseelamma	60
								9.	Vishnu Priya	100
								10.	K. Bharathi	100
								11.	K. Sucharita	50
								12.	N. Govinda Reddy	150
								13.	Guntaka Ravindra Reddy	140
								14.	Kollareddy Ramachandra Reddy	210
								15.	E. Prakash Reddy	150
								16.	K.C.P. Reddy	150
								17.	K.L. Reddy	50
								18.	Kollareddy Rama Raghava	2,890
December 5, 1986	7,378	100	100	Further issue	Cash	13,098	1,309,800	S. No.	Name of allottee	Number of equity shares
								1.	Kollareddy Rama Raghava Reddy	1,392
								2.	Guntaka Ravindra Reddy	577
								3.	M. Vijaya Lakshmi	395
								4.	K. Rama Devi	337

Date of allotment/ buyback	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)	Name of allottees		
								5.	Jalamma	97
								6.	M. Padmavathi	363
								7.	M. Durga Devi	93
								8.	Kollareddy Ranganayakamma	257
								9.	K. Suseella	68
								10.	Vishnu Priya	38
								11.	Govinda Reddy	197
								12.	Kollareddy Ramachandra Reddy	437
								13.	E. Prakash Reddy	78
								14.	K. Sridhar Reddy	95
								15.	M. Damayanti	90
								16.	T.L.N. Charyulu	90
								17.	B. Baby Sarojini	95
								18.	S. Ram Mohan Reddy	90
								19.	N. Tara Rani	95
								20.	V. Prabhakara Rao	436
								21.	G. Suvarna Kumari	85
								22.	S. Chalapathi Reddy	80
								23.	G. Basavipurna Reddy	90
								24.	G. Jaya	95
								25.	G. Naghabushanam	98
								26.	S. Sundramma	97
								27.	N. Koti Reddy	95
								28.	N. Mohan Reddy	95
								29.	Harinath Babu	238
								30.	K. Salinidevamma	95
								31.	G. Vijaya Lakshmi	87
								32.	M. Koti Reddy	80
								33.	M. Kasturi Bai	80
								34.	Subashchandra Bose Reddy	90
								35.	G. Sunnela	85
								36.	G. Bhaskar Reddy	95
								37.	G. Venkata Reddy	85
								38.	G. Venkat Rami Reddy	98
								39.	K. Koti Reddy	98

Date of allotment/buyback	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)	Name of allottees		
								40.	K. Purnachandra Rao	94
								41.	P. Srinivasa Babu	98
January 28, 1987**	6,602	100	100	Further issue of partly paid-up equity shares	Cash	19,700	1,375,820	S. No.	Name of allottee	Number of equity shares
								1.	B. Baby Sarojini	400
								2.	S. Rama Mohan Reddy	450
								3.	N. Tara Devi	250
								4.	G. Suvarna Kumari	450
								5.	S. Chalapathi Reddy	400
								6.	G. Basavipurna Reddy	450
								7.	G. Jaya	400
								8.	G. Nagabhushanamma	300
								9.	S. Sundaramma	200
								10.	N. Koti Reddy	350
								11.	N. Mohan Reddy	480
								12.	K. Salinidevamma	350
								13.	M. Koti Reddy	400
								14.	M. Kasturi Bai	300
								15.	G. Suneela	402
								16.	G. Bhaskar Reddy	300
								17.	K. Purnachandra Rao	370
								18.	K. Suseela	350
March 25, 1992	(6,602)	100	N/A	Forfeiture of partly paid-up equity shares	N/A	13,098	1,309,800	Equity shares allotted to the following allottees were forfeited:		
								S. No.	Name of allottee	Number of equity shares forfeited
								1.	Baby Sarojini	400
								2.	Rama Mohan Reddy	450
								3.	N. Tara Rani	250
								4.	G. Suvarna Kumari	450
								5.	S. Chalapathi Reddy	400
								6.	G. Basavapurna Reddy	450
								7.	G. Jaya	400
								8.	G.N. Bhushanamma	300

Date of allotment/buyback	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)	Name of allottees		
								9.	Sundaramma	200
								10.	N. Koti Reddy	350
								11.	N. Mohan Reddy	480
								12.	K. Salinidevamma	350
								13.	M. Koti Reddy	400
								14.	M. Kasturi	300
								15.	V. Suneela	402
								16.	G. Bhaskar Reddy	300
								17.	K. Purnachandra Rao	370
								18.	K. Suseelamma	350
March 28, 1997	1,902	100	100	Further issue	Cash	15,000	1,500,000	1,902 equity shares were allotted to Kollareddy Rama Raghava Reddy.		
February 16, 1998*	30,000	100	N/A	Bonus issue in the ratio of two equity shares for every one equity share held	N/A	45,000	4,500,000	S. No.	Name of allottee	Number of equity shares
								1.	Kollareddy Rama Raghava Reddy	17,400
								2.	V. Prabhakara Rao	2,100
								3.	M. Aja Babu	2,100
								4.	Kollareddy Ramachandra Reddy	2,100
								5.	M. V. V. Nagi Reddy	2,100
								6.	Guntaka Ravindra Reddy	2,100
								7.	K.V. Rama Krishna Reddy.	2,100
January 4, 2000	55,000	100	N/A	Bonus issue in the ratio of 11 equity shares for every nine equity shares held	N/A	100,000	10,000,000	S. No.	Name of allottee	Number of equity shares
								1.	Kollareddy Rama Raghava Reddy	31,900
								2.	V. Prabhakara Rao	3,850
								3.	M. Aja Babu	3,850
								4.	M. V. V. Nagi Reddy (HUF)	3,850
								5.	G. Ravindra Reddy	3,850
								6.	K. Ramakrishna Reddy.	3,850
								7.	Kollareddy Ramachandra	1,925
								8.	Kukreti Soumya	1,925
January 18, 2010 ⁽¹⁾	(1,000)	100	6,143	Buy-back	Cash	99,000	9,900,000	Buy-back of 1,000 equity shares from M. Padmavati		
October 21, 2014	(10,920)	100	-	Cancellation of equity shares pursuant to the Scheme of	-	88,080	8,808,000	Pursuant to the 2014 Amalgamation Scheme, 10,920 equity shares held by Reliance Granite Private Limited and Victorian Granites Private		

Date of allotment/buyback	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)	Name of allottees		
				Amalgamation (the “ 2014 Amalgamation Scheme ”)				Limited as investments were cancelled in accordance with the terms of the 2014 Amalgamation Scheme		
November 29, 2014	3,263	100	N/A	Allotment pursuant to the 2014 Amalgamation Scheme	Other than cash	91,343	9,134,300	S. No.	Name of allottee	Number of equity shares
								1.	Kollareddy Rama Raghava Reddy	359
								2.	M. V. V. Nagi Reddy (HUF)	274
								3.	V. Prameela Rani	64
								4.	Guntaka Ravindra Reddy	66
								5.	Kollareddy Ranganayakamma	2,327
								6.	Kukreti Soumya	173
October 23, 2020 ⁽¹⁾⁽²⁾⁽³⁾	(17,030)	100	4,500	Buy-back	Cash	74,313	7,431,300	Buy-back of equity shares from the shareholders set out below:		
								S. No.	Name of allottee	Number of equity shares
								1.	Kollareddy Rama Raghava Reddy	300
								2.	V. Prameela Rani	7,064
								3.	Kollareddy Ranganayakamma	100
								4.	M.V.V. Nagi Reddy (HUF)	7,274
								5.	Guntaka Ravindra Reddy	66
								6.	M. Padmavati	2,080
								7.	Kollareddy Ramachandra	73
								8.	Kukreti Soumya	73
October 3, 2023	891,756	100	N/A	Bonus issue in the ratio of 12 equity shares for each equity share held	N/A	966,069	96,606,900	S. No.	Name of allottee	Number of equity shares
								1.	Kollareddy Rama Raghava Reddy	778,632
								2.	Guntaka Ravindra Reddy	84,000
								3.	Kollareddy Ranganayakamma	26,724
								4.	Kukreti Soumya	1,200
								5.	Kollareddy Ramachandra	1,200
June 11, 2024	Pursuant to resolutions passed by our Board at their meeting held on May 15, 2024 and the Shareholders at their EGM held on June 11, 2024, our Company has sub-divided 966,069 equity shares of face value of ₹100 each to 19,321,380 Equity Shares of face value of ₹5 each.									
July 15, 2024	14,491,035	5	N/A	Bonus issue in the ratio of three Equity Shares for every four Equity Shares held	N/A	33,812,415	169,062,075	S. No.	Name of allottee	Number of Equity Shares
								1.	Kollareddy Rama Raghava Reddy	12,613,770
								2.	Guntaka Ravindra Reddy	1,365,000

Date of allotment/buyback	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for/ Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)	Name of allottees		
								3.	Kollareddy Ranganayakamma	434,265
								4.	Kukreti Soumya	19,500
								5.	Kollareddy Ramachandra	19,500
								6.	Uma Priyadarshini Kollareddy	19,500
								7.	Deepak Kukreti	19,500

(1) Date of completion of buy-back.

(2) Our Company had filed a compounding application on April 23, 2024, before the Regional Director, Hyderabad, Telangana, in relation to violation of Section 68 of the Companies Act for not opening a separate bank account for payment of consideration in relation to buy-back of securities to the shareholders who tendered their shares. By an order dated July 11, 2024, the Regional Director has disposed the compounding application and compounded the violation of Rule 17(8) of the Companies (Share Capital and Debentures) Rules, 2014 and levied a compounding fee of (i) ₹0.20 million against our Company and (ii) ₹0.13 million each against three of our Directors, which has been paid by our Company and the relevant Directors. See "Risk Factors—There are outstanding legal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters. Any adverse outcome in such proceedings may adversely affect our reputation, business, results of operations, cash flows and financial condition" on page 32.

(3) See "Outstanding Litigation and Material Developments—Litigation involving our Company—Material civil litigation by our Company—Other Material Proceedings involving our Company" on page 444

* Our Company has been unable to trace certain corporate records in relation to these allotments. We have conducted a search at the RoC for these records but were unable to retrieve them and have relied on the search report dated September 30, 2024 prepared by Divya Mohta, independent practicing company secretary, and their certificate dated September 30, 2024 ("RoC Search Report"). See "Risk Factors—We have made incorrect form filings in the past, including those relating to the appointment of certain of our directors, and some of the forms relating to the allotment of certain of our Equity Shares in the past are not traceable. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and that we will not be subject to any penalty imposed by the competent regulatory authority in this regard." on page 43.

^ The allotment was made to the existing shareholders of the Company on a partly paid-up basis with ₹10 towards face value paid at the time of allotment, and a final call was made for ₹90 towards the balance face value, due to non-payment of which, these shares were subsequently forfeited on March 25, 1992.

[remainder of the page intentionally left blank]

(b) The details of the secondary transactions of Equity Shares by our Promoters, members of the Promoter Group and the Selling Shareholders are set out in the table below:

Date of Transfer of equity shares	Number of equity shares Transferred	Details of Transferor(s)	Details of Transferee(s)	Transfer/Transmission	Face Value (in ₹)	Transfer Price per equity share (in ₹)	Nature of Consideration
September 20, 1983	50	K. Sarojini	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
July 1, 1987	100	K. Bharathi	Kollareddy Ranganayakamma	Transfer	100	100	Cash
December 31, 1996	200	Kollareddy Ranganayakamma	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	257	Kollareddy Ranganayakamma	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	100	Kollareddy Ranganayakamma	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	50	K. Sucharita	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	150	E. Prakash Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	78	E. Prakash Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	150	K.C.P. Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	50	K.L. Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	34	G. Venkat. Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	27	M. Damayanthi	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	90	T.L.N. Charyulu	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	95	Baby Sarojini	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	90	S. Rama Mohan Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	95	N. Tara Rani	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	85	G. Suvarna Kumari	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	90	G. Basavapurna Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	95	G. Jaya	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	98	G. N. Bhushanamma	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	95	N. Koti Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	95	N. Mohan Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	95	K. Salinidevamma	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	80	M. Koti Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	80	M. Kasturi	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	85	V. Suneela	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	92	G. Bhaskar Reddy	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
December 31, 1996	87	G. Vijaya Laxmi	Guntaka Ravindra Reddy	Transfer	100	100	Cash
December	90	G. S. C. B. Reddy	Guntaka Ravindra	Transfer	100	100	Cash

Date of Transfer of equity shares	Number of equity shares Transferred	Details of Transferor(s)	Details of Transferee(s)	Transfer/Transmission	Face Value (in ₹)	Transfer Price per equity share (in ₹)	Nature of Consideration
31, 1996			Reddy				
December 31, 1996	51	V. Venkat Reddy	Guntaka Ravindra Reddy	Transfer	100	100	Cash
December 31, 1996	95	P. Srinivasa Babu	Guntaka Ravindra Reddy	Transfer	100	100	Cash
June 25, 1999	1,575	K. Ramachandra Reddy	Kukreti Soumya	Transfer	100	100	Cash
June 25, 1999	1,050	K. Ramachandra Reddy	Kollareddy Ramachandra	Transfer	100	100	Cash
June 25, 1999	525	K. Ramachandra Reddy	Kollareddy Ramachandra	Transfer	100	100	Cash
March 31, 2000	1,050	Kollareddy Ramachandra	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
March 31, 2000	525	Kollareddy Ramachandra	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
March 31, 2000	1,925	Kollareddy Ramachandra	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
March 31, 2000	1,575	Kukreti Soumya	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
March 31, 2000	1,925	Kukreti Soumya	Kollareddy Rama Raghava Reddy	Transfer	100	100	Cash
March 2, 2020	173	Kollareddy Rama Raghava Reddy	Kollareddy Ramachandra	Transfer	100	Nil	Gift
May 15, 2024	1,300	Kollareddy Rama Raghava Reddy	Uma Priyadarshini Kollareddy	Transfer	100	Nil	Gift
May 15, 2024	1,050	Kollareddy Rama Raghava Reddy	Deepak Kukreti	Transfer	100	Nil	Gift
May 15, 2024	250	Kollareddy Rama Raghava Reddy	Deepak Kukreti	Transfer	100	Nil	Gift
September 27, 2024	677,336	Kollareddy Rama Raghava Reddy	Kollareddy Ranganayakamma	Transfer	5	Nil	Gift
September 27, 2024	1,645,121	Kollareddy Rama Raghava Reddy	Kollareddy Ramachandra	Transfer	5	Nil	Gift
September 27, 2024	1,645,121	Kollareddy Rama Raghava Reddy	Kukreti Soumya	Transfer	5	Nil	Gift
September 27, 2024	292,624	Kollareddy Rama Raghava Reddy	Uma Priyadarshini Kollareddy	Transfer	5	Nil	Gift
September 27, 2024	292,624	Kollareddy Rama Raghava Reddy	Deepak Kukreti	Transfer	5	Nil	Gift
September 28, 2024	1,408,851	Kollareddy Ranganayakamma	SVADHA India Emerging Opportunities Scheme 1	Transfer	5	709.80	Cash

(c) Our Company has not issued any Preference Shares as on the date of filing this Draft Red Herring Prospectus.

2. Issue of Equity Shares at a price lower than the Offer Price in the last one year

Except as disclosed below, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during the period of one year preceding the date of this Draft Red Herring Prospectus:

Date of allotment	Allottees			Number of equity shares allotted	Face Value (₹)	Issue price per Equity Share (₹)	Reason for Allotment	Whether a Promoter or part of Promoter Group
	S. No.	Name of allottee	Number of equity shares					
October 3, 2023	1.	Kollareddy Rama Raghava Reddy	778,632	891,756	100	N/A	Bonus issue in the ratio of 12 equity shares for each equity share held	Yes
	2.	Guntaka Ravindra Reddy	84,000					
	3.	Kollareddy Ranganayakamma	26,724					
	4.	Kukreti Soumya	1,200					
	5.	Kollareddy Ramachandra	1,200					
July 15, 2024	1.	Kollareddy Rama Raghava Reddy	12,613,770	14,491,035	5	N/A	Bonus issue in the ratio of three Equity Shares for every four Equity Shares held	Yes
	2.	Guntaka Ravindra Reddy	1,365,000					
	3.	Kollareddy Ranganayakamma	434,265					
	4.	Kukreti Soumya	19,500					
	5.	Kollareddy Ramachandra	19,500					
	6.	Uma Priyadarshini Kollareddy	19,500					
	7.	Deepak Kukreti	19,500					

3. Issue of shares for consideration other than cash or by way of bonus issue

Except as disclosed below, our Company has not issued any shares in the past for consideration other than cash or by way of bonus issue:

Date of allotment	Allottees			Issue price per equity share (₹)	Number of equity shares allotted	Face value (₹)	Reason for allotment	Benefits accrued to our Company
February 16, 1998	S. No.	Name of allottee	Number of equity shares	N/A	30,000	100	Bonus issue in the ratio of two equity shares for every one equity share held	N/A
	1.	Kollareddy Rama Raghava Reddy	17,400					
	2.	V. Prabhakara Rao	2,100					
	3.	M. Aja Babu	2,100					
	4.	Kollareddy Ramachandra Reddy	2,100					
	5.	M. V. V. Nagi Reddy	2,100					
	6.	Guntaka Ravindra Reddy	2,100					
	7.	K.V. Rama Krishna Reddy.	2,100					
January 4, 2000	S. No.	Name of allottee	Number of equity shares	N/A	55,000	100	Bonus issue in the ratio of 11 equity shares for every nine equity shares held	N/A
	1.	Kollareddy Rama Raghava Reddy	31,900					
	2.	V. Prabhakara Rao	3,850					
	3.	M. Aja Babu	3,850					
	4.	M. V. V. Nagi Reddy	3,850					
	5.	G. Ravindra Reddy	3,850					
	6.	K. Ramakrishna Reddy.	3,850					
	7.	K. Ramachandra Reddy	1,925					
	8.	Kukreti Soumya	1,925					
November 29, 2014	S. No.	Name of allottee	Number of equity shares	N/A	3,263	100	Allotment pursuant to the 2014 Amalgamation Scheme	All assets and liabilities of the transferor companies were transferred to our Company on the effective date of the 2014 Amalgamation Scheme. For further details, see "History and Certain Corporate
	1.	Kollareddy Rama Raghava Reddy	359					
	2.	M. V. V. Nagi Reddy (HUF)	274					
	3.	V. Prameela Rani	64					
	4.	Guntaka Ravindra Reddy	66					
	5.	Kollareddy	2,327					

Date of allotment	Allottees	Issue price per equity share (₹)	Number of equity shares allotted	Face value (₹)	Reason for allotment	Benefits accrued to our Company																								
	<table border="1"> <tr> <td></td><td>Ranganayakamma</td><td></td></tr> <tr> <td>6.</td><td>Kukreti Soumya</td><td>173</td></tr> </table>		Ranganayakamma		6.	Kukreti Soumya	173					<i>Matters—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years” on page 280.</i>																		
	Ranganayakamma																													
6.	Kukreti Soumya	173																												
October 3, 2023	<table border="1"> <thead> <tr> <th>S. No.</th><th>Name of allottee</th><th>Number of equity shares</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Kollareddy Rama Raghava Reddy</td><td>778,632</td></tr> <tr> <td>2.</td><td>Guntaka Ravindra Reddy</td><td>84,000</td></tr> <tr> <td>3.</td><td>Kollareddy Ranganayakamma</td><td>26,724</td></tr> <tr> <td>4.</td><td>Kukreti Soumya</td><td>1,200</td></tr> <tr> <td>5.</td><td>Kollareddy Ramachandra</td><td>1,200</td></tr> </tbody> </table>	S. No.	Name of allottee	Number of equity shares	1.	Kollareddy Rama Raghava Reddy	778,632	2.	Guntaka Ravindra Reddy	84,000	3.	Kollareddy Ranganayakamma	26,724	4.	Kukreti Soumya	1,200	5.	Kollareddy Ramachandra	1,200	N/A	891,756	100	Bonus issue in the ratio of 12 equity shares for each Equity Share held	N/A						
S. No.	Name of allottee	Number of equity shares																												
1.	Kollareddy Rama Raghava Reddy	778,632																												
2.	Guntaka Ravindra Reddy	84,000																												
3.	Kollareddy Ranganayakamma	26,724																												
4.	Kukreti Soumya	1,200																												
5.	Kollareddy Ramachandra	1,200																												
July 15, 2024	<table border="1"> <thead> <tr> <th>S. No.</th><th>Name of allottee</th><th>Number of equity shares</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Kollareddy Rama Raghava Reddy</td><td>12,613,770</td></tr> <tr> <td>2.</td><td>Guntaka Ravindra Reddy</td><td>1,365,000</td></tr> <tr> <td>3.</td><td>Kollareddy Ranganayakamma</td><td>434,265</td></tr> <tr> <td>4.</td><td>Kukreti Soumya</td><td>19,500</td></tr> <tr> <td>5.</td><td>Kollareddy Ramachandra</td><td>19,500</td></tr> <tr> <td>6.</td><td>Uma Priyadarshini Kollareddy</td><td>19,500</td></tr> <tr> <td>7.</td><td>Deepak Kukreti</td><td>19,500</td></tr> </tbody> </table>	S. No.	Name of allottee	Number of equity shares	1.	Kollareddy Rama Raghava Reddy	12,613,770	2.	Guntaka Ravindra Reddy	1,365,000	3.	Kollareddy Ranganayakamma	434,265	4.	Kukreti Soumya	19,500	5.	Kollareddy Ramachandra	19,500	6.	Uma Priyadarshini Kollareddy	19,500	7.	Deepak Kukreti	19,500	N/A	14,491,035	5	Bonus issue in the ratio of three Equity Shares for every four Equity Shares held	N/A
S. No.	Name of allottee	Number of equity shares																												
1.	Kollareddy Rama Raghava Reddy	12,613,770																												
2.	Guntaka Ravindra Reddy	1,365,000																												
3.	Kollareddy Ranganayakamma	434,265																												
4.	Kukreti Soumya	19,500																												
5.	Kollareddy Ramachandra	19,500																												
6.	Uma Priyadarshini Kollareddy	19,500																												
7.	Deepak Kukreti	19,500																												

4. Issue of shares out of revaluation reserves

Our Company has not issued any shares out of revaluation reserves since its incorporation.

5. Issue of shares pursuant to schemes of arrangement

Other than as disclosed in “*Issue of shares for consideration other than cash or by way of bonus issue*” above, our Company has not issued any shares in the past in terms of a scheme of arrangement approved under Sections 391-394

of the Companies Act, 1956 or Sections 230-234 of the Companies Act, 2013.

6. Details of Build-up, Contribution and Lock-in of Promoters' Shareholding and Lock-in of other Equity Shares

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold Equity Shares constituting approximately 84.58% of the issued, subscribed and paid-up share capital of our Company.

The details regarding our Promoters' shareholding are set forth below.

(a) Build-up of Promoters' equity shareholding in our Company

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth below:

A. Kollareddy Rama Raghava Reddy

Date of allotment/transfer/buyback	Number of fully paid-up equity shares	Face value (₹)	Issue/Transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
December 11, 1981 ⁽¹⁾	10	100	100	Cash	Initial subscription to the Memorandum of Association	0.00	[●]
January 24, 1983	2,890	100	100	Cash	Further issue	0.17	[●]
September 20, 1983	50	100	100	Cash	Transfer from K. Sarojini	0.00	[●]
December 5, 1986	1,392	100	100	Cash	Further issue	0.08	[●]
December 31, 1996	200	100	100	Cash	Transfer from Kollareddy Ranganayakamma	0.01	[●]
December 31, 1996	257	100	100	Cash	Transfer from Kollareddy Ranganayakamma	0.02	[●]
December 31, 1996	100	100	100	Cash	Transfer from Kollareddy Ranganayakamma	0.01	[●]
December 31, 1996	50	100	100	Cash	Transfer from K. Sucharita	0.00	[●]
December 31, 1996	150	100	100	Cash	Transfer from E. Prakash Reddy	0.01	[●]
December 31, 1996	78	100	100	Cash	Transfer from E. Prakash Reddy	0.00	[●]
December 31, 1996	150	100	100	Cash	Transfer from K.C.P. Reddy	0.01	[●]
December 31, 1996	50	100	100	Cash	Transfer from K.L. Reddy	0.00	[●]
December 31, 1996	34	100	100	Cash	Transfer from G. Venkat. Reddy	0.00	[●]
December 31, 1996	27	100	100	Cash	Transfer from M. Damayanthi	0.00	[●]
December 31, 1996	90	100	100	Cash	Transfer from T.L.N. Charyulu	0.01	[●]
December 31, 1996	95	100	100	Cash	Transfer from Baby Sarojini	0.01	[●]
December 31, 1996	90	100	100	Cash	Transfer from S. Rama Mohan Reddy	0.01	[●]
December 31, 1996	95	100	100	Cash	Transfer from N. Tara Rani	0.01	[●]
December 31, 1996	85	100	100	Cash	Transfer from G. Suvarna Kumari	0.01	[●]
December 31, 1996	90	100	100	Cash	Transfer from G. Basavapurna Reddy	0.01	[●]
December 31, 1996	95	100	100	Cash	Transfer from G. Jaya	0.01	[●]

Date of allotment/transfer/buyback	Number of fully paid-up equity shares	Face value (₹)	Issue/Transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
December 31, 1996	98	100	100	Cash	Transfer from G. N. Bhushanamma	0.01	[•]
December 31, 1996	95	100	100	Cash	Transfer from N. Koti Reddy	0.01	[•]
December 31, 1996	95	100	100	Cash	Transfer from N. Mohan Reddy	0.01	[•]
December 31, 1996	95	100	100	Cash	Transfer from K. Salinidevamma	0.01	[•]
December 31, 1996	80	100	100	Cash	Transfer from M. Koti Reddy	0.00	[•]
December 31, 1996	80	100	100	Cash	Transfer from M. Kasturi	0.00	[•]
December 31, 1996	85	100	100	Cash	Transfer from V. Suneela	0.01	[•]
December 31, 1996	92	100	100	Cash	Transfer from G. Bhaskar Reddy	0.01	[•]
March 28, 1997	1,902	100	100	Cash	Further issue	0.11	[•]
February 16, 1998	17,400	100	N/A	N/A	Bonus issue in the ratio of two equity shares for every one equity share held	1.03	[•]
January 4, 2000	31,900	100	N/A	N/A	Bonus issue in the ratio of 11 equity shares for every nine equity shares held	1.89	[•]
March 31, 2000	1,050	100	100	Cash	Transfer from Kollareddy Ramachandra	0.06	[•]
March 31, 2000	525	100	100	Cash	Transfer from Kollareddy Ramachandra	0.03	[•]
March 31, 2000	1,925	100	100	Cash	Transfer from Kollareddy Ramachandra	0.11	[•]
March 31, 2000	1,575	100	100	Cash	Transfer from Kukreti Soumya	0.09	[•]
March 31, 2000	1,925	100	100	Cash	Transfer from Kukreti Soumya	0.11	[•]
November 29, 2014	359	100	N/A	Other than cash	Allotment pursuant to the 2014 Amalgamation Scheme	0.02	[•]
March 2, 2020	(173)	100	Nil	-	Transfer by way of a gift to Kollareddy Ramachandra	(0.01)	[•]
October 23, 2020*	(300)	100	4,500	Cash	Buy-back	(0.02)	[•]
October 3, 2023	778,632	100	N/A	N/A	Bonus issue in the ratio of 12 equity shares for each equity share held	46.06	[•]
May 15, 2024	(1,300)	100	Nil	-	Transfer by way of a gift to Uma Priyadarshini Kollareddy	(0.08)	[•]
May 15, 2024	(1,050)	100	Nil	-	Transfer by way of a gift to Deepak Kukreti	(0.06)	[•]
May 15, 2024	(250)	100	Nil	-	Transfer by way of a gift to Deepak Kukreti	(0.01)	[•]
June 11, 2024	Pursuant to resolutions passed by our Board at their meeting held on May 15, 2024 and the Shareholders at their EGM held on June 11, 2024, our Company has sub-divided 966,069 equity shares of face value of ₹100 each to 19,321,380 Equity Shares of face value of ₹5 each. Accordingly, the shareholding of Mr. Kollareddy Rama Raghava Reddy changed to 16,818,360 Equity Shares of face value ₹5 each.						
July 15, 2024	12,613,770	5	N/A	N/A	Bonus issue in the ratio of three Equity Shares for every four Equity Share held	37.31	[•]
September 27, 2024	(677,336)	5	Nil	-	Transfer by way of a gift to Kollareddy Ranganayakamma	(2.00)	[•]

Date of allotment/ transfer/ buyback	Number of fully paid-up equity shares	Face value (₹)	Issue/Transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/ allotment/ transfer	Percentage of pre- Offer Equity Share capital (%)	Percentage of post- Offer Equity Share capital (%)
September 27, 2024	(1,645,121)	5	Nil	-	Transfer by way of a gift to Kukreti Soumya	(4.87)	[●]
September 27, 2024	(1,645,121)	5	Nil	-	Transfer by way of a gift to Kollareddy Ramachandra	(4.87)	[●]
September 27, 2024	(292,624)	5	Nil	-	Transfer by way of a gift to Uma Priyadarshini Kollareddy	(0.87)	[●]
September 27, 2024	(292,624)	5	Nil	-	Transfer by way of a gift to Deepak Kukreti	(0.87)	[●]
TOTAL	2,48,79,304					73.58	[●]

*Date of completion of buy back.

(1) Our Company was incorporated on December 11, 1981. The date of subscription to the Memorandum of Association is December 7, 1981 and the allotment of equity shares pursuant to such subscription was taken on record by our Board on December 11, 1981

B. Kollareddy Ramachandra

Date of allotment/ transfer/ buyback	Number of fully paid-up Equity Shares	Face value (₹)	Issue/Transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/ allotment/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
June 25, 1999	1,050	100	100	Cash	Transfer from K. Ramachandra Reddy	0.06	
June 25, 1999	525	100	100	Cash	Transfer from K. Ramachandra Reddy	0.03	[●]
January 4, 2000	1,925	100	N/A	N/A	Bonus issue in the ratio of 11 equity shares for every nine equity shares held	(0.11)	[●]
March 31, 2000	(1,050)	100	100	Cash	Transfer to Kollareddy Rama Raghava Reddy	(0.06)	[●]
March 31, 2000	(525)	100	100	Cash	Transfer to Kollareddy Rama Raghava Reddy	(0.03)	[●]
March 31, 2000	(1,925)	100	100	Cash	Transfer to Kollareddy Rama Raghava Reddy	(0.11)	[●]
March 2, 2020	173	100	-	-	Transfer by way of a gift from Kollareddy Rama Raghava Reddy	0.01	[●]
October 23, 2020*	(73)	100	4,500	Cash	Buy-back	(0.00)	[●]
October 3, 2023	1,200	100	N/A	N/A	Bonus issue in the ratio of 12 equity shares for each equity share held	0.07	[●]
June 11, 2024	Pursuant to resolutions passed by our Board at their meeting held on May 15, 2024 and the Shareholders at their EGM held on June 11, 2024, our Company has sub-divided 966,069 equity shares of face value of ₹100 each to 19,321,380 Equity Shares of face value of ₹5 each. Accordingly, the shareholding of Kollareddy Ramachandra changed to 26,000 Equity Shares of face value ₹5 each.						
July 15, 2024	19,500	5	N/A	N/A	Bonus issue in the ratio of three Equity Shares for every four Equity Shares held	0.06	[●]
September 27, 2024	1,645,121	5	-	Gift	Transfer by way of a gift from Kollareddy Rama Raghava Reddy	4.87	[●]

Date of allotment/transfer/buyback	Number of fully paid-up Equity Shares	Face value (₹)	Issue/Transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
TOTAL	1,690,621					5.00	[●]

*Date of completion of buy back.

C. Kukreti Soumya

Date of allotment/transfer/buyback	Number of fully paid-up Equity Shares	Face value (₹)	Issue/Transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
June 25, 1999	1,575	100	100	Cash	Transfer from K. Ramachandra Reddy	0.09	[●]
January 4, 2000	1,925	100	N/A	N/A	Bonus issue in the ratio of 11 equity shares for every nine equity shares held	0.11	[●]
March 31, 2000	(1,575)	100	100	Cash	Transfer to Kollareddy Rama Raghava Reddy	(0.09)	[●]
March 31, 2000	(1,925)	100	100	Cash	Transfer to Kollareddy Rama Raghava Reddy	(0.11)	[●]
November 29, 2014	173	100	N/A	Other than cash	Allotment pursuant to 2014 Amalgamation Scheme	0.01	[●]
October 23, 2020*	(73)	100	4,500	Cash	Buy-back	(0.00)	[●]
October 3, 2023	1,200	100	N/A	N/A	Bonus issue in the ratio of 12 equity shares for each equity share held	0.07	[●]
June 11, 2024	Pursuant to resolutions passed by our Board at their meeting held on May 15, 2024 and the Shareholders at their EGM held on June 11, 2024, our Company has sub-divided 966,069 equity shares of face value of ₹100 each to 19,321,380 Equity Shares of face value of ₹5 each. Accordingly, the shareholding of Mrs. Kukreti Soumya changed to 26,000 Equity Shares of face value ₹5 each.						
July 15, 2024	19,500	5	N/A	N/A	Bonus issue in the ratio of three Equity Shares for every four Equity Shares held	0.06	[●]
September 27, 2024	1,645,121	5	-	Gift	Transfer by way of a gift from Kollareddy Rama Raghava Reddy	4.87	[●]
TOTAL	1,690,621					5.00	[●]

*Date of completion of buy back.

D. Uma Priyadarshini Kollareddy

Date of allotment/transfer	Number of fully paid-up Equity Shares	Face value (₹)	Issue/Transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/allotment/transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
May 15, 2024	1,300	100	Nil	N/A	Transfer by way of a gift from Kollareddy Rama Raghava Reddy	0.08	[●]
June 11, 2024	Pursuant to resolutions passed by our Board at their meeting held on May 15, 2024 and the Shareholders at their EGM held on June 11, 2024, our Company has sub-divided 966,069 equity shares of face value of ₹100 each to 19,321,380 Equity Shares of face value of ₹5 each. Accordingly, the shareholding of Mrs. Uma Priyadarshini Kollareddy changed to 26,000 Equity Shares of face value ₹5 each.						

Date of allotment/ transfer	Number of fully paid-up Equity Shares	Face value (₹)	Issue/Transfer price per equity share (₹)	Nature of consideration	Nature of acquisition/ allotment/ transfer	Percentage of pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
July 15, 2024	19,500	5	N/A	N/A	Bonus issue in the ratio of three Equity Shares for every four Equity Shares held	0.06	[●]
September 27, 2024	292,624	5	-	Gift	Transfer by way of a gift from Kollareddy Rama Raghava Reddy	0.87	[●]
TOTAL	3,38,124					1.00	[●]

(b) *Details of minimum promoters' contribution and lock-in*

Pursuant to Regulations 14 and 16 (1)(a) of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be considered as the minimum promoters' contribution and is required to be locked-in for a period of three years from the date of Allotment. Our Promoters' shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for minimum promoters' contribution for a period of three years, from the date of Allotment are set forth below:*

Name of the Promoter	Number of Equity Shares locked-in	Date up to which Equity Shares are subject to lock-in	Date of Acquisition of Equity Shares and when made fully paid-up	Nature of transaction	Face value (₹)	Issue/Acquisition price per Equity Share (₹)	Percentage of Pre-Offer Equity Share capital (%)	Percentage of post-Offer Equity Share capital (%)
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

*To be completed prior to filing of the Prospectus with the RoC.

The Promoters have given their consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the minimum promoters' contribution and have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the minimum promoters' contribution from the date of filing of this Draft Red Herring Prospectus, until the commencement of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations. The minimum promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "promoter" under the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in will not be ineligible for computation of minimum promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "—Build-up of Promoters' equity shareholding in our Company" on page 99.

In this connection, we confirm the following:

- (i) The Equity Shares offered towards minimum promoters' contribution have not been acquired during the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of minimum promoters' contribution;
- (ii) The Equity Shares offered towards minimum promoters' contribution have not been acquired by our Promoters during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price;

- (iii) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm into a company;
- (iv) The Equity Shares forming part of the minimum promoters' contribution are not subject to any pledge; and
- (v) All Equity Shares held by our Promoters are in dematerialized form as on the date of this Draft Red Herring Prospectus.

(c) Details of Equity Shares locked-in for six months

In addition to the Equity Shares proposed to be locked-in as part of the minimum promoters' contribution as stated above, as prescribed under the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (including any unsubscribed portion of the Offered Shares) will be locked-in for a period of six months from the date of Allotment of Equity Shares in the Offer including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations except the following: (i) the Equity Shares that are held by any VCFs, AIFs (category I or category II) or FVCIs (such as the Equity Shares held by SVADHA India Emerging Opportunities Scheme 1, which is a SEBI registered AIF (category II)) subject to the conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs, AIF (category I or category II) or FVCI; and (ii) the Equity Shares transferred pursuant to the Offer for Sale.

(d) Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors

50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment, and the remaining 50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(e) Other requirements in respect of lock-in

Pursuant to Regulation 20 of the SEBI ICDR Regulations, details of locked-in Equity Shares will be recorded by relevant depositories.

Pursuant to Regulation 21 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions or a systemically important NBFC or a housing finance company as collateral security for loans granted by such scheduled commercial bank or public financial institution or systemically important NBFC or housing company, provided that specified conditions under the SEBI ICDR Regulations are complied with. However, the relevant lock-in period shall continue pursuant to the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

Pursuant to Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter of our Company and the Equity Shares held by any persons other than our Promoters, which are locked-in in accordance with Regulation 17 of the SEBI ICDR Regulations, may be transferred to and among such other persons holding specified securities that are locked in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

[the remainder of this page has been left blank intentionally]

7. Shareholding Pattern of our Company

The table below presents the shareholding of our Company as of the date of this Draft Red Herring Prospectus.

Category (I)	Category of Shareholder (II)	Number of Shareholders ^ (III)	Number of Fully Paid-up Equity Shares Held (IV)	Num ber of Partly Paid- up Equity Shares Held (V)	Number of Shares Underlyin g Depositor y Receipts (VI)	Total Number of Equity Shares Held (VII) =(IV)+(V) +(VI)	Shareholdin g as a % of Total Number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in Each Class of Securities (IX)		Number of Shares Underlyin g Outstandin g Convertible Securities (including Warrants) (X)	Shareholdin g, as a % Assuming Full Conversion of Convertible Securities (as a Percentage of Diluted Share Capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked-in shares (XII)		Number of Shares Pledged or Otherwise Encumbered (XIII)		Number of Equity Shares held in Demateriale zed Form (XIV)			
								No of Voting Rights				Total as a % of (A+B+ C)	Numbe r (a)	As a % of total share s held (b)					
								Class: Equity Shares	Total										
(A)	Promoters and Promoter Group	7	32,403,56 4	-	-	32,403,56 4	95.83	32,403,56 4	32,403,56 4	95.83	-	95.83	-	-	-	32,403,564			
(B)	Public	1	1,408,851	-	-	1,408,851	4.17	1,408,851	1,408,851	4.17	-	4.17	-	-	-	1,408,851			
(C)	Non- Promoter- Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Total	8	33,812,41 5	-	-	33,812,41 5	100.00	33,812,41 5	33,812,41 5	100.0 0	-	100.00	-	-	-	33,812,415			

8. Details of the Shareholding of the major Shareholders of our Company

- (1) The Equity Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them as of the date of this Draft Red Herring Prospectus are detailed in the table below:

S. No.	Name of Shareholder	No. of Equity Shares of face value of ₹5 each held	% of the pre- Offer Equity Share capital
1.	Kollareddy Rama Raghava Reddy	24,879,304	73.58
2.	Guntaka Ravindra Reddy	3,185,000	9.42
3.	Kollareddy Ramachandra	1,690,621	5.00
4.	Kukreti Soumya	1,690,621	5.00
5.	SVADHA India Emerging Opportunities Scheme 1	1,408,851	4.17
6.	Uma Priyadarshini Kollareddy	338,124	1.00
7.	Deepak Kukreti	338,124	1.00
Total		33,530,645	99.17

- (2) The Equity Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are detailed in the table below:

S. No.	Name of Shareholder	No. of Equity Shares of face value of ₹5 each held	% of the pre- Offer Equity Share capital
1.	Kollareddy Rama Raghava Reddy	29,432,130	87.05
2.	Guntaka Ravindra Reddy	3,185,000	9.43
3.	Kollareddy Ranganayakamma	1,013,285	3.00
Total		33,630,415	99.47

- (3) The Equity Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are detailed in the table below:

S. No.	Name of Shareholder	No. of Equity Shares of face value of ₹5 each held	% of the pre- Offer Equity Share capital
1.	Kollareddy Rama Raghava Reddy	64,886	87.31
2.	Guntaka Ravindra Reddy	7,000	9.42
3.	Kollareddy Ranganayakamma	2,227	3.00
Total		74,113	99.73

- (4) The Equity Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them two years prior to the date of this Draft Red Herring Prospectus are detailed in the table below:

S. No.	Name of Shareholder	No. of Equity Shares of face value of ₹5 each held	Percentage of the pre- Offer Equity Share capital (%)
1.	Kollareddy Rama Raghava Reddy	64,886	87.31
2.	Guntaka Ravindra Reddy	7,000	9.42
3.	Kollareddy Ranganayakamma	2,227	3.00
Total		74,113	99.73

9. Details of the Shareholding of our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management

None of our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel or Senior Management hold any Equity Shares in our Company as of the date of filing of this Draft Red Herring Prospectus other than as disclosed below:

Name of the Shareholder	Pre-Offer		Post-Offer ⁽²⁾	
	Number of Equity Shares of face value of ₹5 each held	Percentage of the pre-Offer paid-up Equity Share capital (%)	Number of Equity Shares of face value of ₹5 each held	Percentage of the post-Offer paid-up Equity Share capital (%)
Promoters				
Mr. Kollareddy Rama Raghava Reddy [@]	24,879,304	73.58	[●]	[●]
Mr. Kollareddy Ramachandra ^{^*}	1,690,621	5.00	[●]	[●]
Mrs. Kukreti Soumya ^{^*}	1,690,621	5.00	[●]	[●]
Mrs. Uma Priyadarshini Kollareddy ^{^*}	338,124	1.00	[●]	[●]
Total (A)	28,598,670	84.58	[●]	[●]
Promoter Group				
Mrs. Kollareddy Ranganayakamma	281,770	0.83	[●]	[●]
Mr. Guntaka Ravindra Reddy	3,185,000	9.42	[●]	[●]
Mr Deepak Kukreti	338,124	1.00	[●]	[●]
Total (B)	3,804,894	15.42	[●]	[●]
Total (A + B)	32,403,564	95.83	[●]	[●]

[@] Also a member of the Senior Management

^{^*}Also a Director

*Also a Key Managerial Personnel

10. Employee Stock Option Plan

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan.

11. As of the date of this Draft Red Herring Prospectus, there are no outstanding warrants, options, debentures, loans or other instruments convertible into Equity Shares.
12. None of the BRLMs or their respective associates, as defined in the SEBI Merchant Bankers Regulations, hold any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus.
13. Other than in the ordinary course of business, none of our Promoters or Shareholders are directly/ indirectly related to the BRLMs or any associates of the BRLMs.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, Promoters, Promoter Group, Selling Shareholders, Group Companies and their respective directors and officers, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, Promoters, Promoter Group, Selling Shareholders, Group Companies, and their respective directors and officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

14. Our Company has not made any public issue since its incorporation and has not made any rights issue of any kind or class of securities since its incorporation.
15. Our Company is in compliance with the Companies Act, 1956 and the Companies Act, 2013, to the extent applicable, with respect to the issuance of equity shares from the date of incorporation of our Company until the

date of filing of this Draft Red Herring Prospectus.

16. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangements for purchase of Equity Shares to be Allotted pursuant to the Offer.
17. Our Company does not have any partly paid-up Equity Shares as of the date of this Draft Red Herring Prospectus. All Equity Shares Allotted in the Offer will be fully paid-up at the time of Allotment.
18. There will not be any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be, other than in connection with: (i) the Offer; and (ii) the Pre-IPO Placement.
19. There have been no financing arrangements whereby members of our Promoters, Promoter Group, Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
20. Other than as described in “*Share Capital History of our Company*” on page 88 above, our Promoters, any member of our Promoter Group, our Directors, or any of their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
21. Our Company presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided however, that the foregoing restrictions do not apply to the issuance of any Equity Shares under the Offer.
22. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and members of our Promoter Group during the period between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.
23. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Promoters, members of our Promoter Group, our Directors, our Key Managerial Personnel, members of the Senior Management or Group Companies, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.
24. As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of the Equity Shares is eight.

OBJECTS OF THE OFFER

The Offer consists of the Fresh Issue of up to [●] Equity Shares aggregating up to ₹2,500.00 million and the Offer for Sale of up to [●] Equity Shares aggregating up to ₹4,000.00 million, cumulatively aggregating up to ₹6,500.00 million.

Offer for Sale

Each Selling Shareholder will be entitled to the proceeds from the sale of their respective Offered Shares in the Offer for Sale, net of their share of the Offer related expenses and relevant taxes thereon in accordance with the Offer Agreement. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details of the Offer for Sale, see “*The Offer*” beginning on page 72.

Objects of the Fresh Issue

Our Company proposes to utilize the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Funding capital expenditure by Midwest Neostone Private Limited (“**Midwest Neostone**”), our wholly owned subsidiary, towards Phase II of the quartz grit and powder processing plant (the “**Phase II Quartz Processing Plant**”);
2. Capital expenditure for purchase of electric dump trucks (“**Electric Dump Trucks**”) to be used by our Company and Andhra Pradesh Granite (Midwest) Private Limited (“**APGM**”), our Material Subsidiary;
3. Capital expenditure for integration of solar energy at certain Mines of our Company;
4. Pre-payment/re-payment of, in part or full, certain outstanding borrowings of the Company and APGM; and
5. General corporate purposes.

(collectively, the “**Objects**”).

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

The main objects clause as set out in the Memorandum of Association enables our Company to undertake the business of processing Quartz and producing Quartz grit and powder by establishing the Quartz Processing Plant, and specifically, Phase II of the Quartz Processing Plant for which funds are being raised through the Fresh Issue.

Net Proceeds

After deducting our Company’s share of the Offer related expenses from the Gross Proceeds received pursuant to the Fresh Issue, we estimate the net proceeds to be ₹[●] million (“**Net Proceeds**”), as set out in the table below:

Particulars	Estimated Amount (₹ million)
Gross Proceeds of the Fresh Issue ⁽¹⁾	2,500.00
(Less) Offer related expenses in relation to the Fresh Issue ⁽²⁾⁽³⁾	[●]
Net Proceeds⁽²⁾	[●]

⁽¹⁾ Includes proceeds, if any, received pursuant to the Pre-IPO Placement. Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement prior to the filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement shall be undertaken in consultation with the BRLMs and the price of the securities allotted pursuant to the Pre-IPO Placement shall be determined by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer and if the Pre-IPO Placement is undertaken, our Company shall appropriately intimation the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation

- to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.*
- (2) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*
- (3) *For details of the expenses related to the Offer, see “-Offer Expenses” on page 141.*

Requirement of funds and utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details as set out in the table below:

Particulars	Amount (₹ million)
Funding capital expenditure by Midwest Neostone, our wholly owned subsidiary, towards the Phase II Quartz Processing Plant	1,270.49
Capital expenditure for purchase of Electric Dump Trucks to be used by our Company and APGM, our Material Subsidiary	257.55
Capital expenditure for integration of solar energy at certain Mines of our Company	32.56
Pre-payment/re-payment of, in part or full, certain outstanding borrowings of our Company and APGM	538.00
General corporate purposes ⁽¹⁾⁽²⁾	[●]
Net Proceeds⁽¹⁾	[●]

(3) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

(4) *The amount utilized for general corporate purposes shall not exceed 25% of the Net Proceeds.*

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds, as set out in the table below:

Particulars	Total estimated costs	Estimated utilization from Net Proceeds	Estimated schedule of deployment of Net Proceeds	
			Fiscal 2025	Fiscal 2026
		(₹ million)		
Funding capital expenditure by Midwest Neostone, our wholly owned subsidiary, towards the Phase II Quartz Processing Plant	1,270.49	1,270.49	254.10	1,016.39
Capital expenditure for purchase of Electric Dump Trucks to be used by our Company and APGM, our Material Subsidiary	257.55	257.55	128.78	128.77
Capital expenditure for integration of solar energy at certain Mines of our Company	32.56	32.56	29.30	3.26
Pre-payment/re-payment of, in part or full, certain outstanding borrowings of our Company and APGM	538.00	538.00	538.00	-
General corporate purposes ⁽¹⁾⁽²⁾	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

(1) *To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

(2) *The amount utilized for general corporate purposes shall not exceed 25% of the Net Proceeds.*

The above fund requirements are based on our current business plan, management estimates, other commercial and technical factors including interest rates and other charges, terms of the facility documents for borrowings and quotations received from third-party vendors, which are subject to change in the future. These are based on current conditions and are subject to revisions in light of changes in costs, our financial condition, our business operations or growth strategy or external circumstances which may not be in our control. Additionally, we have also relied on (i) a cost assessment report dated September 27, 2024 issued by Dun & Bradstreet, in relation to the cost assessment for the capital expenditure by Midwest Neostone on the Phase II Quartz Processing Plant; and (ii) a cost assessment report dated September 27, 2024 issued by Dun & Bradstreet, in relation to the cost assessment for the integration of solar energy at certain Mines of our Company. For further details of (i) the proposed Phase II Quartz Processing Plant, see “—Funding capital expenditure by Midwest Neostone, our wholly owned subsidiary, towards the Phase II Quartz Processing Plant” and (ii) purchase of Electric Dump Trucks and integration of solar energy, see “—Details of the Objects—Capital expenditure for purchase of Electric Dump Trucks to be used by our Company and APGM, our Material Subsidiary” and “—Details of the Objects—Capital expenditure for integration of solar energy at certain Mines of our Company” on pages 117 and 118, respectively.

The estimated schedule of deployment of the Net Proceeds provided above is indicative and our management may vary the amount to be utilized in a particular Financial Year at its discretion, subject to compliance with applicable law. Given the nature of our business, we may have to revise our funding requirements and deployment of the Net Proceeds from time to time, on account of a variety of factors such as our financial condition, business strategies and external factors such as market conditions, any epidemic, the competitive environment or other external factors, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds, the implementation and deployment schedule provided above and our funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable laws. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Gross Proceeds in Fiscals 2025 and 2026, we will utilize such unutilized amount in the Fiscals 2027 and 2028.

Subject to applicable law, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilization towards any of the stated objects is lower than the proposed deployment, the balance remaining may be utilized towards future growth opportunities, and/or towards funding any of the other Objects or for any other purpose, and/or general corporate purposes, subject to applicable laws to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations and in compliance with the objectives as set out under “—*Details of the Objects—General corporate purposes*” below and will be consistent with the requirements of our business.

For further information on factors that may affect our internal management estimates, see “*Risk Factors—Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control*” on page 47.

Means of finance

The fund requirements for the Objects are proposed to be met from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue as required under Regulation 7(1)(e) the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilization of funds earmarked for Objects, our Company may explore a range of options including utilizing our internal accruals or availing additional borrowings for such capital expenditure.

Details of the Objects

Our Board at its meeting held on September 30, 2024 approved the Objects of the Offer and the respective amounts proposed to be utilized from the Net Proceeds for each Object.

1. *Funding capital expenditure by Midwest Neostone, our wholly owned subsidiary, towards the Phase II Quartz Processing Plant*

Our operations in the Quartz segment are proposed to be conducted by Midwest Neostone, a wholly owned Subsidiary of our Company. Midwest Neostone is in the process of establishing an advanced quartz processing plant in the APIIC Growth Center (Building Materials Special Economic Zone) at Annangi Village, Prakasam District, Andhra Pradesh, India.

We have three operational Quartz Mines with combined proved reserves of 2.1 million tonnes of Quartz, based on the JORC Report, to support the manufacture of Quartz grit and powder. We also have two additional Mines under development in combined proved reserves of 1.6 million tonnes of Quartz.

The Quartz Processing Plant is being developed in two phases.

Phase I of the facility will have an installed capacity of 303,600 metric tonnes per annum of quartz grit and powder

for use in the manufacture of Engineered Stone and will commence operations during Fiscal 2025. We propose to expand the installed capacity by a further 303,000 metric tonnes per annum during Phase II, thereby creating a total installed capacity of 606,600 metric tonnes. Phase II, apart from expanding the capacity for producing Quartz grit and powder for use in Engineered Stone, will allow us to produce products for the solar industry. During Phase II, we will expand our product line to include grit suitable for production of solar glass as well as ultra high purity Quartz powder, which is a pre-cursor for production of crucibles, optical glass and semi-conductors.

For further details of our strategy for the Quartz Processing Plant, see “*Our Business—Our Strategies—Diversifying revenue through production of Quartz grit and powder*” on page 236.

The Phase II Quartz Processing Plant is proposed to be entirely funded through the Net Proceeds from the Offer and we propose to utilize ₹1,270.49 million from the Net Proceeds in this regard.

Form of investment

In order to fund the proposed capital expenditure by Midwest Neostone for the Phase II Quartz Processing Plant, our Company proposes to lend ₹1,270.49 million to Midwest Neostone from the Net Proceeds in the form of an unsecured inter-corporate loan. Under the terms of a loan agreement dated April 1, 2024 executed between our Company and Midwest Neostone, our Company may grant inter-corporate loans aggregating up to ₹2,250.00 million to Midwest Neostone, with the loans being provided for a term of 5 years or at any time as may be mutually agreed between our Company and Midwest Neostone, and bearing interest at the rate of 9.00% per annum.

Details and utilization of the funding to be provided to Midwest Neostone

A. Estimated Cost

To establish the Phase II Quartz Processing Plant, we require amounts for (i) civil and building costs; (ii) plant and machinery; (iii) miscellaneous fixed assets, (iv) contingency funds and (v) preliminary and pre-operating expenses, among others. We intend to utilize ₹1,270.49 million from the Net Proceeds to fund such purchases. We have received quotations from various suppliers for the capital expenditure required to establish the Phase II Quartz Processing Plant and undertaking the associated work and are yet to place any orders or enter into definitive agreements for purchase of such equipment. Our Company has obtained a cost assessment report dated September 27, 2024 from Dun & Bradstreet, in relation to the cost assessment for the Phase II Quartz Processing Plant.

Phase I of the Quartz Processing Plant (which is being funded through internal accruals and borrowings) is being established by Midwest Neostone at Plots 30A, 30B and 31 in Annangi Village, Ongole, Prakasam District on land that has been leased from Andhra Pradesh Industrial Infrastructure Corporation Limited for a period of 33 years. Phase II of the Quartz Processing Plant is being established at the same location as Phase I, and accordingly, no separate land is required to be acquired for the construction of the Phase II Quartz Processing Plant.

The break-down of the estimated costs for the Phase II Quartz Processing Plant is as set out in the table below:

S. No.	Particulars	Total estimated costs ⁽¹⁾ (₹ million)	Amount proposed to be funded from the Net Proceeds (₹ million)
1.	Civil and building costs	391.20	391.20
2.	Plant and machinery	804.63	804.63
3.	Miscellaneous fixed assets	42.51	42.51
4.	Contingency funds	25.96	25.96
5.	Preliminary and pre-operating expenses	6.19	6.19
	Total	1,270.49	1,270.49

⁽¹⁾ Cost assessment report dated September 27, 2024 issued by Dun & Bradstreet. For further details, see “*Material Contracts and Documents for Inspection*” on page 516.

1. Civil and building costs

The costs associated with the construction of the building and the civil work are as set out in the table below⁽¹⁾:

S. No.	Particulars	Total estimated costs (in ₹ million) ⁽²⁾	Amount proposed to be funded from Net Proceeds (in ₹ million)	Quotations received from (Suppliers)	Date of quotation	Validity of quotation
Building Work						
1.	Shed	100.00	100.00	EPACK Polymers Pvt. Ltd	June 2, 2024	6 months
2.	Structural and tanks	169.20	169.20	S.R. Technologies	July 18, 2024	6 months
				Eswar Enterprises	July 23, 2024	6 months
3.	Erection and installation	42.00	42.00	S.R. Technologies	July 18, 2024	6 months
				Eswar Enterprises	July 23, 2024	6 months
4.	Civil	80.00	80.00	L and CR Constructions Private Limited	July 10, 2024	6 months
	Total	391.20	391.20	-	-	-

⁽¹⁾ Cost assessment report dated September 27, 2024 issued by Dun & Bradstreet.

⁽²⁾ Taxes and transportation charges have been included in the estimated cost, as applicable. Goods and services tax not applicable as the facility is located in a Special Economic Zone.

2. Plant and Machinery

The cost associated with purchase of plant and machinery are as set out in the table below.⁽¹⁾:

S. No.	Particulars	Total estimated costs (in ₹ million) ⁽²⁾	Amount proposed to be funded from Net Proceeds (in ₹ million)	Quantity	Quotations received from (Suppliers)	Date of quotation	Validity of quotation
1.	Secondary Fines Separation Plant	80.19*	80.19	1 unit	Xinhai Mineral Processing EPC	June 14, 2024	180 days
2.	Tertiary Fines Separation	25.53*	25.53	1 unit	Xinhai Mineral Processing EPC	June 13, 2024	180 days
3.	Grinding, Screening and Primary Separation Plant	166.65#	166.65	3 units	Shandong Huate Magnet Technology Co., Ltd.	August 3, 2024	6 months
4.	Timing Fine Sorters	185.99#	185.99	24 units	Timing Co., Limited	June 11, 2024	6 months
5.	EDXRF Spectrometer	5.32^	5.32	1 unit	AIMIL Limited	July 23, 2024	180 days
6.	Particle Size Analyzer	3.68~	3.68	1 unit	AIMIL Limited	July 23, 2024	180 days
7.	Wet Grinding Mill	120.00	120.00	1 unit	Metso Qutotec India Pvt. Ltd.	September 10, 2024	180 days
8.	Drier	81.00	81.00	1 unit	Chanderpur Works Private Limited	July, 2024	180 days

S. No.	Particulars	Total estimated costs (in ₹ million) ⁽²⁾	Amount proposed to be funded from Net Proceeds (in ₹ million)	Quantity	Quotations received from (Suppliers)	Date of quotation	Validity of quotation		
9.	Fine Screen	16.53	16.53	3 units	International Combustion India limited	July 18, 2024	December 31, 2024		
10.	Magnetic Separators	19.05	19.05	6 units	Linux Magnetics	June 1, 2024	6 months		
11.	Storage Silos	3.50	3.50	3 units	S.R. Technologies	July 18, 2024	6 months		
					Eswar Enterprises	July 23, 2024	6 months		
12.	Bucket Elevator	9.29	9.29	3 units	Reico Industries Limited	July 23, 2024	6 months		
13.	Packing Machines	14.77	14.77	4 units	TIA Technology (I) Private Limited	June 12, 2024	180 days		
14.	Electrical	56.54	56.54	1 unit	Ampersand Systems Private Limited	May 1, 2024	6 months		
15.	PLC and CCR			1 unit	Arihant Control Systems	June 3, 2024	180 days		
					V3 Automation	April 6, 2024	November 6, 2024		
16.	Electrical Transformer, Switchyard	3.85	3.85	1 unit	Unique Power Solutions	September 23, 2024	December 31, 2024		
17.	Electric Overhead Travelling Crane	6.45	6.45	4 units	Omis India Cranes & Handling Private Limited	August 2, 2024	180 days		
18.	Portable Spectrophotometer	1.90	1.90	2 units	Jay Instruments and Systems Private Limited	September 10, 2024	180 days		
19.	Analytical Sieve Shaker	1.04	1.04	1 unit	Verder Scientific Private Limited	August 14, 2024	December, 2024		
20.	Lab scale equipment	3.06	3.06	1 unit	OIA Technologies Private Limited	July 22, 2024	6 months		
21.	Sieves; Weigh Scales	0.28	0.28	1 unit	Bharathi Lab Instruments	July 19, 2024	180 days		
Total⁽³⁾		804.63	804.63	—	—	—	—		

* Conversion rate of 1 RMB= 11.84 INR, as of September 23, 2024

#Conversion rate of 1 USD= 83.47 INR, as of September 23, 2024

[^]Conversion rate of 1 Euro= 93.15 INR, as of September 23, 2024

~Conversion rate of 1 GBP= 111.1 INR, as of September 23, 2024

⁽¹⁾ Cost assessment report dated September 27, 2024 issued by Dun & Bradstreet

- (2) Taxes and transportation charges have been included in the estimated cost, as applicable. Goods and services tax not applicable as the facility is located in a Special Economic Zone.
- (3) Expenditure towards plant and machinery may be subject to additional charges including acquisition of any required sub-systems or ancillary machinery, availability of superior technological variants of such plants or machinery, freight, transit, installation costs, forward cost, commissioning charges, transportation costs, packaging costs, insurance, as applicable, which will be paid from the Net Proceeds or our internal accruals, as applicable.

3. Miscellaneous fixed assets

The cost associated with purchase of miscellaneous fixed assets are as set out in the table below.⁽¹⁾:

S. No.	Particulars	Total estimated costs (in ₹ million) ⁽²⁾	Amount proposed to be funded from Net Proceeds (in ₹ million)	Quantity	Quotations received from (Suppliers)	Date of quotation	Validity of quotation
1.	Water Pumps, Motors and Other Connections	3.00	3.00	-	Power on Electricals	June 24, 2024	6 months
2.	IT Infrastructure	3.00	3.00	-	Team Tech Solutions	August 2, 2024	6 months
3.	Furniture and office equipment	3.00	3.00	-	Sri Bharghavi Furnitures & Home Needs	June 24, 2024	6 months
4.	Vehicles - Bikes	0.33	0.33	3 units	Pioneer Automotive	September 21, 2024	December 31, 2024
5.	Vehicles - Car	2.67	2.67	1 unit	Automotive Manufacturers Private Limited	September 19, 2024	90 days
6.	Pay Loader 3 cubic meter	8.79	8.79	1 unit	Ramanand Power Systems Private Limited	August 20, 2024	December 30, 2024
7.	Wheel Loader 2021 – 3 cubic meter	8.79	8.79	1 unit	Ramanand Power Systems Private Limited	August 20, 2024	December 30, 2024
8.	Forklift Electrical 5 tons	10.56	10.56	3 unit	Action Construction Equipment Limited	September 12, 2024	6 months
9.	Hydra crane 14 tons	2.38	2.38	1 unit	Sociam Equipment Solutions Pvt. Ltd.	September 14, 2024	120 days
Total		42.51	42.51	—	—	—	—

⁽¹⁾ Cost assessment report dated September 27, 2024 issued by Dun & Bradstreet.

(2) Taxes and transportation charges have been included in the estimated cost, as applicable. Goods and services tax not applicable as the facility is located in a Special Economic Zone.

(3) Expenditure towards miscellaneous fixed assets may be subject to additional charges including availability of superior technological variants of such fixed assets, freight, transit, installation costs, forward cost, commissioning charges, transportation costs, packaging costs, insurance, as applicable, which will be paid from the Net Proceeds or our internal accruals, as applicable.

4. Contingency funds

Contingency funds are proposed to be utilized for unforeseen items in relation to the Phase II Quartz Processing Plant and have been estimated as 2.00% of the total cost for building and civil costs; plant and machinery and miscellaneous fixed assets, *i.e.*, 2.00% of 1,238.34 million, which is ₹25.96 million.

5. Preliminary and pre-operative expenses

The cost associated with the preliminary and pre-operative expenses have been estimated as 0.50% of the total cost for building and civil costs; plant and machinery and miscellaneous fixed assets, *i.e.*, 0.50% of 1,238.34 million, which is ₹6.19 million

All quotations received from the above suppliers are valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the above suppliers which have provided quotations and there can be no assurance that the abovementioned suppliers would be engaged to eventually supply the machinery or that the abovementioned machinery would be purchased at the specified costs. There may be changes in the costs due to factors outside of our control, including changes in price of materials required or machinery and equipment, changes in market conditions, competitive environment, inflation, technological changes, changing customer preferences, interest or exchange rate fluctuations and changes in regulations or government policies.

The quantity of machinery to be purchased is based on the estimates of our Company's management. Accordingly, the number of units of each machine proposed to be purchased may be varied based on the availability of technological improvements, specifications of the machinery or negotiations with the relevant vendors. See "*Risk Factors—We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements which includes the establishment of the Phase II Quartz Processing Facility, electrification of our mine equipment and integration of certain of our facilities with solar energy. As of the date of this Draft Red Herring Prospectus, we have not placed the orders and have not entered into definitive agreements for the capital expenditure proposed to be funded from the Net Proceeds which may expose us to the risk of unanticipated delays in implementation and cost overruns*" and "*Risk Factors—Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control*" on page 47.

No second-hand or used equipment is proposed to be purchased out of the Net Proceeds. No land is proposed to be acquired from the Net Proceeds.

Our Company shall have the flexibility to deploy such machinery at any of our existing and future plants, according to our business requirements based on the estimates of our Company's management.

B. Approvals

As of the date of this DRHP, the crucial clearances, licenses, permissions or approvals required from government authorities which are necessary for commencement of construction of the Phase II Quartz Processing Plant have been received. Certain ancillary approvals will be required in connection with the establishment of the Phase II Quartz Processing Plant, which are set out below:

S. No.	Approval	Authority	Required At	Status
1.	Building Permission	Andhra Pradesh Industrial Infrastructure Corporation	Prior to commencement of construction	Received
2.	Consent to establish under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	Andhra Pradesh Pollution Control Board ("APPCB")	Prior to commencement of construction	Received
3.	License to work a factory under Factories Act, 1948	Inspector of Factories, Ongole-I-Circle, Prakasham	Prior to commencement of construction	Received
4.	Application for power	Andhra Pradesh State Electricity Corporation Limited	Before completion	Application to be filed at relevant stage
5.	No objection certificate for ground water abstraction	Central Ground Water Authority	Before completion	Application to be filed at relevant stage
6.	Fire license	Andhra Pradesh Fire and Rescue Service	Before completion	Application to be filed at relevant stage
7.	Consent to operate under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981	APPCB	Before completion	Application to be filed at relevant stage

⁽¹⁾ Cost assessment report dated September 27, 2024 issued by Dun & Bradstreet.

Our Company will undertake the relevant steps to apply to the authorities for the relevant approvals in accordance with applicable law at the appropriate stages. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or varied, subject to timelines and other factors. See “*Risk Factors—We propose to enter into new business segments and our inability to establish ourselves in such nascent business segments could adversely affect, our business condition, results of operations and cash flows*” on page 48.

C. Raw Materials and Utilities

Midwest Neostone has entered into separate supply agreements with our Company, NDR Mining Co and Maitreya Minerals (NDR Mining Co and Maitreya Minerals are our Subsidiaries and collectively referred to here as, the “**Suppliers**”), each dated August 12, 2024, for supply of Quartz ore to Midwest Neostone for the Quartz Processing Plant from the operational Quartz Mines operated by the Suppliers. Electricity will be supplied to the Phase II Quartz Processing Plant from the municipal grid along with the use of generator sets for back-up power. The requirement of water for the Phase II Quartz Processing Plant will be met through a combination of municipal water supply and the use of borewells to extract groundwater.

D. Schedule of Implementation

The detailed schedule of implementation for the Phase II Quartz Processing Plant is as set out in the table below:

S. No.	Particulars	Expected date of commencement⁽¹⁾	Expected date of completion
1.	Acquisition of land	Completed	-
2.	Conversion of land into industrial use, if applicable	Not applicable	-
3.	Building construction and related civil works	May, 2025	September, 2025
4.	Installation of plant and machineries	August, 2025	November, 2025
5.	Trial Run	December, 2025	December, 2025
6.	Date of Commercial production	January, 2026	January, 2026
7.	Details of any delays that have been experienced so far in execution	Nil	-

⁽¹⁾ Cost assessment report dated September 27, 2024 issued by Dun & Bradstreet.

The schedule of implementation provided above is indicative and our management may need to revise the schedule based on subsequent events or operational requirements at its discretion, subject to compliance with applicable law.

2. *Capital expenditure for purchase of Electric Dump Trucks to be used by our Company and APGM, our Material Subsidiary*

Our Board in its meeting dated September 30, 2024 took note that an amount of ₹257.55 million is proposed to be utilized for purchase of Electric Dump Trucks to be used by our Company and APGM. Purchasing Electric Dump Trucks would benefit our Company and APGM by helping in reducing fossil fuel usage, cost savings (reduced fuel costs and maintenance savings) and increasing our operational efficiency. Further, the shift to Electric Dump Trucks will also allow us to reduce emissions, utilize more renewable energy and integrate technological advancements and innovations in our business operations. For further details of our strategies, see “*Our Business—Strategies—Improve efficiency and sustainability of our operations*” on page 239. As part of this effort, we require funds for purchase of Electric Dump Trucks and associated chargers. We intend to utilize ₹257.55 million from the Net Proceeds to fund such purchases. See also, “*Risk Factors—We intend to utilize a portion of the Net Proceeds to replace certain of our diesel-based dump trucks with electric dump trucks and our relative inexperience in their operation and maintenance could adversely affect our business, results of operations and prospects*” on page 47.

Our Company has received quotations from various suppliers for such equipment and are yet to place any orders or enter into definitive agreements for purchase of such equipment.

Form of investment

Out of the ₹257.55 million proposed to be deployed for capital expenditure for purchase of Electric Dump Trucks, expenditure of ₹172.07 million will be incurred by APGM, one of our Subsidiaries. In order to fund the proposed capital expenditure by APGM, our Company proposes to lend ₹172.07 million to APGM from the Net Proceeds in the form of an unsecured inter-corporate loan. Under the terms of a loan agreement dated April 1, 2024 executed between our Company and APGM, our Company may grant inter-corporate loans aggregating up to ₹450.00 million to APGM, with the loans being provided for a term of 2 years or at any time as may be mutually agreed between our Company and APGM, and bearing interest at the rate of 9.00% per annum.

The break-down of such estimated costs are set forth below.⁽¹⁾

S. No.	Purchasing Entity	Details of Electric Dump Truck	Number of Electric Dump Trucks	Number of Chargers	Total estimated costs for Electric Dump Trucks and Chargers (₹ million)	Amount proposed to be funded from the Net Proceeds (₹ million)	Quotations received from (Suppliers)	Date of quotation	Validity of Quotation
1.	Company	1. 470 HEV Dumper with 23 Cu.m Rockbody and 256 kWh battery	4	2	85.85	85.85	Propel Industries Private Limited	September 25, 2024	6 months
2.	APGM	2. 240 kWh Fast Charger	8	4	171.70	171.70			
Total	-		12	6	257.55	257.55	-	-	-

⁽¹⁾ Applicable taxes have been included in the estimated cost.

No second-hand or used equipment is proposed to be purchased out of the Net Proceeds for this Object.

3. *Capital expenditure for integration of solar energy at certain Mines of our Company*

We propose to incur capital expenditure for integrating solar energy at certain Mines of our Company in Telangana, India, to reduce our dependence on conventional sources of electricity. Following a successful trial conducted on a pilot basis, we have installed a 1.10 MW solar power facility at Arpanapally in Telangana, India which caters to a part of the energy requirements at our two operating Mines in the location. We intend to establish two additional solar power facilities at Mines operated by our Company at Kodad and Arpanapally with a total generating capacity of 0.66 MW (together, the “**Proposed Solar Installations**”). For further details of our strategies in this regard, see “*Our Business–Strategies–Improve efficiency and sustainability of our operations*” on page 239. As part of this effort, we require funds for purchase of solar panels and associated infrastructure and commissioning costs.

Our Company intends to utilize ₹32.56 million from the Net Proceeds to undertake such activities. Our Company has obtained a cost assessment report dated September 27, 2024 from Dun & Bradstreet, in relation to the cost assessment for the Proposed Solar Installations.

The break-down of such estimated costs are as set out in the table below. We are yet to place orders or enter into any definitive agreements for any of the machinery and civil work listed below for the Proposed Solar Installations, and the estimates have been arrived at based on quotations received from the vendors, as described below⁽¹⁾:

A. Estimated Cost

S. No.	Particulars	Total estimated costs ⁽²⁾ (` million)	Amount proposed to be funded from the Net Proceeds (` million)	Quotations received from	Date of quotation	Validity of Quotations
1. Kodad 0.52 MW						
a.	Design, supply of one 0.52 MW grid-tie ground mounted solar photo-voltaic plant	20.82	20.82	KL Enterprises	September 10, 2024	11 months
				Solaryte India Pvt Ltd	September 10, 2024	6 months
b.	Installation and commissioning and civil foundation	2.88	2.88	KL Enterprises	September 10, 2024	11 months
				Solaryte India Pvt Ltd	September 10, 2024	6 months
2. Arpanapally 0.14 MW						
a.	Design, supply of one 0.14 MW grid-tie ground mounted solar photo-voltaic plant	6.05	6.05	KL Enterprises	September 10, 2024	11 months
				Solaryte India Pvt Ltd	September 10, 2024	6 months
b.	Installation and commissioning	0.97	0.97	KL Enterprises	September 10, 2024	11 months
				Solaryte India Pvt Ltd	September 10, 2024	6 months
3.	Contingency cost*	1.54	1.54	-	-	-
4.	Pre-operative expenses#	0.31	0.31	-	-	-
Total		32.56[^]	32.56[^]	-	-	-

[^] Considering the rounding-off correction, the above figure is the correct value.

* Contingency costs are proposed to be utilized for unforeseen items such as escalation of prices in relation to the Proposed Solar Installation and have been estimated as 5% of the plant and machinery cost, miscellaneous fixed assets and building and civil works costs of the Proposed Solar Installation (excluding applicable taxes), i.e., 5% of 30.72 million, which is ₹1.54 million.

Pre-operative expenses have been estimated as 1% of the plant and machinery cost, miscellaneous fixed assets and building and civil works costs of the Proposed Solar Installation (excluding applicable taxes), i.e., 1% of 30.72 million, which is ₹0.31 million.

(1) Cost assessment report dated September 27, 2024 issued by Dun & Bradstreet.

(2) Applicable taxes have been included in the estimated cost.

No second-hand or used equipment is proposed to be purchased out of the Net Proceeds for this Object.

B. Approvals

As of the date of this DRHP, the crucial clearances, licenses, permissions or approvals required from government authorities which are necessary for deployment of the Proposed Solar Installations have been received. Certain ancillary approvals will be required in connection with the establishment of the Proposed Solar Installations, which are set out below: ⁽¹⁾

S. No.	Approval	Authority	Required At	Status
Arpanapally				
1.	High Tension Line Registration	Northern Power Distribution Company of Telangana Limited	Prior to commencement of construction	Received
2.	Electrical Scheme	Chief Electrical Inspector of Telangana Government (“CEIG”)	Before completion	Application to be filed at relevant stage
3.	CEIG Approval	CEIG	Before completion	Application to be filed at relevant stage
Kodad				
1.	High Tension	Southern Power Distribution Company of Telangana Limited	Prior to commencement of construction	Received

S. No.	Approval	Authority	Required At	Status
	Line Registration			
2.	Electrical Scheme	CEIG	Before completion	Application to be filed at relevant stage
3.	CEIG Approval	CEIG	Before completion	Application to be filed at relevant stage

(1) Cost assessment report dated September 27, 2024 issued by Dun & Bradstreet.

Our Company will undertake the relevant steps to apply to the authorities for the relevant approvals in accordance with applicable law at the relevant stage. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or varied, subject to timelines and other factors.

C. Raw Materials and Utilities

The Proposed Solar Installation will be connected to the municipal electricity grid, and accordingly, to the extent required, electricity will be available from the municipal grid. The requirement of water for the Proposed Solar Installation will be met through municipal water supply. No separate arrangements are required for the procurement of any raw materials for the Proposed Solar Installation.

D. Schedule of Implementation

The detailed schedule of implementation for the Proposed Solar Installation is as set out in the table below:⁽¹⁾

S. No.	Particulars	Expected date of commencement	Expected date of completion
1.	Acquisition of land	Completed	-
2.	Conversion of land into industrial use, if applicable	Not applicable	-
3.	Building construction and related civil works	January, 2025	January, 2025
4.	Installation of plant and machineries	January, 2025	March, 2025
5.	Trial Run	March, 2025	March, 2025
6.	Date of Operationalization	April, 2025	April, 2025
7.	Details of any delays that have been experienced so far in execution	Nil	Nil

(2) Cost assessment report dated September 27, 2024 issued by Dun & Bradstreet.

The schedule of implementation provided above is indicative and our management may need to revise the schedule based on subsequent events or operational requirements at its discretion, subject to compliance with applicable law.

4. *Pre-payment/re-payment of, in part or full, certain outstanding borrowings of our Company and APGM*

Our Company and our Subsidiaries have entered into financing arrangements for working capital facilities and equipment loans to fund our operational requirements. As at August 31, 2024, the outstanding borrowings of our Company on a consolidated basis was ₹1,503.71 million.

We intend to utilize an amount of ₹538.00 million from the Net Proceeds for financing the repayment/pre-payment, in part or full, of certain borrowings availed by our Company and APGM, the details of which are listed out in the table below.

Given the nature of the borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Further, the amounts outstanding under the borrowings as well as the sanctioned limits are dependent on several factors and may vary with our Company's business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. However, the aggregate amount to be utilized from the Net Proceeds towards prepayment or repayment of borrowings

(including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹538.00 million.

The repayment/ pre-payment of such loans will help reduce our outstanding indebtedness, debt servicing costs, improve our financial position, performance and debt-to-equity ratio and enable utilization of our internal accruals for further investment in the growth and expansion of our business. Additionally, a reduction of our outstanding indebtedness will improve our ability to raise further resources in the future to fund our potential business development opportunities.

In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans, as the case may be. In accordance with the terms of the relevant borrowing arrangements, prepayment of certain borrowings may attract prepayment penalties as stipulated in the relevant borrowing documents. Such prepayment charges, as applicable, will also be funded out of the Net Proceeds, in accordance with the requirements of our Company and APGM. If the Net Proceeds are insufficient for making payments for such pre-payment penalties, the excess amount shall be funded through our internal accruals.

The details of the outstanding borrowings, availed by our Company and APGM, proposed to repaid or pre-paid, in full or part, from the Net Proceeds are as set out in the table below. Further, the amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. In light of the above, if at the time of filing of the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company or APGM:

[the remainder of this page has been intentionally left blank]

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
1.	Midwest Limited	HDFC Bank Limited	Equipment Loan & 03rd October 2019	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th February'2020	37.77	10.28	8.70%	67	4% within 12 months from 1st EMI and after that 2%	Utilised	CAT 988K Large Wheel Loader MCMK
2.	Midwest Limited	Axis Bank Limited	Equipment Loan & agreement was entered between AXIS Bank Limited and Midwest Limited on agreement date 24th February 2021 *	agreement was entered between AXIS Bank Limited and Midwest Limited on agreement date 24th February'2021	12.82	1.57	8.31%	47	5% on loan outstanding	Utilised	VOLVO FMX 460 Tipper
	Midwest Limited	Axis Bank Limited	Equipment Loan & agreement was entered between AXIS Bank Limited and Midwest Limited on agreement date 24th February'2021 *	agreement was entered between AXIS Bank Limited and Midwest Limited on agreement date 24th February'2021	3.28	0.40	8.62%	47	5% on loan outstanding	Utilised	PRD HC 500M Drilling RIG
3.	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 31st March'2021 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 31st March'2021	9.06	1.34	8.00%	46	4% on loan outstanding	Utilised	Tata Hitachi
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 31st March'2021 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 31st March'2021	9.06	1.34	8.00%	46	4% on loan outstanding	Utilised	Tata Hitachi

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
4.	Midwest Limited	HDFC Bank Limited	Equipment Loan & 08th November'2021	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 02nd December'2021	3.50	1.23	7.27%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	PRD DRILLING RIGS
	Midwest Limited	HDFC Bank Limited	Equipment Loan & 08th November'2021	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 02nd December'2021	8.84	3.10	7.33%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	2 No's EICHER TRUCKS
	Midwest Limited	HDFC Bank Limited	Equipment Loan & 08th November'2021	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 02nd December'2021	2.55	0.89	7.26%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	2 No's PORTABLE COMPRESSORS
	Midwest Limited	HDFC Bank Limited	Equipment Loan & 08th November'2021	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 02nd December'2021	3.29	1.15	7.33%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	JRD CRAWLER
	Midwest Limited	HDFC Bank Limited	Equipment Loan & 08th November'2021	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 02nd December'2021	3.13	1.10	7.29%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	2 No's ELECTRICAL COMPRESSOR

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
5.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 02nd December'2021 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 02nd December'2021	4.42	1.65	7.25%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	EICHER TRUCK
6.	Midwest Limited	HDFC Bank Limited	Vehicle Loan & 19th November'2022	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 25th November'2022	1.88	1.34	8.35%	60	4% within 12 months from 1st EMI and after that 2%	Utilised	TATA NEXON EV XZ PLUS
7.	Midwest Limited	The Federal Bank Limited	Vehicle Loan & 30th October'2023	agreement was entered between The Federal Bank Limited and Midwest Limited on agreement date 02ed November'2023	1.74	1.45	8.80%	47	3% on loan outstanding	Utilised	MAHINDRA SCORPIO
8.	Midwest Limited	HDFC Bank Limited	Vehicle Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 20th February 2024 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 20th February'2024	3.66	3.36	8.90%	60	6% within 12 months 5% 13 to 24 Months, 3% after 24 Months	Utilised	INNOVA HYCROSS HYBRID ZX (7S) BSVI-PH2
9.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 31st January'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 31st January'2022	38.51	15.19	7.20%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Volvo Wheel Loader - MCMK

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
10.	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022	9.28	3.96	7.30%	46	4% on loan outstanding	Utilised	SANY EXCAVATOR
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022	9.28	3.96	7.30%	46	4% on loan outstanding	Utilised	SANY EXCAVATOR
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022	9.28	3.96	7.30%	46	4% on loan outstanding	Utilised	SANY EXCAVATOR
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022	3.52	1.50	7.30%	46	4% on loan outstanding	Utilised	PRD HC 500 M
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022	6.34	2.70	7.30%	46	4% on loan outstanding	Utilised	EXCA DRILL 22A DF500X

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
11.			22nd March'2022 *								
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd March'2022	4.02	1.71	7.30%	46	4% on loan outstanding	Utilised	TATA HITACHI EXCAVATOR
11.	Midwest Limited	HDFC Bank Limited	Equipment Loan & 08th November'2021	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 17th March'2022	18.68	8.19	7.25%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	2 No's SANY EXCAVATOR
	Midwest Limited	HDFC Bank Limited	Equipment Loan & 08th November'2021	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 17th March'2022	9.34	4.10	7.25%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	SANY EXCAVATOR
12.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th April'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th April'2022	1.60	0.73	7.05%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Fortuna Derrick Crane
	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th April'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th April'2022	3.70	1.70	7.00%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
13.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th April'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th April'2022	1.38	0.63	7.02%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	SANY EXCAVATOR
	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th April'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th April'2022	1.87	0.86	7.02%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	
13.	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022	9.24	4.39	8.10%	46	4% on loan outstanding	Utilised	SANY EXCAVATOR
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022	9.24	4.39	8.10%	46	4% on loan outstanding	Utilised	SANY EXCAVATOR
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022	9.24	4.39	8.10%	46	4% on loan outstanding	Utilised	SANY EXCAVATOR

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
14.	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022	6.06	2.88	8.10%	46	4% on loan outstanding	Utilised	Exca Drill 22A DF500X
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022	4.60	2.19	8.10%	46	4% on loan outstanding	Utilised	Tata Hitachi
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022	1.67	0.80	8.09%	46	4% on loan outstanding	Utilised	Compressor
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 17th May'2022	1.67	0.80	8.09%	46	4% on loan outstanding	Utilised	Compressor
14.	Midwest Limited	YES Bank Limited	Equipment Loan & 07th July'2022	agreement was entered between YES Bank Limited and Midwest Limited on agreement date 05th July'2022	8.97	4.82	8.75%	46	6% for 7 to 12 Months, 5% for 13 to 24 Months, 3% after 24 Months (from 1st EMI)	Utilised	SANY EXCAVATOR
	Midwest Limited	YES Bank Limited	Equipment Loan & 07th July'2022	agreement was entered between YES Bank Limited and Midwest	8.97	4.82	8.75%	46	6% for 7 to 12 Months, 5% for 13 to 24 Months, 3%	Utilised	SANY EXCAVATOR

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
				Limited on agreement date 05th July'2022					after 24 Months (from 1st EMI)		
	Midwest Limited	YES Bank Limited	Equipment Loan & 07th July'2022	agreement was entered between YES Bank Limited and Midwest Limited on agreement date 05th July'2022	8.97	4.82	8.75%	46	6% for 7 to 12 Months, 5% for 13 to 24 Months, 3% after 24 Months (from 1st EMI)	Utilised	SANY EXCAVATOR
15.	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd June'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd June'2022	5.99	2.98	8.10%	46	4% on loan outstanding	Utilised	Exca Drill 22A DF500X
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd June'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd June'2022	4.14	2.06	8.10%	46	4% on loan outstanding	Utilised	Tata Hitachi
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd June'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd June 2022	1.38	0.69	8.10%	46	4% on loan outstanding	Utilised	Electric Compressors
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd June'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd June 2022	1.38	0.69	8.10%	46	4% on loan outstanding	Utilised	Electric Compressors

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
	Midwest Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd June'2022 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 22nd June'2022	4.50	2.24	8.10%	46	4% on loan outstanding	Utilised	Eicher Truck
16.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022	4.70	2.78	7.75%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	EICHER PRO 8028XM J CAB&TIPER CHASSIS BSVI
	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022	4.70	2.78	7.75%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	EICHER PRO 8028XM J CAB&TIPER CHASSIS BSVI
	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022	4.70	2.78	7.75%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	EICHER PRO 8028XM J CAB&TIPER CHASSIS BSVI
	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022	4.70	2.78	7.75%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	EICHER PRO 8028XM J CAB&TIPER CHASSIS BSVI
	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022	4.70	2.78	7.75%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	EICHER PRO 8028XM J CAB&TIPER CHASSIS BSVI

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
			26th October'2022 *								
	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022	5.71	3.37	7.75%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	EICHER PRO 8035XM J CAB&TIPER CHASSIS BSVI
	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 26th October'2022	5.71	3.37	7.75%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	EICHER PRO 8035XM J CAB&TIPER CHASSIS BSVI
17.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th March'2023 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th March'2023	3.58	2.50	9.00%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Wheel Loader L933H SDLG
18.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th March'2023 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th March'2023	3.50	2.45	9.00%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	PRD HC 500M Drilling Rig Machine
	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited	agreement was entered between HDFC Bank Limited and Midwest Limited	3.50	2.45	9.00%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	PRD HC 500M Drilling Rig Machine

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
			Midwest Limited on agreement date 29th March'2023 *	on agreement date 29th March'2023							
19.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 27th February'2023 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 27th February'2023	10.76	7.23	8.75%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Kobelco SK380XDLC Hydraulic Excavator
20.	Midwest Limited	YES Bank Limited	Equipment Loan & agreement was entered between YES Bank Limited and Midwest Limited on agreement date 29th June'2023 *	agreement was entered between YES Bank Limited and Midwest Limited on agreement date 29th June'2023	10.43	7.78	9.16%	46	4% on loan outstanding	Utilised	Kobelco SK380XDLC Excavator
	Midwest Limited	YES Bank Limited	Equipment Loan & agreement was entered between YES Bank Limited and Midwest Limited on agreement date 29th June'2023 *	agreement was entered between YES Bank Limited and Midwest Limited on agreement date 29th June'2023	5.22	3.95	9.18%	46	4% on loan outstanding	Utilised	EICHER PRO 8028XM BS6 PW 12X20MLCBC
21.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 30th May'2023 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 30th May'2023	9.98	7.95	9.00%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Kobelco SK380XDLC Excavator
22.	Midwest Limited	The Federal Bank Limited	Equipment Loan & 16th November'2023	agreement was entered between The Federal Bank Limited and Midwest Limited on agreement date	11.09	9.28	8.80%	48	3% on loan outstanding	Utilised	Tata Hitachi

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
				20th November'2023							
	Midwest Limited	The Federal Bank Limited	Equipment Loan & 16th November'2023	agreement was entered between The Federal Bank Limited and Midwest Limited on agreement date 20th November'2023	11.09	9.28	8.80%	48	3% on loan outstanding	Utilised	Tata Hitachi
	Midwest Limited	The Federal Bank Limited	Equipment Loan & 16th November'2023	agreement was entered between The Federal Bank Limited and Midwest Limited on agreement date 20th November'2023	5.23	4.37	8.80%	48	3% on loan outstanding	Utilised	Eicher Pro 8028XM
	Midwest Limited	The Federal Bank Limited	Equipment Loan & 16th November'2023	agreement was entered between The Federal Bank Limited and Midwest Limited on agreement date 20th November'2023	1.64	1.37	8.80%	48	3% on loan outstanding	Utilised	TATA Motors Tata 1112 LPT Truck
23.	Midwest Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date 28th December'2023 *	agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date 28th December'2023	6.48	5.62	9.56%	46	5% on loan outstanding	Utilised	EXCA DRILL 22A DF500X
	Midwest Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited	agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date	5.58	4.87	9.20%	46	5% on loan outstanding	Utilised	TATA HITACHI EX200 LC

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
			on agreement date 28th December'2023 *	28th December'2023							
	Midwest Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date 28th December'2023 *	agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date 28th December'2023	10.54	8.95	9.63%	46	5% on loan outstanding	Utilised	KOBELCO SK380 XDLC Excavators
	Midwest Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date 28th December'2023 *	agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date 28th December'2023	10.54	8.95	9.63%	46	5% on loan outstanding	Utilised	KOBELCO SK380 XDLC Excavators
	Midwest Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date 28th December'2023 *	agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date 28th December'2023	10.54	8.95	9.63%	46	5% on loan outstanding	Utilised	KOBELCO SK380 XDLC Excavators
	Midwest Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date 28th December'2023 *	agreement was entered between Kotak Mahindra Bank Limited and Midwest Limited on agreement date 28th December'2023	10.54	8.95	9.63%	46	5% on loan outstanding	Utilised	KOBELCO SK380 XDLC Excavators

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
24.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th February'2024 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 29th February'2024	50.00	45.48	9.00%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Volvo Wheel Loader
25.	Midwest Limited	YES Bank Limited	Equipment Loan & 15th February'2024	agreement was entered between YES Bank Limited and Midwest Limited on agreement date 26th February'2024	10.43	9.40	9.62%	46	4% on loan outstanding	Utilised	Kobelco SK380 Excavator
	Midwest Limited	YES Bank Limited	Equipment Loan & 15th February'2024	agreement was entered between YES Bank Limited and Midwest Limited on agreement date 26th February'2024	10.43	9.40	9.62%	46	4% on loan outstanding	Utilised	Kobelco SK380 Excavator
	Midwest Limited	YES Bank Limited	Equipment Loan & 15th February'2024	agreement was entered between YES Bank Limited and Midwest Limited on agreement date 26th February'2024	9.18	8.35	9.87%	46	4% on loan outstanding	Utilised	Sandvik Drill DC120
26.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 30th May'2024 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 30th May'2024	45.00	43.39	9.10%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Volvo Wheel Loader
27.	Midwest Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and	agreement was entered between HDFC Bank Limited and Midwest Limited	8.00	7.71	9.10%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
			Midwest Limited on agreement date 30th May'2024 *	on agreement date 30th May'2024							
28.	Midwest Limited	HDFC Bank Limited	Solar Project & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 27th December'2021 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 27th December'2021	42.00	28.11	11.06%	79	4% on loan outstanding	Utilised	Solar Project
29.	Midwest Limited	HDFC Bank Limited	GECL - WC TL & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 01st April'2022 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 01st April'2022	55.00	50.53	9.05%	76	Nil	Utilised	Guaranteed Emergency Credit Line (CV- GECL WCTL)
30.	Midwest Limited	HDFC Bank Limited	IFG Term Loan & agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 18th March'2023 *	agreement was entered between HDFC Bank Limited and Midwest Limited on agreement date 18th March'2023	75.00	58.23	9.17%	61	4% on loan outstanding	Utilised	IFG Term Loan
31.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & 06th November'2020	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 21st June'2021	36.32	7.92	8.50%	47	5% on loan outstanding	Utilised	Purchase of Wheel Loader

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
32.	Andhra Pradesh Granite (Midwest) Private Limited	HDFC Bank Limited	Equipment Loan & agreement was entered between HDFC Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 27th March 2021 *	agreement was entered between HDFC Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 27th March 2021	28.90	4.89	8.25%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Purchase of Excavators & Genset
33.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 6th November 2021 *	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 6th November 2021	37.59	13.98	7.36%	47	5% on loan outstanding	Utilised	Purchase of Wheel Loader
34.	Andhra Pradesh Granite (Midwest) Private Limited	HDFC Bank Limited	Equipment Loan & 04th December'2021	agreement was entered between HDFC Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 6th January 2022	4.70	1.75	7.20%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Purchase of Compressors
35.	Andhra Pradesh Granite (Midwest) Private Limited	HDFC Bank Limited	Equipment Loan & 08th February'2022	agreement was entered between HDFC Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 28th February 2022	9.34	4.10	7.20%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Purchase of Excavator

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
36.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 13th June 2022 *	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 13th June 2022	12.01	5.86	8.51%	47	5% on loan outstanding	Utilised	Purchase of Gantry Crane
37.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 1st July 2022 *	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 1st July 2022	4.51	2.20	8.56%	47	5% on loan outstanding	Utilised	Purchase of Eicher Trucks
38.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 21st April 2022 *	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 21st April 2022	9.38	4.49	8.66%	47	5% on loan outstanding	Utilised	Purchase of Excavator
39.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 26th October 2022 *	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 26th October 2022	31.41	18.67	8.66%	47	4% on loan outstanding	Utilised	Purchase of Rail Drill M/c

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
40.	Andhra Pradesh Granite (Midwest) Private Limited	HDFC Bank Limited	Equipment Loan & 25th January'2023	agreement was entered between HDFC Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 1st February 2023	10.76	7.50	8.75%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Purchase of Excavator
41.	Andhra Pradesh Granite (Midwest) Private Limited	HDFC Bank Limited	Equipment Loan & 18th March'2023	agreement was entered between HDFC Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 30th March 2023	7.01	4.89	9.00%	47	4% within 12 months from 1st EMI and after that 2%	Utilised	Purchase of PRD Drilling M/c
42.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 27th June 2023 *	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 27th June 2023	5.23	3.85	9.14%	47	4% on loan outstanding	Utilised	Purchase of Volvo Eicher
43.	Andhra Pradesh Granite (Midwest) Private Limited	ICICI Bank Limited	Equipment Loan & agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 23rd June 2023 *	agreement was entered between ICICI Bank Limited and Midwest Limited on agreement date 23rd June 2023	8.00	6.09	9.00%	47	4% on loan outstanding	Utilised	Purchase of Sandvik DC 120
44.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest)	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on	10.54	7.96	9.14%	47	4% on loan outstanding	Utilised	Purchase of Kobleco SK 380

SL No	Name of the borrower	Name of the lender	Nature of Borrowing & Date of Sanction Letter / Loan Agreement	Details of the facility agreement / credit arrangement letter	Sanctioned amount as on August 31, 2024 (in ₹ million)	Outstanding amount as on August 31, 2024 (in ₹ million)	Interest rate per annum (in %)	Re-payment debt/schedule/ Tenor	Prepayment penalty / premium	Utilised/ Unutilised	Purpose for which disbursed loan amount was used
			private Limited on agreement date 27th June 2023 *	agreement date 27th June 2023							
45.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 3rd August 2023 *	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 3rd August 2023	9.69	7.49	9.24%	46	4% on loan outstanding	Utilised	Purchase of Sandvik DC 120
46.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 30th August 2023 *	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 30th August 2023	10.54	8.13	9.61%	47	5% on loan outstanding	Utilised	Purchase of Kobleco SK 380
47.	Andhra Pradesh Granite (Midwest) Private Limited	Kotak Mahindra Bank Limited	Equipment Loan & agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 23rd December 2023 *	agreement was entered between Kotak Mahindra Bank Limited and Andhra Pradesh Granite (Midwest) private Limited on agreement date 23rd December 2023	3.72	3.29	9.25%	46	5% on loan outstanding	Utilised	Purchase of Crawler
			Total		1,012.90	618.76					

* The date of sanction was referred as date of loan agreement.

[^] In accordance with paragraph 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Statutory Auditors of our Company have issued a certificate dated September 30, 2024, certifying that the borrowings have been utilized by our Company and APGM, towards the purposes for which such borrowings were availed.

We may consider various factors for identifying the loans that will be repaid or pre-paid out of the Net Proceeds, including: (i) costs, expenses and charges relating to the facility including interest rates involved; (ii) presence of onerous terms and conditions under the facility; (iii) ease of operation with the lender; (iv) terms and conditions of consents and waivers; (v) provisions of any law, rules, regulations governing such borrowings; and/or (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. The amounts proposed to be prepaid and/ or repaid against each borrowing facility above is indicative and we may utilize the Net Proceeds to prepay and/or repay other borrowings, subject to the requirements under applicable law.

Form of investment

Out of the ₹538.00 million proposed to be deployed for repayment of borrowings, ₹92.14 million will be used by APGM, our Material Subsidiary, to repay a portion of its outstanding borrowings. In order to fund the proposed repayment by APGM, our Company proposes to lend ₹92.15 million to APGM from the Net Proceeds in the form of an unsecured inter-corporate loan. Under the terms of a loan agreement dated April 1, 2024 executed between our Company and APGM, our Company may grant inter-corporate loans aggregating up to ₹450.00 million to APGM, with the loans being provided for a term of 2 years or at any time as may be mutually agreed between our Company and APGM, and bearing interest at the rate of 9.00% per annum.

For the purposes of the Offer, we have obtained the necessary consent from the lenders as is required under the relevant loan documentation for undertaking activities in relation to the Offer, including consequent actions.

The funds received from the loans identified above for repayment or pre-payment have not been utilized by our Company or APGM for any capital expenditure.

5. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes and the business requirements of our Company as approved by the Board, from time to time, subject to such amount not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize the balance Net Proceeds include meeting ongoing general corporate contingencies, expenses incurred in ordinary course of business, including towards efficiently and effectively managing the business processes, funding growth opportunities, establishment of new office locations and costs ancillary thereto (including office furniture and fixtures), and IT and networking equipment, procurement of mining equipment, vehicles for office use and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with applicable laws. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company and other relevant considerations, from time to time. Our Company's management, in accordance with the policies of our Board, shall have flexibility in utilizing surplus amounts, if any, subject to compliance with applicable law. In addition to the above, our Company may utilize the balance Net Proceeds towards any other expenditure considered expedient and as approved periodically by our Board or a duly appointed committee thereof, subject to compliance with applicable law.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The Offer related expenses primarily include fees payable to the BRLMs and legal counsel, fees payable to the escrow collection bank(s), fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs and CDPs, SCSBs' fees, Sponsor Banks' fees, the Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (a) listing fees, audit fees and expenses of the statutory auditors (other than to the extent attributable to the Offer) and expenses in relation to product or corporate advertisements of our Company, i.e., any corporate advertisements consistent with the past practices of our Company (other than expenses in relation to the marketing and advertising undertaken specifically for the Offer) which will be solely borne by our Company; and (b) fees and

expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred with respect to the Offer, regulatory fees, fees to intermediaries and third parties, shall be shared among our Company and the Selling Shareholders in proportion of the gross proceeds received for the Fresh Issue and the Offered Shares sold by each Selling Shareholder in the Offer for Sale, respectively, as may be applicable in compliance with applicable law. All Offer relates fees, costs and expenses to be borne by the Selling Shareholders shall be deducted from their respective portion of the Offer proceeds and only the balance amount will be paid to the respective Selling Shareholder.

However, expenses relating to the Offer may be paid by our Company on behalf of the Selling Shareholders in the first instance and the Selling Shareholders agree that upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Selling Shareholder shall, severally and not jointly, reimburse the Company for any expenses in relation to the Offer, paid by the Company on behalf of such Selling Shareholder, in proportion of their respective portion of the Offered Shares, directly from the Public Offer Account. In the event that the Offer is postponed or withdrawn or abandoned for any reason or the Offer is not successful or consummated, all costs and expenses with respect to the Offer which may have accrued up to the date of such postponement, withdrawal, abandonment or failure shall be borne by the Selling Shareholders in proportion to the number of Equity Shares the respective Selling Shareholder has agreed to sell in the Offer as will be disclosed in the updated Draft Red Herring Prospectus to be filed by our Company with the SEBI in relation to the Offer. Each of the Selling Shareholders agree that they shall reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the Selling Shareholders directly from the Public Offer Account in the manner as may be agreed. In the event any Selling Shareholder withdraws or abandons the Offer or the Offer Agreement is terminated in respect of such Selling Shareholder at any stage prior to the completion of Offer, it shall reimburse our Company for all costs, charges, fees and expenses associated with and incurred in connection with the Offer on a pro-rata basis, up to the date of such withdrawal, abandonment or termination with respect to such Selling Shareholder.

The estimated Offer related expenses are as set out in the table below:

Activity	Estimated expenses ⁽¹⁾ (₹ million)	As a percentage of the total estimated Offer expenses ⁽¹⁾		As a percentage of the total Offer size ⁽¹⁾ (%)
		(%)	(%)	
BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Banks and fee payable to the Sponsor Banks for Bids made by RIBs and Eligible Employees ⁽²⁾⁽³⁾⁽⁴⁾	[●]	[●]	[●]	[●]
Brokerage and selling commission and bidding/uploading charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs ⁽⁵⁾	[●]	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]	[●]
Others				
(i) Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]	[●]
(ii) Printing and stationery expenses	[●]	[●]	[●]	[●]
(iii) Advertising and marketing expenses	[●]	[●]	[●]	[●]
(iv) Fees payable to legal counsel	[●]	[●]	[●]	[●]
(v) Fees payable to auditors, chartered accountants and company secretaries	[●]	[●]	[●]	[●]
(vi) Fees payable to industry report provider	[●]	[●]	[●]	[●]
(vii) Fees payable to cost assessment report provider	[●]	[●]	[●]	[●]
(viii)Miscellaneous	[●]	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]	[●]

⁽¹⁾ The Offer expenses will be incorporated in the Prospectus on finalization of the Offer Price.

⁽²⁾ Selling commission payable to the SCSBs on the portion for RIIs and Non-Institutional Investors which are directly procured and uploaded by the SCSBs, would be as follows:

Portion for RIIs	/●)% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Investors	/●)% of the Amount Allotted* (plus applicable taxes)

<i>Portion for Eligible Employees</i>	<i>[●] % of the Amount Allotted* (plus applicable taxes)</i>
---------------------------------------	--

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE. No additional processing fees shall be payable to the SCSBs on the applications directly procured by them.

- (3) No processing fees shall be payable by the Selling Shareholders to the SCSBs on the applications directly procured by them. Processing / uploading fees payable to the SCSBs on the portion for RIIs and Non-Institutional Investors which are procured by the members of the Syndicate / sub-Syndicate / Registered Broker / RTAs / CDPs and submitted to SCSB for blocking, would be as follows:

<i>Portion for RIIs</i>	<i>[●] % of the Amount Allotted* (plus applicable taxes)</i>
<i>Portion for Non-Institutional Investors</i>	<i>[●] % of the Amount Allotted* (plus applicable taxes)</i>
<i>Portion for Eligible Employees</i>	<i>[●] % of the Amount Allotted* (plus applicable taxes)</i>

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

- (4) Selling commission on the portion for RIIs (using the UPI Mechanism), Non-Institutional Investors which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their Sub-Syndicate Members) would be as follows:

<i>Portion for RIIs</i>	<i>[●] % of the Amount Allotted* (plus applicable taxes)</i>
<i>Portion for Non-Institutional Investors</i>	<i>[●] % of the Amount Allotted* (plus applicable taxes)</i>
<i>Portion for Eligible Employees</i>	<i>[●] % of the Amount Allotted* (plus applicable taxes)</i>

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Uploading charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIIs using 3-in-1 accounts and Non-Institutional Investors which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: ₹ [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers, the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

- (5) Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIIs procured through UPI Mechanism and Non-Institutional Investors which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

<i>Portion for RIIs*</i>	₹ [●] per valid application (plus applicable taxes)
<i>Portion for Non-Institutional Investors*</i>	₹ [●] per valid application (plus applicable taxes)
<i>Portion for Eligible Employees*</i>	₹ [●] per valid application (plus applicable taxes)

* Based on valid applications

- (6) Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

<i>Payable to members of the Syndicate (including their sub-Syndicate Members)/ RTAs / CDPs</i>	₹ [●] per valid application (plus applicable taxes)
<i>Payable to Sponsor Banks</i>	₹ [●] per valid application (plus applicable taxes) The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation on compliance with SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/I/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

Interim use of the Net Proceeds

Our Company, in accordance with applicable law, policies established by our Board from time to time and in order to attain the Objects set out above, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described in this section, our Company may only invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, our Company confirms that, other than as specified in this section for the purposes of the Objects, it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity securities or any equity linked securities.

Appraising entity

None of the Objects for which the Net Proceeds will be utilized have been appraised by any bank, financial institution or agency.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as of the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilization of funds

Our Company will appoint a credit rating agency as the monitoring agency to monitor utilization of the Gross Proceeds from the Fresh Issue prior to filing of the Red Herring Prospectus with the RoC, in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Company undertakes to place the Gross Proceeds in a separate bank account, and the utilization of the Gross Proceeds from such account shall be monitored by the Monitoring Agency. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee in accordance with the timelines prescribed under applicable law. Our Company will disclose the utilization of the Net Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations and in accordance with applicable law, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds, which shall discuss, monitor and approve the use of the Net Proceeds along with our Board. On an annual basis and in accordance with applicable law, our Company shall prepare a statement of funds utilized for purposes other than those stated in the Red Herring Prospectus and the Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Net Proceeds shall be certified by the statutory auditors.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations and in accordance with applicable law, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the Net Proceeds from the Objects; and (ii) details of category wise variations in the actual utilization of the Net Proceeds from the Objects, in accordance with applicable law. In accordance with applicable law, this information will also be published on our website and in newspapers simultaneously with the interim financial results or annual financial statements and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and the SEBI ICDR Regulations and other applicable law, our Company shall not vary the Objects, without our Company being authorized to do so by its Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act and applicable rules. The notice shall simultaneously be published in the newspapers, one in English, one in Hindi and one in Telugu, the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Pursuant to the Companies Act, the Promoters and controlling Shareholders of our Company, as at the time of such proposed variation, will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act and the SEBI ICDR Regulations and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, prescribed by the Companies Act and the SEBI ICDR Regulations.

Other confirmations

Except for Mr. Kollareddy Rama Raghava Reddy and Mr. Guntaka Ravindra Reddy who are Selling Shareholders and each of whom will receive their respective portion of the proceeds from the Offer for Sale, none of our Promoters, members of the Promoter Group, Directors, KMPs, Senior Management or Group Companies will receive any portion of the proceeds of the Fresh Issue and there are no material existing or anticipated transactions in relation to utilization of the proceeds of the Fresh Issue with our Promoters, members of the Promoter Group, Directors, KMPs, Senior Management or Group Companies.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and the quantitative and qualitative factors as described below and justified in view of the relevant parameters. The face value of the Equity Shares is ₹5 each and the Floor Price is [●] times the face value of the Equity Shares and the Cap Price is [●] times the face value of the Equity Shares.

Investors should also refer to “*Risk Factors*”, “*Our Business*”, “*Restated Consolidated Financial Statements*”, “*Other Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 31, 224, 397, 398 and 402, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- India’s largest producer and exporter of Black Galaxy Granite, a premium variety of Granite and one of the largest producers of Absolute Black Granite (Source: CRISIL Report)
- Presence across the entire Dimensional Granite value chain with mine to distribution capabilities
- Emphasis on research and development and technology integration
- Significant establishment costs with a long gestation period benefitting established players (*Source: CRISIL Report*)
- Proven track record of financial and operational performance
- Experienced Promoters and professional management team with deep industry experience and strong track record

See “*Our Business—Our Strengths*” on page 229.

Quantitative factors

Certain information presented below relating to our Company is derived from the Restated Consolidated Financial Statements.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

1. Basic and diluted Earnings per Share (“EPS”) at face value of ₹5 each⁽¹⁾:

Based on / derived from the Restated Consolidated Financial Statements:

Financial Year	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
2024	29.67	29.67	3
2023	16.10	16.10	2
2022	19.84	19.84	1
Weighted Average	23.51	23.51	-

(1) As certified by Majeti & Co., Chartered Accountants, by way of their certificate dated September 30, 2024.

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e., (EPS x Weight for each year /total of weights).

(2) Basic earnings per equity share (₹)= Net profit after tax attributable to the owners of the Company, as restated / weighted average number of equity shares outstanding end of the year and adjusted for bonus issue and split of equity shares post last balance sheet i.e. March 31, 2024.

(3) Diluted earnings per equity share(₹)= Net profit after tax attributable to the owners of the Company, as restated / weighted average number of potential equity shares outstanding end of the year and adjusted for bonus issue and split of equity shares post last balance sheet i.e. March 31, 2024.

(4) EPS has been calculated in accordance with the notified Indian Accounting Standard (Ind AS) 33 (earnings per share).

⁽⁵⁾ The figures disclosed above are based on the Restated Consolidated Financial Statements of our Company

2. Price/Earnings Ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:⁽¹⁾

Particulars	P/E at the lower end of Price Band (no. of times) [#]	P/E at the higher end of Price band (no. of times) [#]
P/E ratio based on basic EPS for Financial Year 2024	[●]	[●]
P/E ratio based on diluted EPS for Financial Year 2024	[●]	[●]

⁽¹⁾ To be updated on finalisation of the Price Band.

3. Industry Peer Group Price / Earnings (P/E) ratio

Particulars	P/E Ratio	Name of Listed Peer	Face value of peer equity shares
Highest	39.05	Pokarna Limited	2
Lowest	39.05	Pokarna Limited	2
Average	39.05	Pokarna Limited	2

Source: Based on the CRISIL Report. Our Company only has one listed peer – Pokarna Limited. P/E Ratio has been computed based on the closing market price of equity shares on BSE on September 24, 2024 divided by the Diluted EPS provided.

⁽¹⁾ Basic EPS=Profit after tax as restated Consolidated financial statements / Number of equity shares outstanding as at the end of year.

⁽²⁾ Diluted EPS=Adjusted Profit after tax attributable to the ordinary equity shares / weighted average equity shares outstanding as at the end of the year + Dilutive Shares

⁽³⁾ P/E Ratio (number of times): Market Price per Share / Basic EPS (or) Diluted EPS.

4. Average Return on Net Worth (“RoNW”)⁽¹⁾

Financial Year	RoNW (%)	Weight
2024	22.88	3
2023	16.15	2
2022	23.21	1
Weighted Average	20.69	

⁽¹⁾ As certified by Majeti & Co., Chartered Accountants, by way of their certificate dated September 30, 2024.

Notes:

1. Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e., (RoNW x Weight) for each year / Total of weights
2. RoNW= Net profit after tax attributable to owners of the Company, as restated / net worth at the end of the year.
3. Net worth: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2022, 2023 and 2024 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

5. Net Asset Value (“NAV”) per Equity Share (face value of ₹5 each)[^]

NAV per Equity Share	(in ₹)
As of March 31, 2024	124.79
As of March 31, 2023	99.05
As of March 31, 2022	81.25
After the completion of the Offer*	
- At the Floor Price	[●]
- At the Cap Price	[●]
- At the Offer Price	[●]

[^] As certified by Majeti & Co., Chartered Accountants, by way of their certificate dated September 30, 2024.

* To be completed prior to filing of the Prospectus with the RoC

Notes:

- ⁽¹⁾ Net Asset Value per Equity Share = Net worth as per the Restated Consolidated Financial Statements / Number of equity shares outstanding as at the end of the year and adjusted for bonus issue and split of equity shares post last balance sheet i.e. March 31, 2024

⁽²⁾ 'Net worth': Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2022; 2023 and 2024 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

6. Comparison of Accounting Ratios with listed industry peers (as of, and for the period ended, March 31, 2024, as applicable)

The following peer group has been determined based on the companies listed on the Stock Exchanges:

Name of Company	Revenue from operations (₹ million)	Face value (₹ per share)	Closing price on September 24, 2024 (in ₹)	EPS (₹)		NAV (per share) (₹)	P/E	RoNW (%)
				Basic	Diluted			
Midwest Limited ⁽¹⁾	5,856.24	5	-	29.67	29.67	124.79	-	22.88
<i>Listed peer⁽²⁾</i>								
Pokarna Limited	6,876.14	2	1,100.50	28.18	28.18	191.05	39.05	14.75

⁽¹⁾ Financial information of our Company is derived from the Restated Consolidated Financial Statements as certified by Majeti & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024

⁽²⁾ Source: Annual report of the peer company for the Financial Year 2024 submitted to the relevant stock exchanges.

Notes:

1. All the financial information for listed industry peers mentioned above is on a consolidated basis.
2. P/E ratio is calculated as closing share price as on September 24, 2024, divided by the diluted EPS for year ended March 31, 2024.
3. Diluted EPS refers to the diluted EPS sourced from the financial statements of the respective peer group companies for the Financial Year ended March 31, 2024.
4. NAV per Equity Share represents total equity attributable to the equity shareholders as of the end of the Financial Year ended March 31, 2024 divided by the number of Equity Shares (*i.e.*, equity shares and instruments entirely equity in nature) outstanding at the end of the year.
5. RoNW is computed as consolidated profit after tax for the year as a percentage of closing Net Worth of the Financial Year ended March 31, 2024.

7. Key Performance Indicators

The table below sets forth the details of our KPIs which our Company considers have a bearing for arriving at the basis for Offer Price.

Key performance indicators ⁽¹⁾	As of, and for the financial year ended, March 31,					
	2024	2023	2022			
	(₹ in million, unless otherwise specified)					
<i>Operational KPIs</i>						
Granite Blocks						
Produced (in cubic meters):						
(i) Black Galaxy Granite	57,519	51,672	54,310			
(ii) Absolute Black	40,105	42,820	45,664			
Total Production	97,624	94,492	99,974			
Sold (in cubic meters):						
(i) Black Galaxy Granite	61,690	50,245	56,149			
(ii) Absolute Black	41,804	41,630	45,776			
Total sale	103,494	91,875	101,925			
Diamond Wire						
Produced (in meters)	106,366	105,928	84,320			
Sold (in meters)	93,015	104,141	77,579			
Capacity Utilization (in %)	64.46	73.05	67.46			
<i>Financial KPIs</i>						
Revenue from Operations (₹ in million)	5,856.24	5,025.17	5,252.37			

Key performance indicators ⁽¹⁾	As of, and for the financial year ended, March 31,		
	2024	2023	2022
	(₹ in million, unless otherwise specified)		
Revenue from sale of Black Galaxy Granite (₹ in million)	4,237.26	3,540.74	3,776.93
Revenue from sale of Absolute Black Granite (₹ in million)	1,389.90	1,291.18	1,244.77
Revenue from sale of Diamond Wire (₹ in million)	88.44	105.20	92.16
EBITDA ¹	1,514.43	895.87	1,057.41
EBITDA Margin (%) ²	25.86	17.83	20.13
Profit/ (loss) after tax for the year/ period (₹ in million)	1,003.24	544.36	670.93
Net Profit Margin (%) ³	17.13	10.83	12.77
Cashflow from operations (₹ in million)	1,279.07	(519.46)	1,433.12
Total assets (₹ million)	7,571.22	6,560.00	6,037.52
Return on Capital Employed (RoCE) (%) ⁴	25.00	14.39	26.29
Return on Equity (RoE) (%) ⁵	23.78	16.25	24.42
Debt to Equity Ratio ⁶	0.29	0.45	0.35
Interest Coverage Ratio (times) ⁷	14.11	7.51	9.73
Current Ratio ⁸	1.68	1.32	1.11
Working Capital Cycle (in days) ⁹	89	106	60

Notes:

KPI as identified and approved by the audit committee of the board of directors of our Company pursuant to their resolution dated September 30, 2024) and certified by Majeti & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.

1. EBITDA is calculated as aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income, for the relevant year.
2. EBITDA Margin (%) is calculated as EBITDA expressed as a percentage of total revenue from operations.
3. Net profit margin (%) is calculated as Profit after tax for the year expressed as a percentage of total revenue from operations.
4. Return on capital employed is calculated as earnings before interest and divided by capital employed. Earnings before interest and tax is calculated as aggregate of restated profit before tax, finance costs, for the relevant year. Capital Employed is calculated as aggregate of Networth, total borrowings excluding cash and cash equivalents.
5. Return on equity is calculated as profit after tax for the year divided by net worth for the relevant year. 'Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2022; 2023 and 2024 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
6. Debt is calculated as the aggregate of total borrowings (current and Non-Current) for the year divided by networth for the relevant year.
7. Interest Coverage Ratio is calculated as Earnings before Interest and taxes tax(excluding other Income) and Finance cost for the year divided by Finance cost for the relevant year
8. Current assets for the year divided by current liabilities for the relevant year.
9. Trade receivable turnover days plus inventory turnover days and subtracted by trade payables turnover days.

Explanation for the key performance indicators:

S. No.	Metric	Description and Relevance
Financial KPIs		
1	Revenue from operations	Revenue from operations is used by our management to track the revenue profile of our business operations and in turn helps assess the overall financial performance of our Company and size of our operations
2	Revenue from the sale of Black Galaxy Granite	This helps to measure the segmental revenue from the sale of Black Galaxy Granite.
3	Revenue from the sale of Absolute Black Granite	This helps to measure the segmental revenue from the sale of Absolute Black Granite.
4	Revenue from the sale of Diamond Wire	This helps to measure the segmental revenue from our diamond wire segment.
5	EBITDA	Tracking EBITDA helps us identify underlying trends in our business and facilitates the evaluation of the year-on-year operating performance of our operations by eliminating items that are variable in nature and not considered by us in the evaluation of ongoing operating performance and allowing comparison of our recurring core business operating results over multiple periods

S. No.	Metric	Description and Relevance
6	EBITDA margin (%)	EBITDA Margin is an indicator of the operational profitability and financial performance of the business
7	Profit after tax (“PAT”)	Tracking our profit/(loss) from continuing operations after tax for the period/year enables us to monitor the overall results of operations and financial performance of our Company
8	Net profit margin (%)	PAT Margin provides financial benchmarking against peers and compares against our business's historical performance
9	Cashflow from operations	Cash flow from operations (CFO) is a key metric that helps assess a company's ability to generate cash from its core business activities.
10	Total assets	To measure the size, scale, and growth of a company's asset base over time.
11	Return on capital employed (“ROCE”)	RoCE provides how efficiently the group generates earnings from the average capital employed in the business.
12	Return on equity (“ROE”)	Return on Equity measures a company's profitability by revealing how much profit a company generates with the money shareholders have invested.
13	Net debt / equity (times)	This is a performance indicator as lenders and investors use this ratio to assess a company's creditworthiness and financial stability.
14	Interest Coverage Ratio (times)	This helps to evaluate a company's ability to pay interest on its debt
15	Current Ratio	This helps to measure a company's ability to pay its short-term debts.
16	Net Working Capital Days	Given the nature of business there are huge working capital requirements therefore it is important metric driving operational excellence and financial health of the business.
Operational KPIs		
17	Production and Sales in cubic meters (CBM) and meters	The company track the production and sales in cubic meters (CBM) for Granite blocks and in meters for Diamond wire rope to measure the efficiency in fulfilling the company's orders, to evaluate the ability of the company to meet substantial customer demands, highlighting our operational capacity and reliability as a trusted partner and to manage a high volume of orders consistently, indicating our operational and logistical capabilities.

⁽¹⁾ As certified by Majeti & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.

Our Company considers that the KPIs set forth above are the ones that may have a bearing for arriving at the basis for the Offer Price. The KPIs disclosed above have been approved and confirmed by a resolution of our Audit Committee dated September 30, 2024. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years prior to the date of filing of this Draft Red Herring Prospectus. Further, the KPIs disclosed herein have been certified by Majeti & Co., Chartered Accountants, pursuant to a certificate dated September 30, 2024.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by our Board), until the later of (a) one year after the date of listing of the Equity Shares on the Stock Exchanges; or (b) complete utilisation of the proceeds of the Fresh Issue as disclosed in “*Objects of the Offer*” beginning on page 109, or for such other duration as may be required under the SEBI ICDR Regulations.

Description on the historic use of KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company:

In evaluating our business, we consider and use certain KPIs, as presented below, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Statements. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these KPIs should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in

evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS. Investors are encouraged to review the Ind AS financial measures and to not rely on any single KPI to evaluate our business.

Comparison of KPIs over time shall be explained based on additions or dispositions to our business

Our Company has not made any additions or dispositions to its business during the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

8. Comparison of our key performance indicators with listed industry peer

The following table provides a comparison of our KPIs with our listed peer for the Fiscals indicated, which has been determined on the basis of companies listed on the Indian stock exchanges of comparable size to our Company, operating in the same industry as our Company and whose business model is similar to our business model.

Key Performance Indicators (KPIs)	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Midwest Limited	Pokarna Limited	Midwest Limited	Pokarna Limited	Midwest Limited	Pokarna Limited
Revenue from Operations (₹ million)	5,856.24	6,876.14	5,025.17	7,253.23	5,252.37	6,501.91
Revenue from the sale of Black Galaxy Granite (₹ million)	4,237.26	NA	3,540.74	NA	3,776.93	NA
Revenue from the sale of Absolute Black Granite (₹ million)	1,389.90	NA	1,291.18	NA	1,244.77	NA
Revenue from the sale of Diamond Wire (₹ million)	88.44	NA	105.20	NA	92.16	NA
EBITDA ¹	1,514.43	2,096.67	895.87	1,700.74	1,057.41	1,750.03
EBITDA Margin (%) ²	25.86%	30.49%	17.83%	23.45%	20.13%	26.92%
Profit after tax for the year (₹ million)	1,003.24	873.63	544.36	658.11	670.93	783.00
Net Profit Margin (%) ³	17.13%	12.71%	10.83%	9.07%	12.77%	12.04%
Cashflow from operations (₹ million)	1,279.07	1,881.03	(519.46)	1,357.15	1,433.12	594.19
Total assets (₹ million)	7,571.22	12,156.85	6,560.00	11,041.83	6,037.52	11,715.81
Return on Capital Employed (RoCE) (%) ⁴	25.00%	18.31%	14.39%	13.77%	26.29%	14.12%
Return on Equity (RoE) (%) ⁵	23.78%	14.75%	16.25%	12.98%	24.42%	17.68%
Debt to Equity Ratio ⁶	0.29	0.66	0.45	0.89	0.35	1.15
Interest Coverage Ratio (times) ⁷	14.11	4.29	7.51	2.72	9.73	3.19
Current Ratio ⁸	1.68	1.96	1.32	1.64	1.11	1.27
Working Capital Cycle (in days) ⁹	89	157	106	165	60	163
Operations KPIs	Midwest Limited	Pokarna Limited	Midwest Limited	Pokarna Limited	Midwest Limited	Pokarna Limited
<i>Granite blocks</i>						
Produced (in cubic meters):						
- Black Galaxy Granite	57,519	Not Available	51,672	Not Available	54,310	Not Available
- Absolute Black	40,105	Not Available	42,820	Not Available	45,664	Not Available
Total Production	97,624	Not Available	94,492	Not Available	99,974	Not Available
Sold (in cubic meters):						
- Black Galaxy Granite	61,690	Not Available	50,245	Not Available	56,149	Not Available
- Absolute Black	41,804	Not Available	41,630	Not Available	45,776	Not Available
Total Sale	103,494	Not Available	91,875	Not Available	101,925	Not Available
<i>Diamond Wire</i>						
Produced (in meters)	106,366	Not Applicable	105,928	Not Available	84,320	Not

Key Performance Indicators (KPIs)	Fiscal 2024		Fiscal 2023		Fiscal 2022	
						Applicable
Sold (in meters)	93,015	Not Applicable	104,141	Not Available	77,579	Not Applicable
Capacity Utilization (in %)	64.46%	Not Applicable	73.05	Not Available	67.46%	Not Applicable

Source: Annual report of the peer company for the Financial Year 2024, 2023 and 2022 submitted to stock exchanges

1. EBITDA is calculated as aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income, for the relevant year.

2. EBITDA Margin (%) is calculated as EBITDA expressed as a percentage of total revenue from operations.

3. Net profit margin (%) is calculated as Profit after tax for the year expressed as a percentage of total revenue from operations.

4. Return on capital employed is calculated as earnings before interest and divided by capital employed. Earnings before interest and tax is calculated as aggregate of restated profit before tax, finance costs, for the relevant year. Capital Employed is calculated as aggregate of Networth, total borrowings excluding cash and cash equivalents.

5. Return on equity is calculated as profit after tax for the year divided by net worth for the relevant year. 'Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2022, 2023 and 2024 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

6. Debt is calculated as the aggregate of total borrowings (current and Non-Current) for the year divided by networth for the relevant year.

7. Interest Coverage Ratio is calculated as Earnings before Interest and taxes tax(excluding other Income) and Finance cost for the year divided by Finance cost for the relevant year

8. Current assets for the year divided by current liabilities for the relevant year.

9. Trade receivable turnover days plus inventory turnover days and subtracted by trade payables turnover days.

9. Weighted average cost of acquisition

A. The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities)

Our Company has not issued any Equity Shares or convertible securities issued (excluding Equity Shares issued under any employee stock option plan/scheme and issuance of bonus shares), during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“**Primary Issue**”).

B. The price per share of our Company based on secondary sale/ acquisitions of shares (equity/ convertible securities)

No Equity Shares or convertible securities have been transacted (excluding by way of gifts) by the Promoters, members of the Promoter Group, Selling Shareholders, during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transactions and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days (“**Secondary Transaction**”).

C. Since there are no such transactions to report to under points (A) and (B) above, therefore, information of price per share of the last five primary or secondary transactions (where the Promoters, Promoter Group or the Selling Shareholders were a party to the transaction), not older than three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions, is set forth below:

Last five primary or secondary transactions:

S. No.	Name of Allotee / Acquirer	Date of Allotment / Transfer	Nature of Allotment / Transaction	Issue/ Acquisition Price per Equity Share (in ₹)	Number of Equity Shares allotted / Acquired	Face Value (in ₹)
1.	Svadha India Emerging Opportunities Scheme1	September 28, 2024	Transfer	709.80	14,08,851	5
2.	Mr. Kollareddy Rama Raghava Reddy ⁽¹⁾	September 27, 2024	Transfer by way of gift	Nil	45,52,826	5
3.	Mr. Kollareddy Rama Raghava Reddy ⁽²⁾⁽³⁾	May 15, 2024	Transfer by way of gift	Nil	2,600	100
Weighted average cost						166.29

⁽¹⁾ Kollareddy Rama Raghava Reddy has transferred 677,336 equity shares to Kollareddy Ranganayakamma, 1,645,121 equity shares to Kollareddy Ramachandra, 1,645,121 equity shares to Kukreti Soumya, 292,624 equity shares to Uma Priyadarshini Kollareddy and 292,624 equity shares to Deepak Kukreti on September 27, 2024 by way of gift.

⁽²⁾ Kollareddy Rama Raghava Reddy has transferred 1,300 equity shares to Deepak Kukreti and 1,300 equity shares to Uma Priyadarshini Kollareddy on May 15, 2024 by way of gift.

D. Weighted average cost of acquisition, floor price and cap price

Type of Transaction	WACA (₹) ⁽²⁾	Floor Price (₹ [●] is 'X' times the WACA) ⁽¹⁾	Cap Price (₹ [●] is 'X' times the WACA) ⁽¹⁾
Weighted average cost of acquisition for last 18 months for primary/new issue of shares (equity/convertible securities) (excluding Equity Shares issued under any employee stock option plan/scheme and issuance of bonus shares), during the 18 months preceding the date of this certificate, where such issuance is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	-	N.A.	N.A.
Weighted average cost of acquisition for last 18 months for secondary sale/acquisition of shares equity/convertible securities), where the Promoters, members of the Promoter Group and Selling Shareholders are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	-	N.A.	N.A.
Since there was no Primary Issue or Secondary Transactions, the information has been disclosed for price per share of our Company based on the last five primary transactions or secondary transactions (where the Promoters, members of the Promoter Group or Selling Shareholders are a party to the secondary transaction) not older than three years prior to the date of filing of this Draft Red Herring Prospectus irrespective of the size of the transaction.			
Based on primary transactions	Nil*	N.A.	N.A.
Based on secondary transactions (where the Promoters, members of the Promoter Group or Selling Shareholders are a party to the secondary transaction)	166.29	[●] times#	[●] times#

*The last 5 primary transactions during the last three years consisted of only bonus issues done by the company on October 3, 2023 and July 15, 2024. Accordingly, the weighted average cost of acquisition is Nil.

⁽¹⁾ Details have been left intentionally blank as the Floor Price and Cap Price are not available as on date of this Draft Red Herring Prospectus. To be updated on finalisation of the Price Band.

⁽²⁾ As certified by Majeti & Co., Chartered Accountants, pursuant to their certificate dated September 30, 2024.

E. Justification for Basis of Offer Price

- The following provides a detailed explanation for the Offer Price/Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired or sold by the Promoters, Promoter Group, the Selling Shareholders or Shareholder(s) having the right to nominate director(s) by way of primary and secondary transactions as disclosed above, in the last 18 months preceding the date of this Draft Red Herring Prospectus compared to our Company's KPIs and financial ratios for the Financial Years 2024, 2023 and 2022.

[●]⁽¹⁾

⁽¹⁾Note: This will be included on finalisation of Price Band

- The following provides an explanation to the Cap Price being [●] times of weighted average cost of acquisition of Equity Shares that were issued by our Company or acquired by the Promoters, Promoter

Group, the Selling Shareholders or Shareholders with rights to nominate directors by way of primary and secondary transactions as disclosed above, in the last 18 months preceding the date of this Draft Red Herring Prospectus in view of external factors, if any

[•]^(I)

^(I)*Note: This will be included on finalisation of Price Band*

The Offer Price of ₹[•] is [•] times of the face value of the Equity Shares and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in “Risk Factors” beginning on page 31 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors

Midwest Limited (Formerly known as Midwest Granite Private Limited)

8-2-684/3/25 and 26

Road No 12, Banjara Hills,

Hyderabad, Telangana, India-500032

Sub: Statement of possible special tax benefits available to Midwest Limited (formerly known as Midwest Granite Private Limited), its shareholders and the Company's Material Subsidiary under the direct and indirect tax laws, prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations").

1. We, MSKA & Associates ("the Firm"), Chartered Accountants, the statutory auditors of Midwest Limited (formerly known as Midwest Granite Private Limited) ("the Company") hereby confirm the enclosed statement in the Annexure prepared and issued by the Company (the "Statement"), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Income-tax Rules, 1962, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, The Customs Act, 1962, The Customs Tariff Act, 1975 and the Foreign Trade Policy (collectively the "Taxation Laws"), the rules, regulations, circulars and notifications issued thereon, as amended by the Finance Act, 2024, and as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company, its shareholders and to its material subsidiary identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended being Andhra Pradesh Granite Midwest Private Limited ("Material Subsidiary"). Several of these benefits are dependent on the Company, its shareholders and Material Subsidiary, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders and Material Subsidiary to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders and Material Subsidiary face in the future. The Company, its shareholders and Material Subsidiary may or may not choose to fulfil such conditions for availing special tax benefits.
2. This statement of possible special tax benefits is required as per paragraph (9)(L) of Part A of Schedule VI of the SEBI ICDR Regulations. While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and Material Subsidiary, the same would include those benefits as enumerated in the Statement. Any benefits under the Taxation Laws other than those specified in the Statement are considered to be general tax benefits and therefore not covered within the ambit of this Statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Statement, have not been examined and covered by this Statement.
3. The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company, its shareholders and Material Subsidiary and do not cover any general tax benefits available to them.
4. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of the equity shares of the Company (the "Offer") and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of the Statement. Also, any tax information included in this written communication

was not intended or written to be used and it cannot be used by the Company or the investor for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
6. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
7. We do not express any opinion or provide any assurance on whether:
 - The Company, its shareholders and Material Subsidiary will continue to obtain these benefits in future;
 - The conditions prescribed for availing the benefits have been/would be met; and
 - The revenue authorities/courts will concur with the views expressed herein.
8. The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and Material Subsidiary. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law.
9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.
10. This Statement is addressed to the board of directors and has been issued at specific request of the Company. The enclosed Statement is intended solely for your information and for inclusion in the, draft red herring prospectus, red herring prospectus, the prospectus and any other material in connection with the Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in the Statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For M S K A & Associates

Chartered Accountants

Firm Registration No. 105047W

Jiger Saiya

Partner

Membership No: 116349

UDIN: 24116349BKFZIZ7137

Place: Mumbai

Date: 29th September 2024

Enclosure: Annexure A

Annexure A

Statement of possible special tax benefits available to Midwest Limited (formerly known as Midwest Granite Private Limited) ('the Company'), its Shareholders and the Company's Material Subsidiary

Direct Taxation

This statement of possible special direct tax benefits available to the Company, its shareholders and its Material Subsidiary under the direct tax laws in force in India. This statement is required as per paragraph (9)(L) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations"). This statement is as per the Income-tax Act, 1961 as amended by the Finance Act, 2024 read with the relevant rules, circulars and notifications applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26, presently in force.

1. Special Income tax benefits available to the Company and its Material Subsidiary (Andhra Pradesh Granite Midwest Private Limited) in India under the Income-tax Act, 1961 ('Act')

- Section 115BAA of the Act, as inserted *vide* The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions/exemptions or set-off of losses and depreciation provided under clause (ii) and clause (iii) of sub-section (2) of section 115BAA of the Act and claiming depreciation determined in the prescribed manner. In case a company opts for paying tax as per section 115BAA, provisions of section 115JB, i.e., Minimum Alternate Tax ('MAT') would not be applicable on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act, and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.
- The Company has evaluated and decided to opt for the lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2019-20 relevant to the Assessment Year 2020-21 under section 115BAA of the Act. Such option has been exercised by the Company while filing its return for the Financial Year 2019-20 relevant to the Assessment Year 2020-21 within the due date prescribed under sub-section (1) of section 139 of the Act. Since the Company has opted for lower corporate tax rate, MAT tax credit (if any) is no longer available for set-off or carry forward in future years.
- Further, Material Subsidiary has also evaluated and decided to opt for lower corporate tax rate of 22 percent (plus applicable surcharge and cess) with effect from the Financial Year 2021-22 relevant to the Assessment Year 2022-23 under section 115BAA of the Act. Such option has been exercised by the Material Subsidiary while filing its return for the Financial Year 2021-22 relevant to the Assessment Year 2022-23 within the due date prescribed under sub-section (1) of section 139 of the Act. Since the Material Subsidiary has opted for lower corporate tax rate, MAT tax credit (if any) is no longer available for set-off or carry forward in future years.

- Subject to the fulfilment of prescribed conditions, for the year, the Company and its Material Subsidiary is entitled to claim deduction under section 80JJAA of the Act with respect to an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. Further, where the Company and its Material Subsidiary wishes to claim possible tax benefit, it shall obtain necessary certification from Chartered Accountant on fulfilment of the conditions under the extant provisions of the Act.
- As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company, or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. Since the Company has investments in Indian subsidiary, it may avail the above-mentioned benefit under Section 80M of the Act. However, in relation to Material Subsidiary, in absence of any investment, it cannot avail benefit under Section 80M of the Act.

2. Special direct tax benefits available to the Shareholders of Company under the Act

- Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits available to the shareholders of the Company under the Tax Laws identified supra

Indirect Taxation

This statement of possible special indirect tax benefits is required as per paragraph (9)(L) of Part A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Outlined below are the possible tax benefits available to the Company, its shareholders and its Material Subsidiary under the indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 / the respective Union Territory Goods and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017 (“GST Acts”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), as amended by the Finance Act, 2024 read with the relevant rules, circulars and notifications applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2024-25 and Foreign Trade Policy, 2023, presently in force in India.

UNDER THE INDIRECT TAX

BENEFITS TO THE COMPANY, ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY UNDER VARIOUS INDIRECT TAX LAWS:

1. Special Indirect Tax Benefits available to the Company and its Material Subsidiary (Andhra Pradesh Granite (Midwest) Private Limited) under the various Indirect Tax Laws.
 - (i) The Company has four active GSTINs operating in the states of Telangana, Karnataka & Andhra Pradesh and its material subsidiary has one GSTIN operating in the state of Andhra Pradesh.
 - (ii) The Company and its material subsidiary are eligible to avail the benefit of Input Tax Credit (ITC) on the GST paid on certain procurements, subject to fulfilment of prescribed conditions under the GST Laws.
 - (iii) We understand that the Company has earnings in foreign exchange. For cross border transactions that entail inward remittance of foreign currency, there are specific benefits which have been provided under Indirect tax laws/regulations subject to fulfillment of prescribed conditions.
 - (iv) The Company and its material subsidiary have operations with respect to Export of Goods and Supplies to SEZ customers which are considered as Zero-rated supply as per Section 16 of IGST Act. The Company is eligible for the benefit of zero-rated supply without payment of tax under LUT and claim refund of unutilized ITC for making such supplies in accordance with Section 54 of CGST Act, subject to fulfilment of prescribed conditions under the GST Laws. Also, the company has an option to make zero rated supplies with payment of IGST and later claim refund of the tax paid, subject to fulfilment of prescribed conditions under the GST Laws.
 - (v) One of the units of the Company is registered as a Special Economic Zone unit and is availing the benefit of zero rating in respect of purchases from domestic supplies under the SEZ Act, 2005 subject to fulfilment of conditions. Further, the Company is claiming exemption from import duties/taxes in respect of import of goods/services.
 - (vi) Further, one of the units of the Company is registered as an Export Oriented Unit ('EOU') and is availing the benefit of procurement of goods duty-free on imports and by way of refund under deemed export for domestic procurements under GST Laws. The unit is availing the benefit of zero rating of exports under GST and is not required to pay GST on such supplies. Further, the entity can also avail the benefit of refund of ITC of inputs and input services used for such exports.
 - (vii) The Company is availing the benefit of Duty drawback under the Foreign Trade Policy subject to fulfilment of conditions specified therein.

2. Special Tax Benefits available to the Shareholders of the Company

- (i) The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company.
Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.
- (ii) Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement covers only certain relevant indirect tax law benefits and does not cover any other benefit under any other law.
2. These tax benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Indian indirect tax regulation. Hence, the ability of the Company to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.
3. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
4. The Statement is prepared on the basis of information available with the management of the Company and there is no assurance that:
 - i. the Company or its shareholders will continue to obtain these benefits in future;
 - ii. the conditions prescribed for availing the benefits have been/ would be met with; and
 - iii. the revenue authorities/courts will concur with the view expressed herein.
5. The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For Midwest Limited
(Formerly known as Midwest Granite Private Limited)

Dilip Kumar Chalasani

Chief Financial Officer

Date: 29 September 2024

Place: Hyderabad.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled “Assessment of the granite, quartz and heavy mineral sand industry” dated September, 2024 (the “**CRISIL Report**”) prepared and issued by CRISIL MI&A, appointed by us pursuant to an engagement letter dated March 27, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. A copy of the CRISIL Report is available on the website of our Company at www.midwest.in. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. The recipient should not construe any of the contents of the CRISIL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. For more information, see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation” and “Risk Factors—Industry information included in this Draft Red Herring Prospectus has been derived from the CRISIL Report, which was prepared by CRISIL Limited and exclusively commissioned and paid for by our Company for the purposes of the Offer, and any reliance on information from the CRISIL Report for making an investment decision in the Offer is subject to inherent risks.” on pages 25 and [●], respectively.

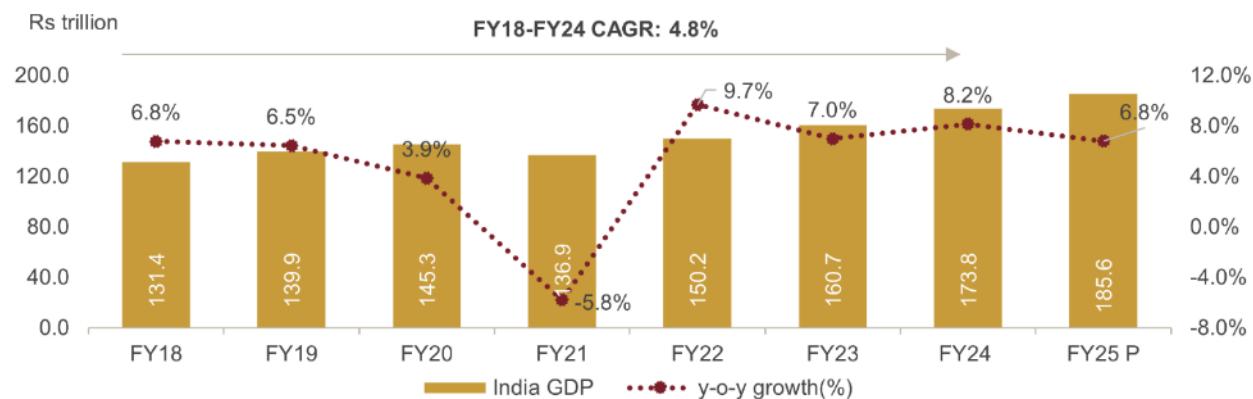
Indian Macroeconomic Overview

GDP trend

India’s gross domestic product (GDP) clocked a compound annual growth rate (CAGR) of 4.8% between fiscals 2018 and 2024 to Rs 173.8 trillion¹ based on the change in base year for GDP calculation to fiscal 2012 from fiscal 2005 effected by the Ministry of Statistics and Programme Implementation in 2015.

The pandemic-induced lockdowns led to a decline in GDP to 5.8% in fiscal 2021, but the post-pandemic scenario has been positive, starting with a 9.7% on-year print in fiscal 2022 led by manufacturing and construction sectors.

India's GDP trend



P: Projected

Source: Central Statistical Office (CSO), CRISIL MI&A Consulting

¹ Statistics from provisional estimates of national income 2022-23 and quarterly estimates of gross domestic product for the fourth quarter (Q4) of 2022-23

India's real GDP grew 8.2% on-year this fiscal compared with 7.0% the previous fiscal. Growth is estimated to have been stronger in the first half compared with the second. Despite weak agricultural growth, overall GDP growth is seen as robust, indicating that the resilience of non-agricultural sectors more than offset the agricultural slowdown. On the demand side, investment (gross fixed capital formation) emerged as the primary driver of growth (10.3% on-year this fiscal vs 11.4% the previous fiscal), spurred by the government's infrastructure push. Government consumption expenditure grew 2.5% on-year compared with 9.0% last fiscal and punched below its weight in overall GDP. However, private consumption growth, with a near 56% share in GDP, is estimated to have fallen short of overall GDP growth (4.0% vs 6.8% the previous fiscal).

Net exports (exports minus imports) are likely to be a bigger drag this fiscal compared with the previous one. Export growth is expected to be much weaker this fiscal (2.6% vs 13.4%) than that of imports (10.9% vs 10.6%).

Yearly demand-side real GDP growth

At constant 2011-12 prices	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Private consumption	6.2%	7.1%	5.2%	-5.3%	11.7%	6.8%	4.0%
Government consumption	11.9%	6.7%	3.9%	-0.8%	0.0%	9.0%	2.5%
Gross fixed capital formation	7.8%	11.2%	1.1%	-7.1%	17.5%	6.6%	9.0%
Exports	4.6%	11.9%	-3.4%	-7.0%	29.6%	13.4%	2.6%
Imports	17.4%	8.8%	-0.8%	-12.6%	22.1%	10.6%	10.9%

Source: CRISIL MI&A Consulting, CSO

On the supply side, agriculture and allied sectors sustained their momentum till fiscal 2023, while industry and services were severely impacted by the pandemic in fiscal 2021. Manufacturing and service sector growth declined in fiscal 2023, but that of agriculture, construction (including end-use sectors for granite and quartz such as building and infrastructure), mining, and electricity accelerated. In fiscal 2024, growth of manufacturing and industry was remarkable, while that of agriculture and allied sectors, as well as services, declined.

On-year supply-side gross value added by economic activity

At basic prices	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Agriculture and allied	6.6%	2.1%	6.2%	4.0%	4.6%	4.7%	1.4%
Industry*	1.1%	3.1%	-0.5%	-6.3%	8.3%	5.7%	7.3%
Manufacturing	7.5%	5.4%	-3.0%	3.1%	10.0%	-2.2%	9.9%
Construction	5.2%	6.5%	1.6%	-4.6%	19.9%	9.4%	9.9%
Services^	6.3%	7.2%	6.4%	-8.4%	9.2%	10.0%	7.6%

* Industry includes mining and quarrying, electricity, gas, water supply and other utilities

[^] Services include those related to trade, hotels, transport, communication, broadcasting, finance, real estate, public administration, defence, and professional and other services

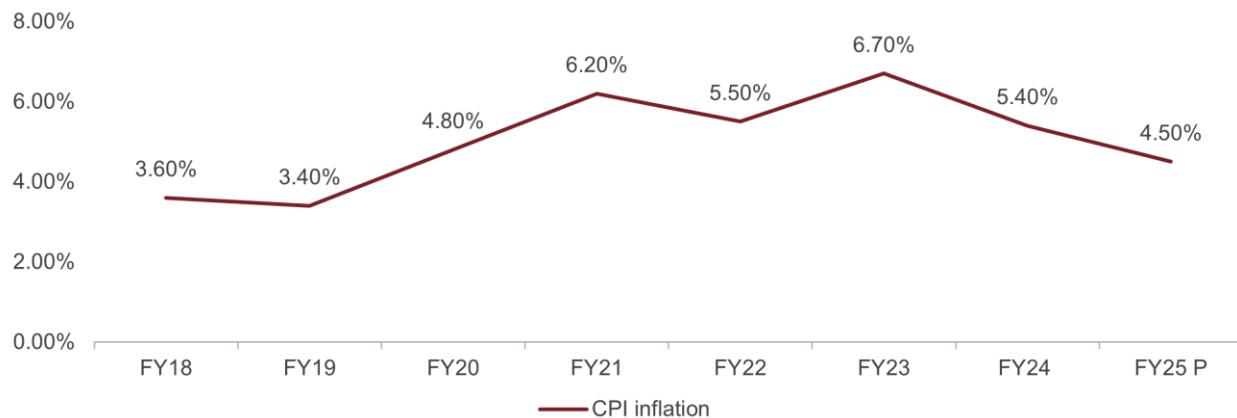
Source: CRISIL MI&A Consulting, CSO

Performance of key macroeconomic indicators

India's consumer price index (CPI)-based inflation remained ~4.7% on average between fiscals 2018 and 2022. However, it increased to 6.7% in fiscal 2023 primarily led by surging food prices before moderating to an average of 5.4% in fiscal 2024. Although core and fuel inflation numbers have remained low, food inflation has continued to hold CPI inflation above the Reserve Bank of India's (RBI's) medium-level target of 4%. For instance, as per March 2024 data, food inflation remained at 8.5% primarily led by strong acceleration in inflation in foodgrains, meat and fish and a slower pace of deflation in the edible oil category.

CPI inflation is expected to moderate further to 4.5% on average in fiscal 2025 on the back of a potential dip in food inflation led by a favourable monsoon and a high base effect.

CPI inflation trend



P: Projected

Source: NSO, the Ministry of Industry and Commerce, CRISIL MI&A Consulting

The Index of Industrial Production (IIP) surged to 6.0% in fiscal 2024 after averaging 2.6% between fiscals 2018 and 2023 primarily led by a strong pickup in the sectors pertaining to manufacturing of electrical equipment and basic metals. Further, an uptick in the consumer durables sector supported IIP growth.

IIP growth trend



Source: NSO, the Ministry of Industry and Commerce, CRISIL MI&A Consulting

Per capita income (or per capita gross national income or GNI) is estimated to have grown 5.7% in fiscal 2023 and by a further 7.2% in fiscal 2024. This will be an enabler for domestic consumption. According to International Monetary Fund (IMF) estimates, India's per capita income (at constant prices) is expected to increase at a 5.4% CAGR over 2024 to 2028. Increasing disposable income typically has a positive correlation with demand for housing units as it increases affordability and, eventually, housing demand.

Per capita income trend

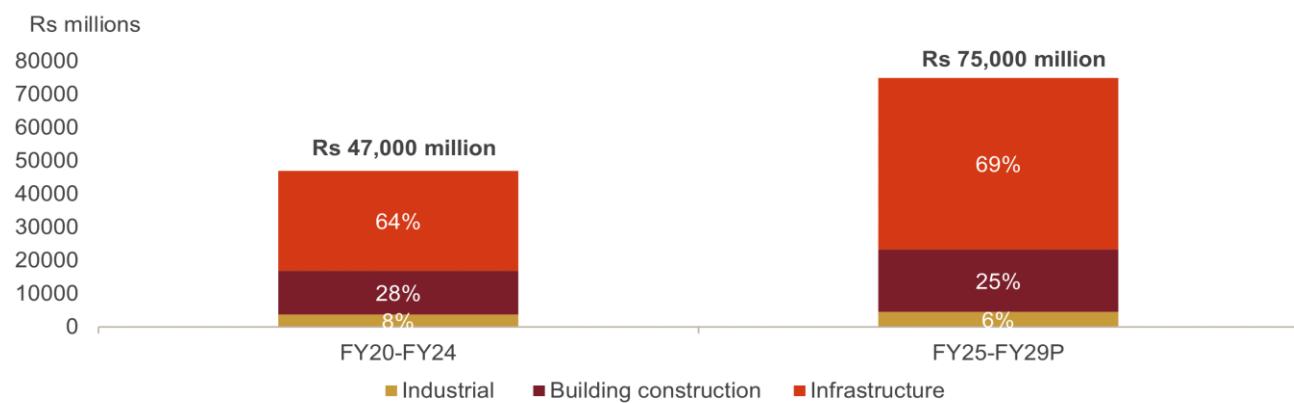
Per capita GNI	Level in FY24 (Rs '000)		Growth at constant prices (%)									
	Current prices	Constant prices	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
			6.2	6.7	6.9	5.5	5.3	2.5	-8.9	9.3	5.7	7.2
	169.49	99.4										

Source: MoSPI, IMF, CRISIL MI&A Research

Construction investment outlook in key infrastructure segments

The construction sector is projected to grow 7-9% in fiscal 2025, with a major contribution from the infrastructure segment, coupled with the increasing pace of progress of schemes such as the National Infrastructure Pipeline (NIP), the National Monetisation Pipeline (NMP) and PM GatiShakti initiatives. Construction capex is estimated to have risen 13% on-year to Rs 12,000 million in fiscal 2024 led by a visible increase in central and state budget allocations to meet the infra development target outlined in the NIP.

Construction investment review and outlook



Source: CRISIL MI&A Research

The overall investment is expected to increase 60% to Rs 75,000 million over fiscals 2025-29P compared with the levels over fiscals 2020-24. The share of infrastructure projects is expected to increase to ~70% over the next five years from ~64% in fiscal 2024, as investments in infrastructure are expected to grow faster than that in other segments due to the government's focus on the NIP, NMP and the PM GatiShakti initiatives. The central government's focus on roads, urban infrastructure and railways will also boost infrastructure investments.

Construction investments are projected to grow at a 6-8% CAGR over fiscals 2025 to 2029, led by the infrastructure segment over the medium to long term as the building construction and industrial sectors record sedate growth rates. Roads and railways dominated by public funds will lead growth in the infrastructure segment. The key infrastructure sub-sectors will see healthy growth over the medium term, led by the government's infrastructure push and the NIP.

Key infrastructure sub-sectors

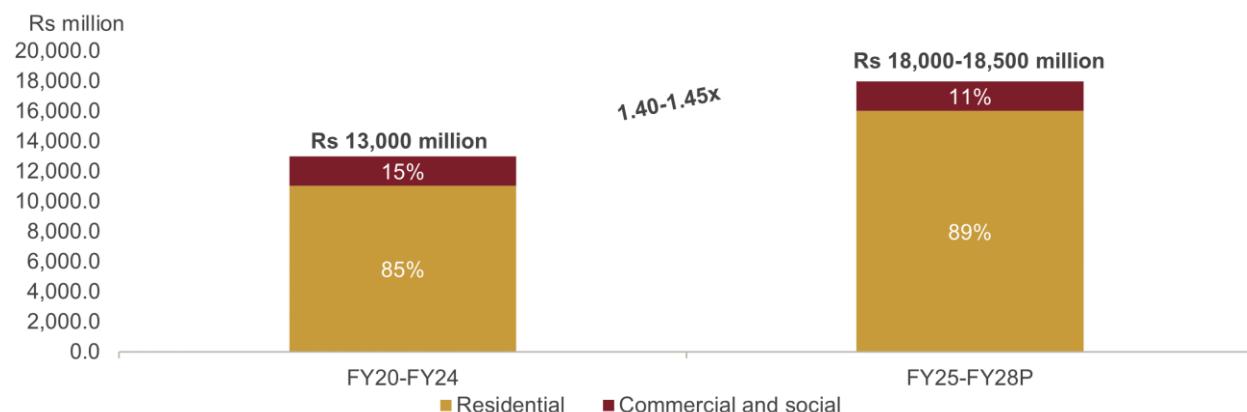
	Sector	FY20-FY24 CAGR	FY24A Rs lakh crore	FY25P (growth)	FY26P (growth)	FY25-29P/ FY20-24	Source of funds (FY24E-28P)
	Roads	13%	3.8	11-13%	10-12%	1.8x	60% 21% 19%
	Power	12%	0.4	9-11%	2-4%	1.5x	16% 30% 54%
	Railways	15%	1.1	5-7%	5-7%	1.7x	84% 16%
	Urban infra	33%	1.4	4-6%	4-6%	1.8x	43% 53% 4%
	Irrigation	11%	0.9	6-8%	6-8%	1.5x	9% 91%
	Other infra	8%	0.2	6-8%	8-10%	1.2x	
	Total Infrastructure	16%	8.0	7-9%	7-9%	1.7x	

Source: CRISIL MI&A Research

Construction investments are projected to rise ~60% over fiscals 2025-29 compared with those over fiscals 2020-24 with investments in infrastructure expected to rise 1.7 times and building construction and industrial segments lagging at 40% and 30%, respectively, over the same period.

Investments in building construction are expected to grow 4-6% in fiscal 2025 mainly led by urban affordable housing, which currently constitutes ~25% of the incremental urban addition and is expected to slowdown in the coming fiscals as the government approaches its targets.

Construction spending (at current prices)



Note: P: Projected

Source: CRISIL MI&A Research

Investments in the sector are expected to rise ~1.4 times to Rs 18,000-18,500 million over fiscals 2025-29 from Rs 13,000 million over fiscals 2020-24.

Sectoral overview: Granite

Overview of the natural stone and engineered stone industry

The natural and engineered stone industry encompasses the extraction, processing, and distribution of both naturally occurring stones such as granite, marble, and limestone, as well as man-made materials such as engineered quartz

slabs. Natural stones are valued for their unique patterns, durability, and timeless appeal, making them a popular choice for countertops, flooring, and architectural elements. In 2021, the US produced ~2.5 million metric tonne of dimension stone, according to the US Geological Survey (USGS), highlighting the significant scale of natural stone extraction.

In contrast, engineered stones are manufactured by combining natural stone fragments with resins and pigments, offering durability, uniformity, and a wide range of design options. The Indian Bureau of Mines reported that domestic production of stone products was ~10 million tonne in 2021, including both natural and engineered varieties, reflecting the country's substantial role in the global stone industry.

The industry has seen significant growth due to advancements in quarrying and manufacturing technologies, increased consumer preference for sustainable and high-quality materials, and expanding applications in residential, commercial, and infrastructure projects. For example, the adoption of advanced technologies such as diamond wire sawing and computer numerical control (CNC) machinery has improved the precision and efficiency of stone processing.

In recent years, there has been a growing emphasis on sustainable materials and environmentally friendly practices, leading to increased demand for natural stones that are responsibly sourced and have a minimal environmental impact. Consumers are increasingly seeking certifications such as Leadership in Energy and Environmental Design (LEED) for sustainable construction projects.

The different types of natural stones are given below:

Sr. No.	Type	Picture	Brief description
1	Granite		Granite is the most widespread of igneous rocks, underlying much of the continental crust. An intrusive igneous rock, it is high in quartz (about 25%), feldspar, and mica. It is widely used for architectural facades, construction materials, ornamental stones and monuments. Over 40% of dimension stone quarried is granite.
2	Marble		Appreciated for its beauty and veining, marble is a popular choice for sculptures, building facades, and flooring material
3	Limestone		Mainly used in construction materials and as a raw material in cement production, limestone is a sedimentary rock rich in calcium carbonate

Sr. No.	Type	Picture	Brief description
4	Travertine		Characterised by its porous surface, travertine is commonly used in flooring, wall cladding, and decorative elements
5	Sandstone		With its wide range of colours and workability, sandstone is extensively used in construction, paving, and as a decorative stone
6	Quartzite		Offering high durability and resistance to chemical weathering, quartzite is suitable for countertops, flooring, and wall coverings

End-use industries

These stones are used in the following end-use industries:

Construction: Utilised in structural components, cladding, paving and decorative elements for both residential and commercial projects

Interior design: Popular for countertops, flooring, wall panels and decorative pieces due to their aesthetic appeal and variety of finishes

Monuments and memorials: Used for gravestones, statues and memorial structures, with granite and marble being common choices

Industrial applications: Limestone serves as a raw material for cement production, while various stones are used as aggregates in road building

Art and sculpture: Marble and onyx are favoured for sculptures, artistic installations and ornamental objects due to their workability and aesthetic qualities

Overview of granite

Granite, a highly valued natural stone, plays a crucial role in various industries worldwide due to its durability, versatility and aesthetic appeal. The industry encompasses extraction, processing, distribution and utilisation of granite products across diverse sectors. An overview of the industry, including granite types, is provided below:

Types of granite:

Sr. no.	Type	Brief description	Application
1	Coloured granite	White granite, brown granite, blue granite, etc	With its distinct green hue, green granite is popular for its unique appearance and durability Used in countertops, kitchens, bathrooms, flooring, backsplashes and accent pieces in interior design
2	Black granite		Known for its deep uniform black colour, it is prized for its elegance and versatility Construction and building: Used extensively for flooring, countertops, wall cladding and decorative purposes in residential and commercial buildings Monuments and memorials: Popular choice for monuments, gravestones and architectural elements due to its durability and aesthetic appeal

Source: Industry

Out of all the varieties of granite, Black granite is categorised as a premium granite. Replicating the appearance and texture of black granite with synthetic materials is not economically feasible. This is due to the high costs associated with production, the complexity of the manufacturing process, and the challenge of achieving the same durability and aesthetic quality. Additionally, synthetic alternatives often lack the natural variations and unique patterns found in authentic black granite, further reducing their appeal.

Black Galaxy Granite

One of the types of black granite, Black Galaxy Granite, also known as Star Galaxy, Galaxy Granite, and Gold Star Granite.

Picture	Brief description
	<ul style="list-style-type: none"> 1. It is a highly sought-after natural stone that has been quarried in the Chimakurthy village of the Ongole district in Andhra Pradesh, India, for over 35 years 2. It is a unique deposit in the world. Substantiated by the highest tax levied by the government compared to any other Dimensional stone 3. Its exceptional durability and strength have made it a popular choice among architects, designers and builders. Its colour pattern and properties make it highly valuable

Source: Industry

High demand for Black Galaxy Granite in the export market has resulted in its extensive and intensive quarrying by private entrepreneurs.

This versatile stone can be used in a variety of applications, including:

Countertops and vanities: A popular choice for kitchen and bathroom countertops and vanities due to its durability and resistance to scratches and stains

Flooring: Its elegant and sophisticated appearance makes it an ideal choice for flooring in homes, offices and public spaces

Cladding: Can be used as a cladding material for exterior walls, providing a durable and visually appealing finish

Handicrafts: Its unique veining patterns and colours make it an excellent choice for creating beautiful handicrafts, such as sculptures, tables and decorative objects

Swimming pool areas: Its non-slip properties make it an excellent choice for swimming pool areas, providing a safe and comfortable surface for users

Bathroom walls and floors: A popular choice for bathroom walls and floors due to its resistance to moisture and stains

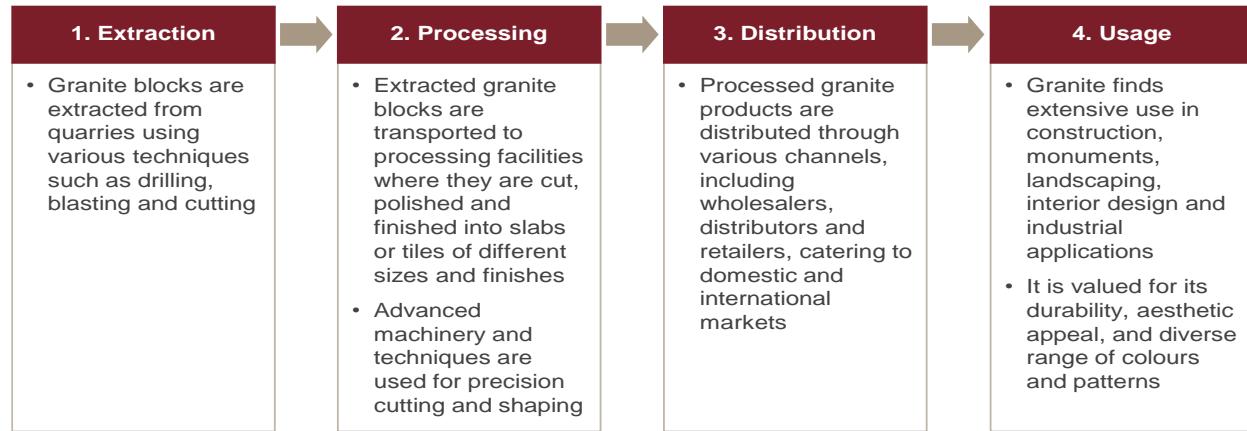
Fireplace walls: Its elegant appearance and durability make it an excellent choice for fireplace walls, providing a cozy and inviting focal point in any room

External and internal aids in construction: Black Galaxy Granite can be used for various external and internal construction purposes, such as wall cladding, paving and stair treads

Overall, Black Galaxy Granite is a highly valued natural stone that offers a unique combination of durability, beauty and versatility, making it a popular choice for architects, designers and builders around the world.

Value chain of granite

The granite industry operates through a comprehensive value chain, starting from extraction to final utilisation:



Industry characteristics

Capital-intensive and requires huge investments: The granite industry is highly capital-intensive, characterised by long gestation periods and significant entry barriers. Establishing operations in this sector requires substantial upfront investment in mining.

Further, mechanised mining requires the acquisition and deployment of highly customised and expensive machinery, and technical and skilled personnel with competence in various disciplines such as geology and engineering. It employs complex production methods with significant learning curves. Accordingly, these requirements of the dimensional stone granite mining industry in India offer established players a competitive advantage over new players.

Moreover, the dimensional stone industry's reliance on natural resources and the complexities of extraction and processing further contribute to its high entry barriers. These factors collectively underscore the challenging, yet lucrative, nature of the granite industry, where strategic planning and substantial financial resources are essential for sustained success.

Dependence on price negotiations: Unlike commodities such as coal, crude oil or iron ore, dimensional stone granite does not have an industry-wide or recognised benchmark index, and pricing is determined through direct negotiations between buyers and sellers.

Top producing countries: The top five granite producing countries are China, Brazil, India, Saudi Arabia and Italy. India possesses one of the best granite deposits in the world, having excellent varieties comprising over 200 shades. India accounts for over 20% of the world resources in granite. It has significant production across states such as Rajasthan, Telangana, Andhra Pradesh, Gujarat, Karnataka, Kerala, Tamil Nadu and Goa.

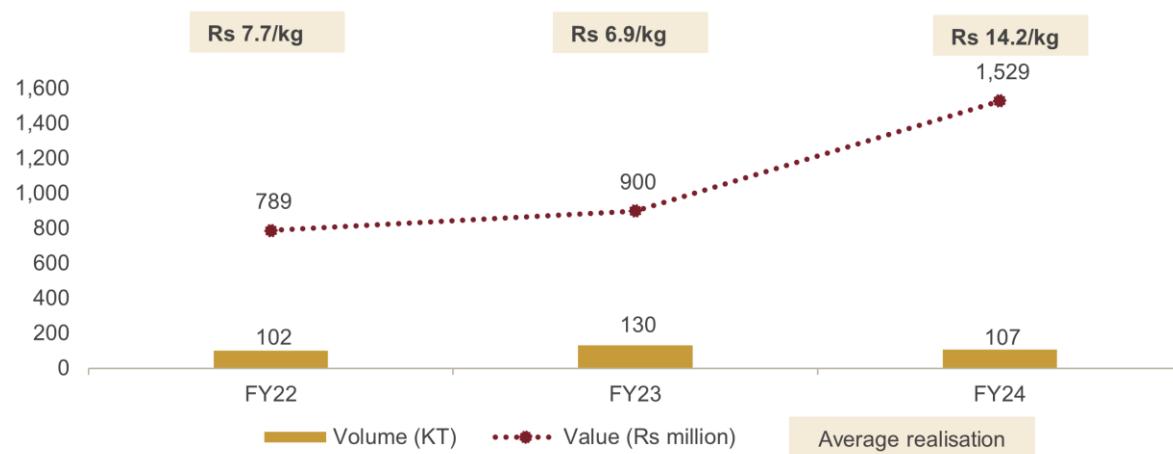
Top consuming countries: On the consumption side, the US is the world's largest consumer of granite, primarily importing from Brazil, China and India. The European Union (EU) represents a major market for the global natural stone industry, with India playing a significant role in global stone exports.

Quartzite

Quartzite is a metamorphic rock that is formed when quartz-rich rocks are subjected to high pressure and temperature. It is considered a high utility product category due to its exceptional durability, aesthetic appeal and versatility in various applications. It is highly resistant to heat, scratches and stains, making it ideal for kitchen countertops, backsplashes, and flooring where durability is crucial. Quartzite's natural beauty, with unique patterns and colours, also makes it a popular choice for decorative uses in both residential and commercial settings. Its robust physical properties and aesthetic versatility contribute to quartzite being highly valued in the construction and interior design industries worldwide.

Quartzite scores 7 out of 10 on the Mohs hardness index while granite scores 6 and marble scores 3, making quartzite ideal for building walls, flooring, roofing tiles, stair steps and countertops in kitchens.

Quartzite exports trend by value and volume over fiscals 2022-2024



Source: DGFT, CRISIL M&A Consulting

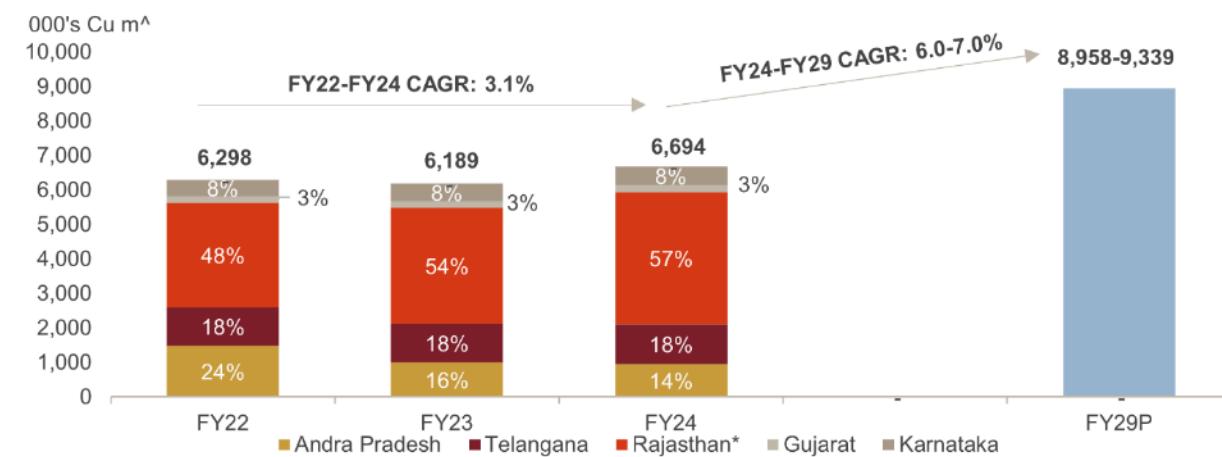
The exports volume of quartzite from India increased from 102 KT in fiscal 2022 to 107 KT in fiscal 2024 whereas the exports value of quartzite increased at a much faster rate, from Rs 789 million in fiscal 2022 to Rs 1,529 in fiscal 2024, clogging a CAGR of 39.3% over fiscals 2022-2024.

Overview of the granite market in India

In India, the granite industry significantly impacts the economies of states such as Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Rajasthan. Valued at \$40 billion, it holds the potential to create semi-skilled employment, particularly in rural areas. While granite is considered costly for decorative purposes domestically, its export potential

surpasses its utilisation and trade within the country. As per IBM, the total granite resources in India stood at an estimated 46,320 million cubic metre as on April 1, 2015. In terms of classification by grade, ~7% of total resources consist of black granite, while 92% consist of coloured granite. About 1% of the resources remain unclassified.

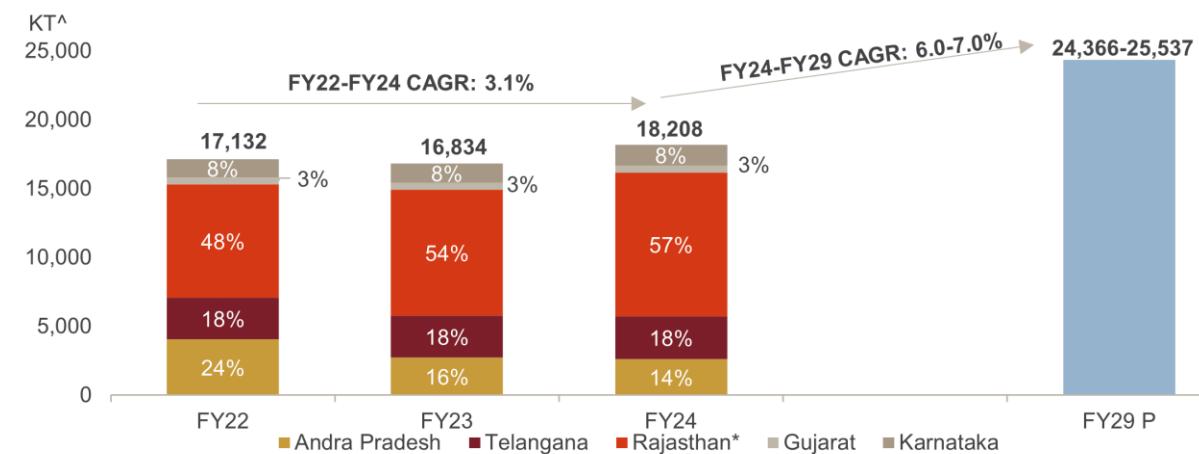
Granite production overview (fiscal 2022-2024) and outlook (fiscal 2029)



[^]Average density of granite stone= 2.72 metric tonne per cubic meter; *Numbers reflective of dispatches
P: Projected

Source: State DGMS and their websites, CRISIL MI&A Consulting

Granite production overview (fiscal 2022-2024) and outlook (fiscal 2029)



[^]Average density of granite stone= 2.72 metric tonne per cubic meter; *Numbers reflective of dispatches
P: Projected

Source: State DGMS and their websites, CRISIL MI&A Consulting

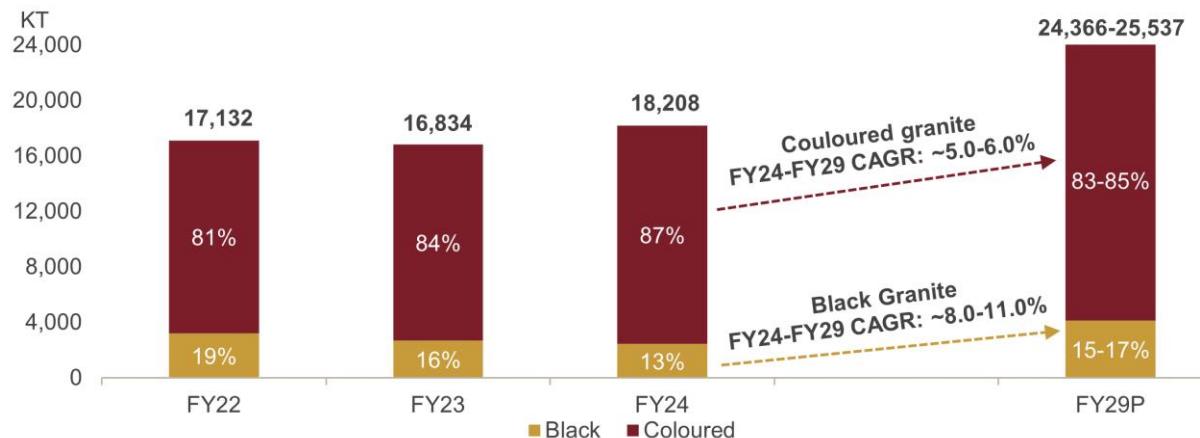
Granite production increased from 17,132 KT in fiscal 2022 to 18,208 KT in fiscal 2024, clocking a CAGR of 3.1%, driven by domestic demand for granite from the building and construction industry.

Rajasthan is the largest producer of granite in India, accounting for 57% (~10,422 KT) of the total granite produced in fiscal 2024. Other significant granite producing states are Telangana and Andhra Pradesh, which accounted for 18% (~3,126 KT) and 14% (~2,616 KT), respectively, of production in fiscal 2024. While Rajasthan's share in overall granite production increased from 48% in fiscal 2022 to 57% in fiscal 2024, Telangana's share remained at 18%.

Other producing states include Karnataka and Gujarat, whose share remained 8% and 3% respectively, throughout the fiscals 2022-2024.

Granite production is projected to grow to 24,366-25,537 KT in fiscal 2029, logging a CAGR of 6.0-7.0% between fiscals 2024 and 2029. The production is expected to be driven by increased domestic demand as well as exports of granite.

Black vs coloured granite production overview (fiscal 2022-2024) and outlook (fiscal 2029)



P: Projected

Source: State DGMS and their websites, CRISIL MI&A Consulting

Out of the total production of 18,208 KT in fiscal 2024, coloured granite accounted for 87% (~15,755 KT) and black granite for 13% (~2,453 KT). By black granite type, Black Galaxy Granite, which is exclusively produced in Andhra Pradesh, accounted for 31% (~771 KT) of overall black granite production in fiscal 2024. Absolute Black Granite, produced in Karnataka, accounted for 47% (~1,162 KT) and Absolute-Black Granite, produced in Andhra Pradesh and Telangana, accounted for 21% (~520 KT) of overall black granite production in fiscal 2024.

Midwest's black granite production accounted for 10.8% (~97,624 cubic metre) of overall black granite production during fiscal 2024 in India.

In fiscal 2029, the share for black granite is expected to be ~15-17% (~3,655-4,142 KT) of overall domestic granite production, increasing at a CAGR of ~8-11%, owing to increase in corresponding demand for black galaxy granite from both domestic market as well as exports.

The royalty paid on granite varies by type. For example, in Andhra Pradesh, the royalty charged by the state government on granite for Black Galaxy Granite is Rs 1,550-4,600 per cubic metre; for black granite – Rs 1,150-3,450 per cubic metre; and for coloured granite – Rs 1,100-2,700 per cubic metre. Among all the granite varieties, royalty charged on black galaxy granite is the maximum, establishing its position as a premium material. Midwest leads the industry in royalty payments for Black Galaxy granite and paid the highest between 2020 and 2024, with a notable contribution of Rs 406 million in fiscal 2024, accounting for 31% of the total royalty for black galaxy granite.

To boost productivity in the cutting and polishing industry, the Government of Andhra Pradesh introduced a slab system under G.O. Ms. No.58 dated March 28, 2022. This system levies royalty on granite blocks consumed at processing plants rather than at the quarrying field, with the rate fixed per blade per month. A unit holder can procure up to 22 cubic metres of granite from quarries before extra royalty is charged. These measures aim to streamline the process and reduce costs for granite block players, potentially increasing their profitability and market competitiveness.

According to the Andhra Pradesh's mining and geology department's data, the average sale price for Black Galaxy Granite is Rs 50,000-1,00,000 per cubic metre, black granite is Rs 30,000-75,000 per cubic metre, and coloured granite is Rs 15,000-35,000 per cubic metre. The price range for black granite is wide and varies as per its quality, size, look and appeal. Among all the granite categories available in India, average realisations are the highest for Black Galaxy Granite.

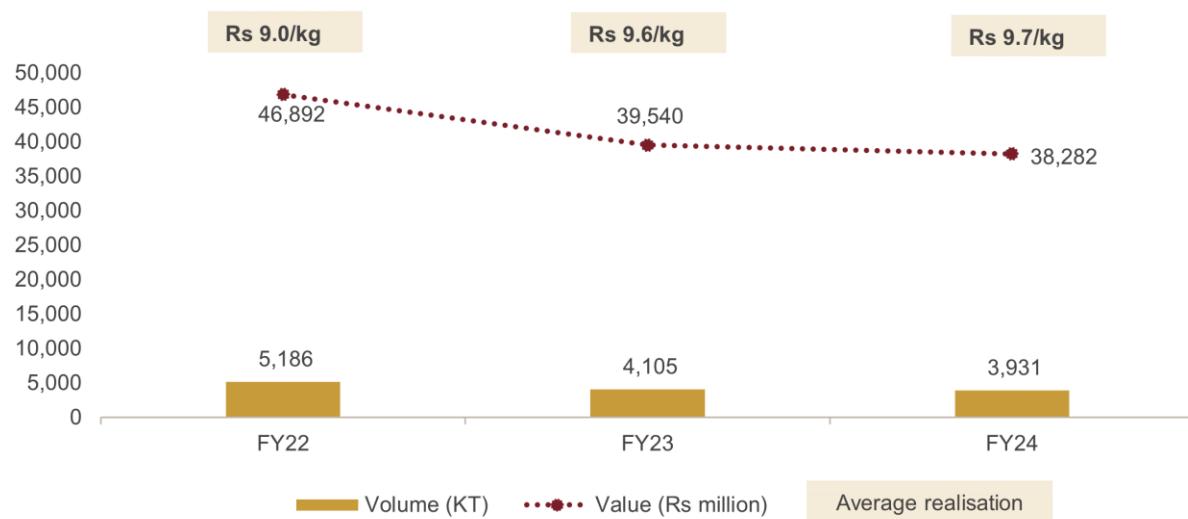
Trade overview of granite

Export

In fiscal 2022, India exported 5,186 KT of granite, valued at Rs 46,892 million. In fiscal 2023, the exports volume dropped 1,081 KT to 4,105 KT, with a corresponding decrease in value to Rs 39,540 million, indicating an on-year decrease by 20.84% in volume and 15.68% in value. The downward trends in export are due to increased demand in domestic consumptions reasons being attributed to the rising demand in construction sector. Moreover, conversion time is faster for domestic supply.

A significant proportion of raw materials in the granite industry is commonly sent to China for processing before being distributed to the rest of the world. This practice underscores China's pivotal role as a major processing hub within the global granite supply chain. By sending materials to China for processing, companies benefit from the country's extensive infrastructure, expertise and cost-effective manufacturing capabilities. Such strategic approach allows granite producers to ensure high-quality standards and competitive pricing for their products when reaching international markets. This is further supported by pro industry export policies like exports cash back credits and other benefits like power subsidy. Moreover, leveraging China's processing capabilities enables efficient global distribution, facilitating the seamless supply of granite products to meet diverse market demands worldwide.

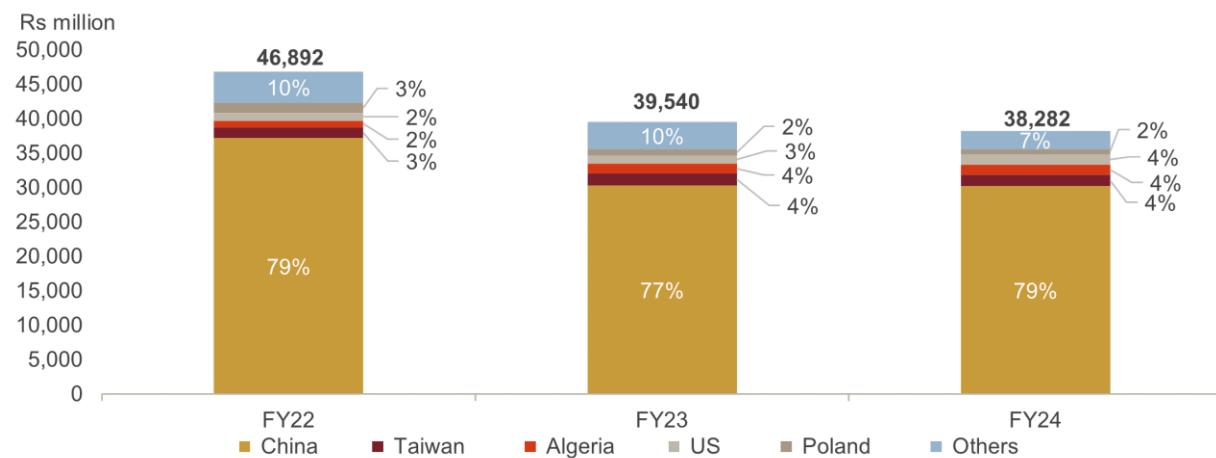
Granite export trend by value and volume over fiscals 2022 to 2024



Source: Directorate General of Foreign Trade (DGFT), CRISIL MI&A Consulting

As much as 90-93% of India's granite exports head to five countries: China, Taiwan, Algeria, the US and Poland. Among these, China is the largest importer, maintaining a significant share of 77-79% of the total exports over fiscals 2022 to 2024. Despite a decline in the overall value of granite exports during this period, the proportional share of exports to these countries has remained largely unchanged, indicating while the total export value has decreased, the distribution of exports among the major importing countries has remained stable.

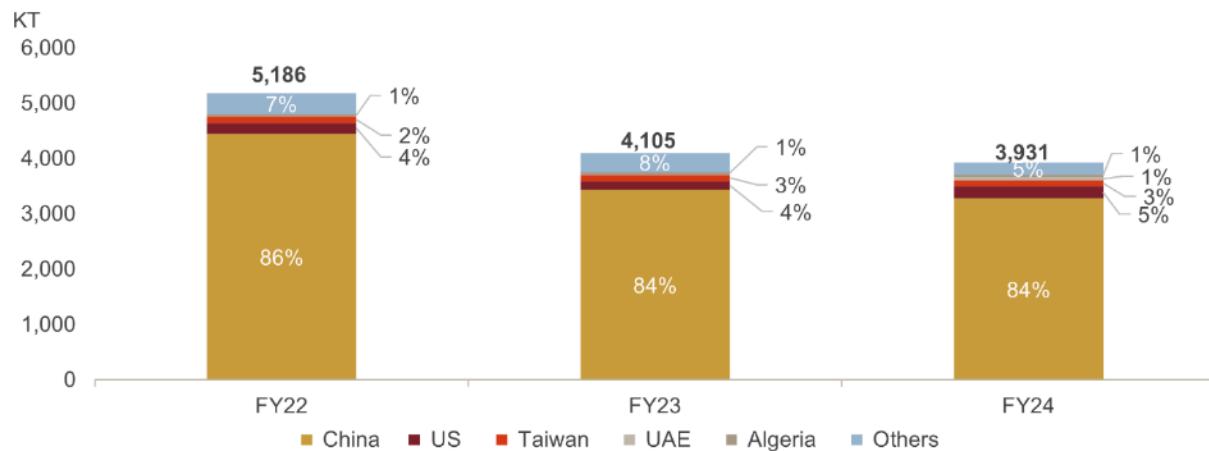
Country-wise granite export value over fiscals 2022 to 2024



Source: DGFT, CRISIL MI&A Consulting

China is the largest importer by volume, consistently accounting for 84-86% of India's total granite exports over fiscals 2022 to 2024. However, while China dominates in terms of volume, it contributes a slightly lower percentage to the overall export value, at 77-79%, indicating that although the country imports the largest quantity of granite, the value per unit is lower compared with other importing countries. Despite these differences, the distribution of exports among these primary countries has remained relatively stable over the years.

Country-wise granite export volumes over fiscals 2022 to 2024

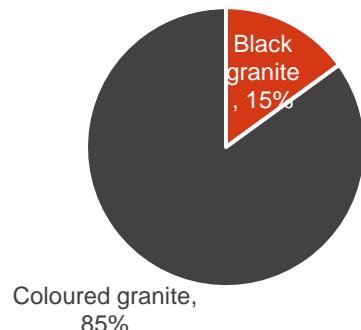


Source: Directorate General of Foreign Trade (DGFT), CRISIL MI&A Consulting

The decline in Indian granite exports can be attributed to increased domestic consumption of granite due to a corresponding increase in the construction activities. Other reasons for a downfall in exports includes higher pricing of granite due to which the domestic sellers are inclined to sell locally.

Exports of jet black and black galaxy granite for fiscal 2024 (based on volume)

Black granite exports (Volume basis)



Note: Coloured granite includes the categories of granite other than black granite like- tan-brown granite, red granite etc
Source: CRISIL MI&A Consulting

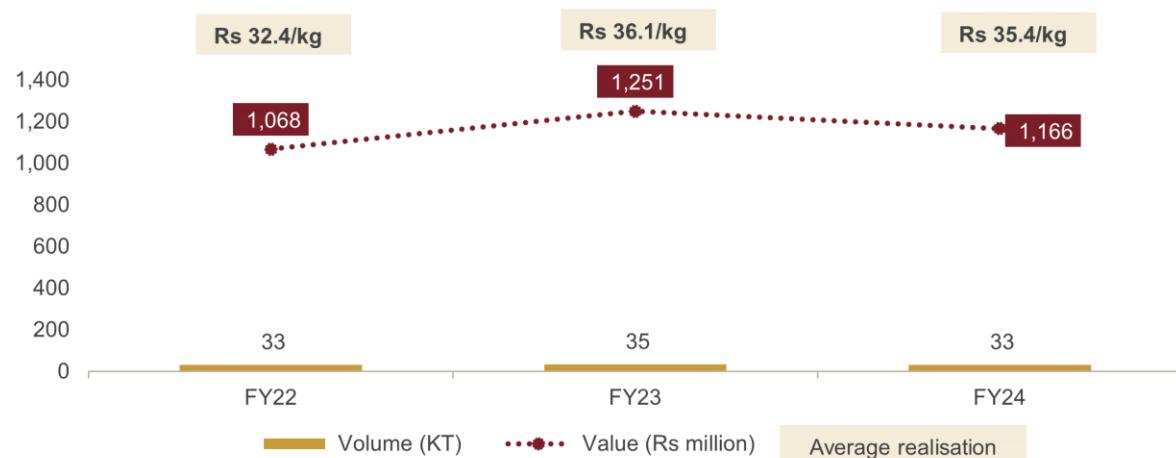
In fiscal 2024, the coloured granite accounted for 85% of the overall granite exports and black granite accounted for 15%.

Midwest, one of the key producers of black galaxy granite, accounted for ~23% (~131KT) of overall black galaxy granite exports volume in fiscal 2024.

Imports

In fiscal 2022, India imported 33 KT of granite valued at Rs 1,068 million. While the import volume remained constant in fiscal 2024, the import value fluctuated. In fiscal 2023, the import volume increased to 35 KT, with a corresponding rise in value to Rs 1,251 million, indicating an on-year increase of ~6.06% in volume and ~16.82% in value. Despite the stable import volume, the import value decreased to Rs 1,166 million by fiscal 2024, representing a ~6.40% on-year decrease in value. This fluctuation in import value despite a consistent import volume suggests potential factors such as changes in market dynamics, fluctuations in exchange rates, or variations in the quality and origin of imported granite impacting the import value over the years.

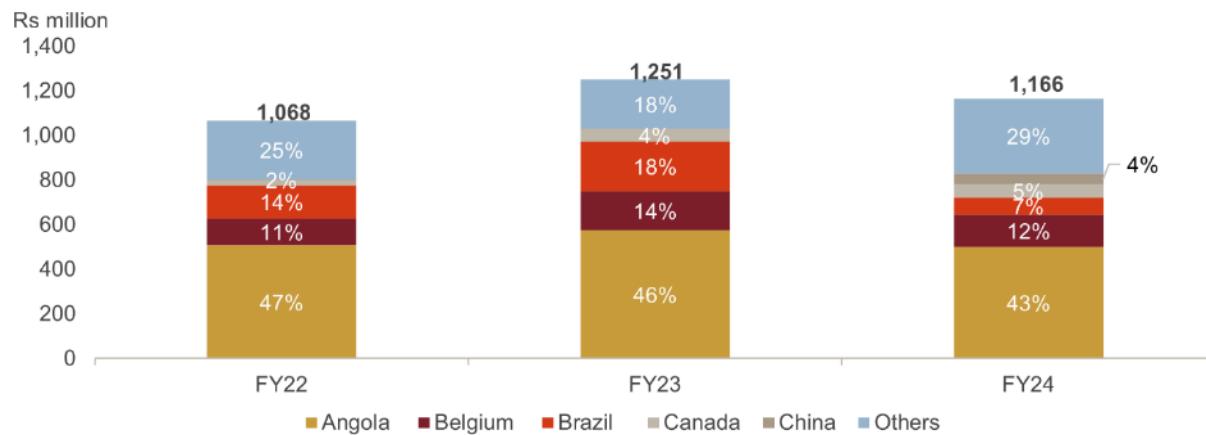
Granite import trend by value and volume over fiscals 2022 to 2024



Source: DGFT, CRISIL MI&A Consulting

Some 70-75% of India's total granite imports by volume are sourced from five countries — Angola, Belgium, Brazil, Canada and China. Among these, Angola has consistently held the highest share, ranging from 43% to 47% between fiscals 2022 and 2024. Notably, Brazil's share experienced significant fluctuations, increasing from 14% in fiscal 2022 to 18% in fiscal 2023 before sharply decreasing to 7% in fiscal 2024. This variability suggests variations in India's sourcing patterns, potentially influenced by factors such as changes in supplier relationships, market conditions or regulatory environments.

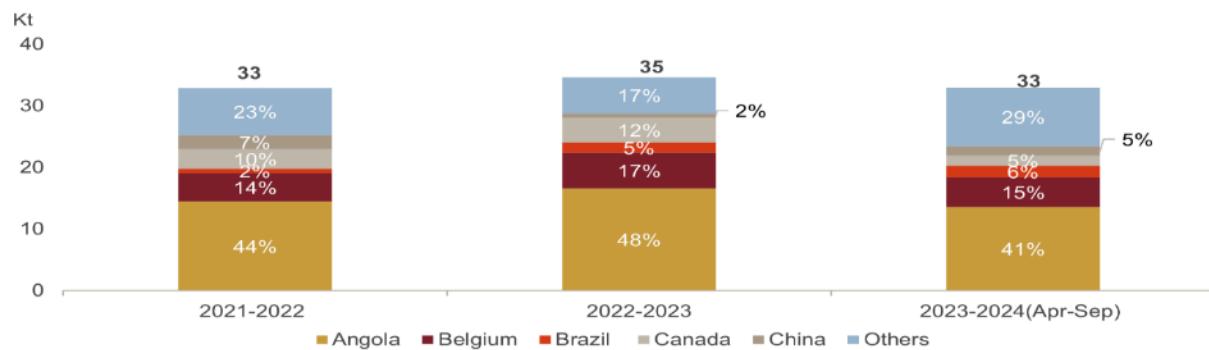
Country-wise granite import value over fiscals 2022 to 2024



Source: DGFT, CRISIL MI&A Consulting

Mostly, varieties of black, brown and white granite are imported to India. This includes Angola Black Granite, which contains feldspar and labradorite in a medium-sized grain, making it a popular choice for kitchen or bathroom countertops. Its prominence in the market is due to its unique and attractive appearance. Moreover, imported granite is often available in large slabs due to the advanced manufacturing facilities of foreign producers. These facilities allow for more efficient production of larger slabs, making them more accessible to Indian consumers. Imported granite is often used in high-end applications, such as luxury homes, commercial buildings and public spaces, where aesthetic appeal and durability are paramount.

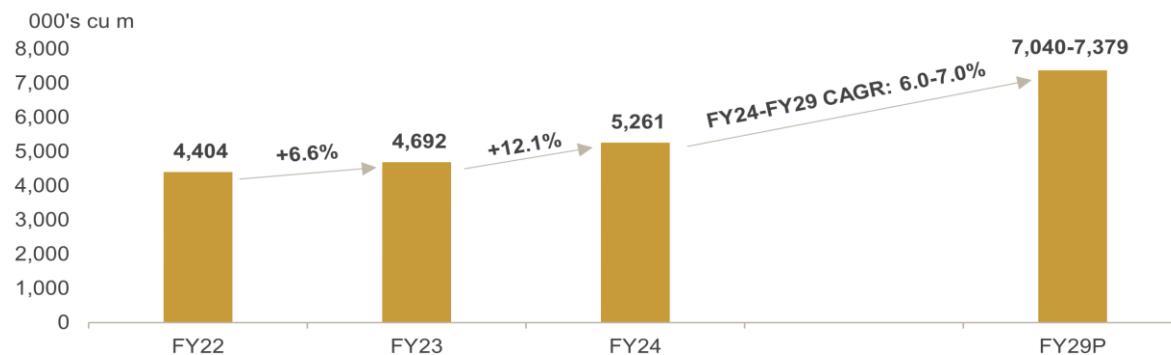
Country-wise granite import volume over fiscals 2022 to 2024



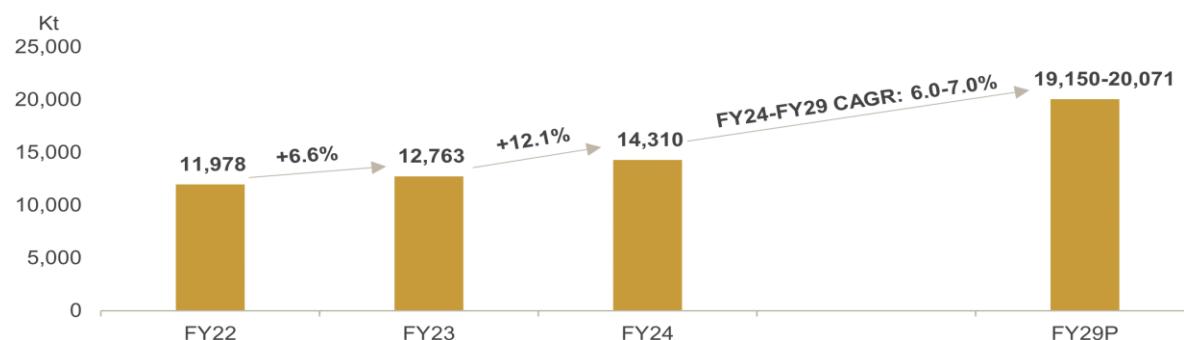
Between fiscals 2022 and 2024, India consistently exported significantly larger volumes and values of granite compared to the imports. This trend indicates India is a net exporter in the granite industry.

Assessment of domestic consumption of granite

Domestic demand for granite- overview (fiscal 2022-2024) and outlook (fiscal 2029)



Domestic demand for granite-overview (fiscal 2022-2024) and outlook (fiscal 2029)



[^]Average density of granite stone= 2.72 metric tonne per cubic meter

P: Projected

Source: CRISIL MI&A Consulting

The domestic demand for granite saw an upward trend over fiscal 2022 to fiscal 2024, increasing 9.3% CAGR. Domestic demand stood at 11,978KT in fiscal 2022, which increased 6.6% to reach 12,763 KT in fiscal 2023 and further by 12.1% to reach 14,310 KT in fiscal 2024. Indian consumption for granite blocks has increased over the years owing to increased offtake by processing industries as well as an increased demand from the residential sector. Granite's domestic demand is projected to grow to 19,150-20,071 KT in fiscal 2029, logging a CAGR of 6.0-7.0% between fiscals 2024 and 2029 driven by increased demand from housing and construction sector.

Sectoral overview of quartz

Quartz, a crystalline mineral composed primarily of silicon dioxide (SiO₂), is one of the most abundant minerals found in the Earth's crust. It occurs in various forms and is widely distributed across different geological environments worldwide. It exhibits a wide range of physical and chemical properties, including hardness, transparency and resistance to chemical weathering. It has a distinctive hexagonal crystal structure and often forms well-defined crystals with six-sided prisms and pointed terminations.

Quartz occurs in a variety of geological settings, including igneous, metamorphic, and sedimentary rocks. It is commonly found in veins, pegmatites, and hydrothermal deposits, as well as in sandstone and quartzite formations and has numerous industrial applications due to its hardness, abrasion resistance, and electrical properties. It is an industrial mineral having a wide range of applications including building materials such as engineered stone, glass, and industrial application such as solar glass, foundries, refractory, crucibles, semi-conductors, fillers in paint and rubber and ceramics. Though it is abundant in nature, very few mines qualify to meet the large volume and good quality.

It is available in the following varieties:

S. No.	Type	Picture	Brief description
Crystalline varieties			
1	Vein quartz		Massive crystalline quartz found in mineral veins
2	Milky quartz		Opaque to translucent quartz with a milky appearance due to microscopic inclusions

S. No.	Type	Picture	Brief description
3	Pegmatite		Coarse-grained igneous rocks formed from the crystallization of magma, characterized by large crystals and often containing rare minerals

Applications areas

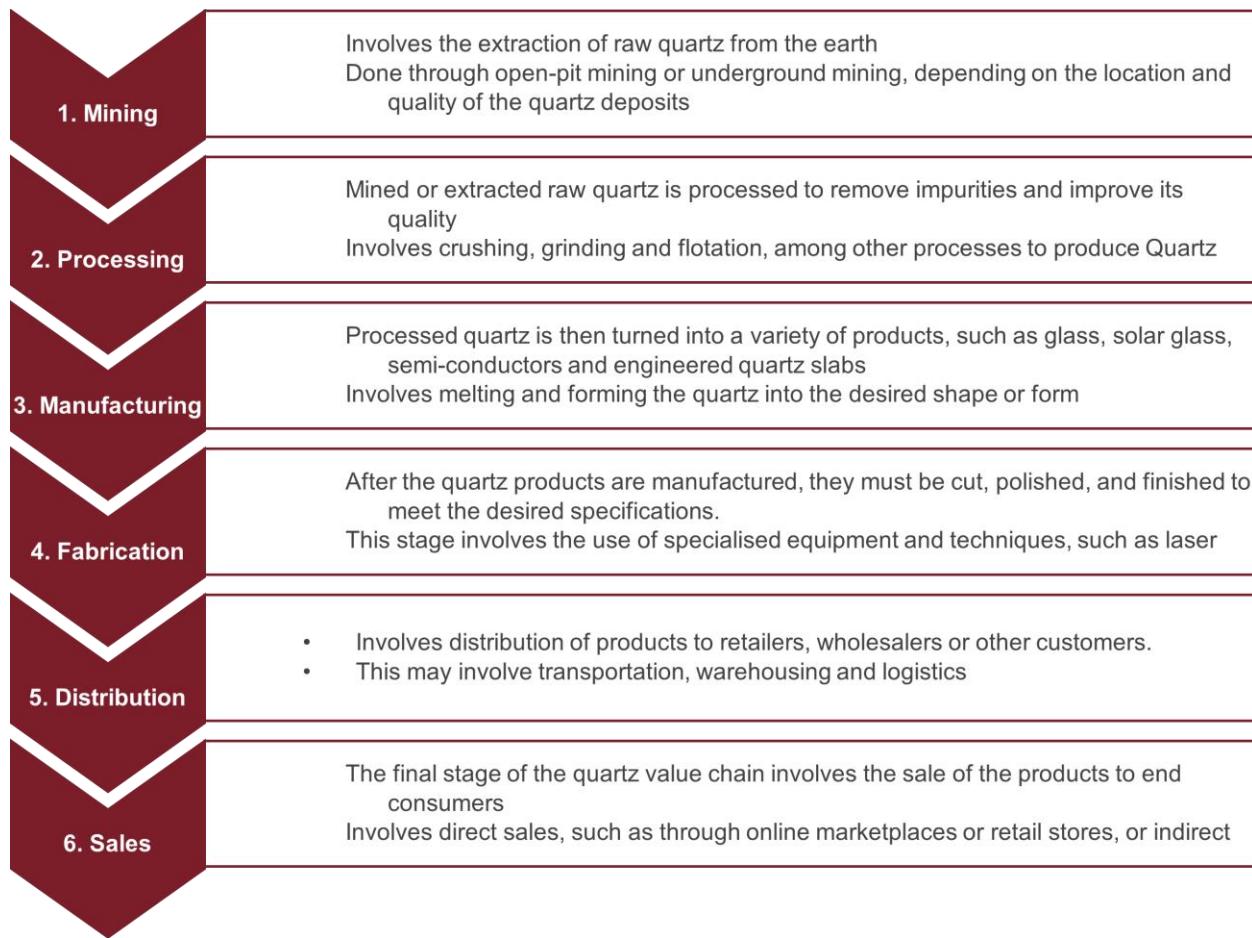
Quartz is a versatile mineral with diverse properties and applications, ranging from industrial uses to decorative and ornamental purposes. Major end-use industries where quartz finds its application are as follows:

- **Kitchen and bathroom countertops:** Quartz is highly valued for its durability, stain resistance and wide range of colours and patterns, making it a preferred material for countertops
- **Interior designing:** Used for backsplashes, flooring and vanity tops in residential and commercial interiors due to its aesthetic versatility and low maintenance

Its abundance and wide distribution make it an essential component of various geological formations and a valuable resource in numerous industries worldwide. It is a highly unorganised sector in India wherein the mines or processing facilities required to process quartz are of small scale. There are very few large-scale integrated players in India having the ability to mine, process and market it.

Value chain of quartz

Here are the key stages of the quartz value chain:



After-sales service: After the sale, the quartz products may require maintenance, repair or replacement. This stage involves providing after-sales service, such as warranty and maintenance programs, to ensure customer satisfaction and loyalty.

(Remainder of this page has been intentionally left blank)

Classification of quartz based on size and purity - Grit, cristobalite and high purity quartz

Grit, cristobalite and high-purity quartz are commonly used in various industries, including the electronics, optical and materials science sectors.

S. No.	Quartz type	Size/properties	Application
1	Grit quartz	Fine powder, typically ranging from 0.1mm to 1.2mm	Abrasive blasting: Used to clean and polish surfaces through abrasive blasting, which involves blowing compressed air or water through a nozzle to remove impurities and smooth out surfaces Abrasive cutting: Used in abrasive cutting tools, such as saw blades and grinding wheels, to cut through hard materials, such as metal, stone and manufacture engineered stone Water filtration: Used in water filtration systems to remove impurities and contaminants from water Used in manufacturing of Engineered Slab Industry, Solar and Glass Industries
		0.1mm to 1.2mm	Solar glass manufacturing: For production of solar glass used in solar panels Used in manufacturing of Engineered Slab Industry, Solar and Glass Industries
2	Cristobalite	Fine grain sized, typically ranging	Electronics: Used in electronic components, such as semiconductors and transistors, owing to its high thermal conductivity and electrical insulation properties

S. No.	Quartz type	Size/properties	Application
		from 0.1 to 1 micron in diameter	Optical: Used in optical lenses and prisms because of its high refractive index and optical transparency High-power electronics: Used in high-power electronic devices, such as power transistors and diodes, owing to its high thermal conductivity and electrical insulation properties
3	High purity quartz	High purity level, typically having SiO ₂ purity above 99.99%	Electronics: Used in semiconductors and transistors, owing to its high purity level and electrical insulation properties Optical: Used in optical lenses and prisms because of its high refractive index and optical transparency Advanced material: Used in piezoelectric material and optical fibres Solar cells: Used in the production of solar cells. Low-iron sands and dolomite are used to make the glass cover for solar panels. The low-iron properties help increase light transmission, which maximises the level of electricity generation

Quartz grit and powder are essential materials in the manufacturing of engineered stone and solar glass. They are used as the primary components in the production of high-quality, durable and energy-efficient products.

Prices of different types of quartz by grade and related products are as follows:

Product name	Unit*	Price range
Quartz Grit	INR/Ton	13,000-15000
Quartz Powder	INR/Ton	9,000-11,000
Feldspar	INR/Ton	6,500-7,000
Mica	INR/Ton	17,136-17,388
Solar grade Grit	INR/Ton	6,300-6,500
High Purity Quartz sand (Quartz crucible for the outer layers)	INR/Ton	226,100-357,000
High Purity Quartz sand (Quartz crucible for the middle layer)	INR/Ton	416,500-595,000

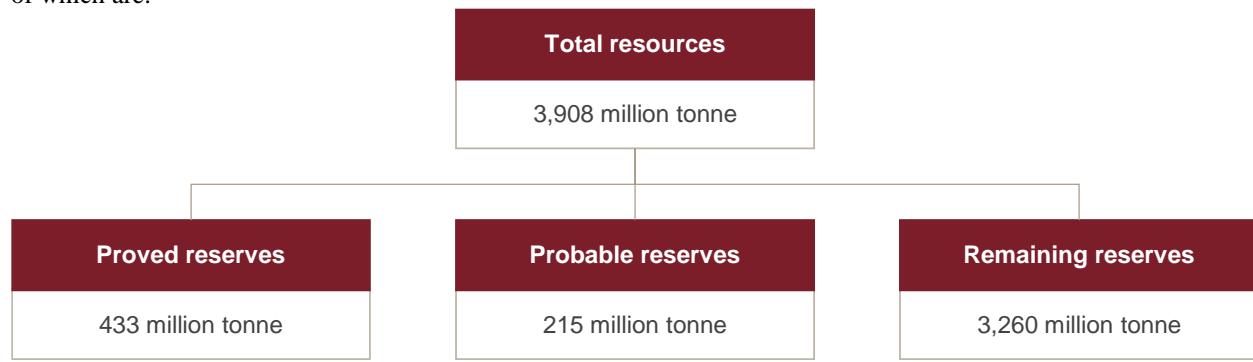
Source: Industry, CRISIL MI&A Consulting

*Conversion factor taken as, 1USD=84INR, 1CYN=11.9INR

Overview of the quartz market in India

State-wise quartz and silica sand reserves and resources available in India

The total quartz and silica sand resources in India as on April 1, 2015 is estimated to be 3,908 million tonne, the details of which are:

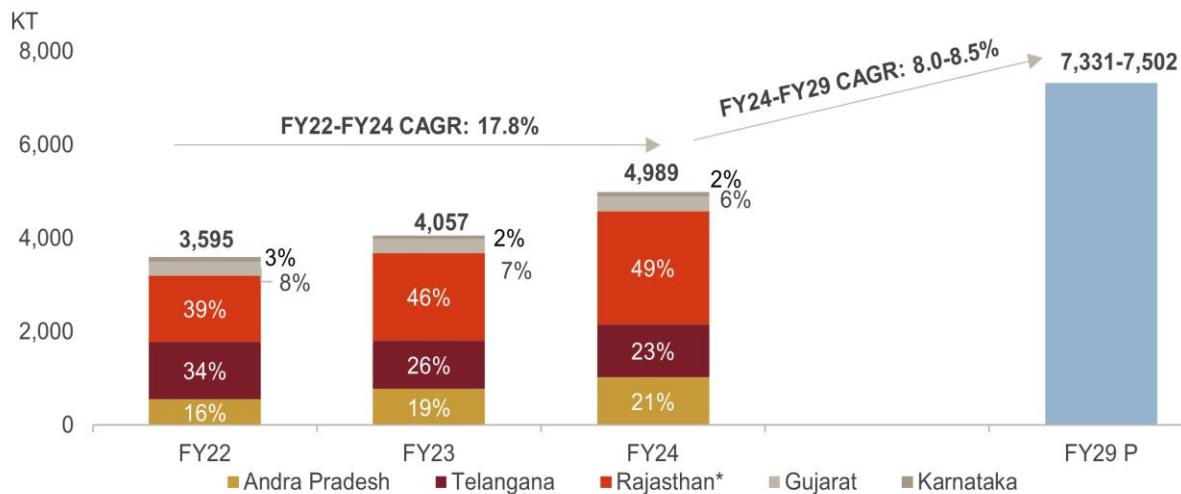


Source: IBM

Out of the total resources of 3,908 million tonne, ~11% (~433 million tonne) are proved reserves-resources that have been discovered, have a known size and can be extracted at a profit. Around 215 million tonne of the total resources are probable reserves- with odds of commercial extraction over 50-90%, with 3,260 million tonne accounting for the rest. Rajasthan houses 55% of the proved reserves, followed by Andhra Pradesh (~22%), Tamil Nadu and Gujarat (~6% each).

The silica sand includes sands and gravels with high silicon dioxide (SiO_2) content. These sands are used in glassmaking; for foundry, abrasive, and hydraulic fracturing (frac) applications.

Quartz production review (fiscal 2022-2024) and outlook (fiscal 2029)



*Numbers reflective of dispatches

P: Projected

Source: State DGMs and websites, CRISIL MI&A Consulting

The quartz production saw tremendous increase over fiscal 2022-2024, logging a CAGR of 17.8% to 4,989 KT in fiscal 2024 from 3,595 KT in fiscal 2022. The increase is mainly derived by higher exports and domestic demand for quartz and its products in glass, foundry, ferroalloys, refractory industries and building materials industry.

Rajasthan is the largest producer of quartz in India and accounted for almost 49% (~2,420 KT) of the produce in fiscal 2024. Other significant quartz producing state include Telangana and Andhra Pradesh, which accounted for 23% (~1,133 KT) and 21% (~1,029 KT), respectively, of the production in fiscal 2024. Andhra Pradesh's share of production has significantly increased over the years from 16% (~561 KT) in fiscal 2022 to 21% in fiscal 2024.

The quartz industry is projected to register a CAGR of 8-8.5% and the production is expected to reach 7,331-7,502 KT in fiscal 2029 from the 2024 level. The demand for quartz and quartzite has been increasing over the years to cater to the requirement of refractories, glass and engineered stone industries.

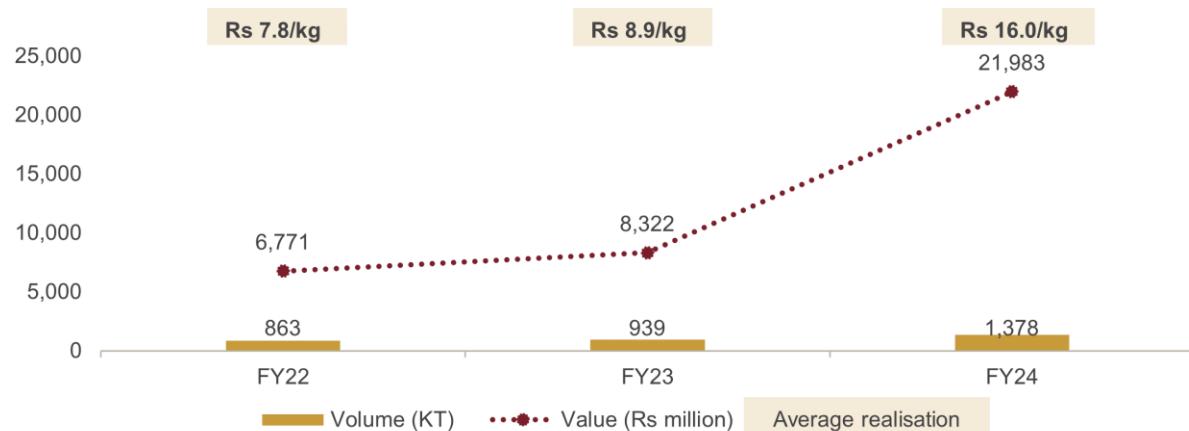
Trade overview – Quartz

Exports

In fiscal 2022, India exported 863 KT of quartz valued at Rs 6,771 million, which steadily grew over the subsequent years. In fiscal 2023, the export volume increased to 939 KT, representing a growth rate of ~8.82%, with the export value rising to Rs 8,322 million. In fiscal 2024, the export volume further rose to 1,378 KT, reflecting a notable growth rate of ~47%, while the export value saw a significantly higher growth rate, reaching Rs 21,983 million. However,

despite robust growth in export volume and value, the export values increased 164% at a much higher rate in fiscal 2024.

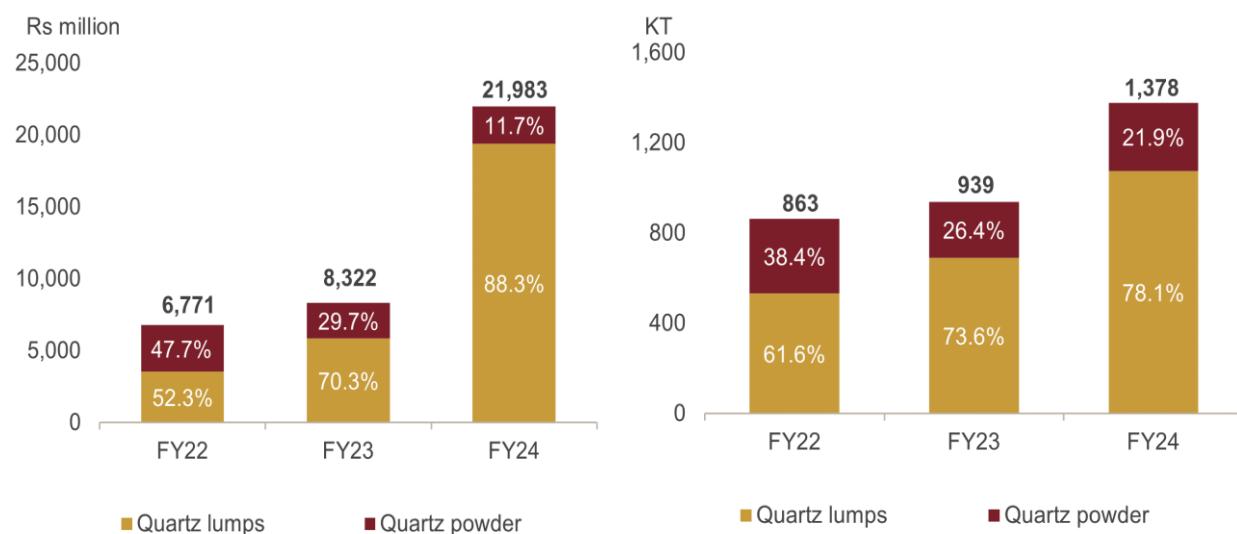
Quartz exports trend by value and volume over fiscals 2022-2024



Source: DGFT, CRISIL MI&A Consulting

Quartz from India are exported in the form of lumps as well as powder.

Quartz exports bifurcation based on Quartz lumps and Quartz powder (value and volume over fiscals 2022-2024)

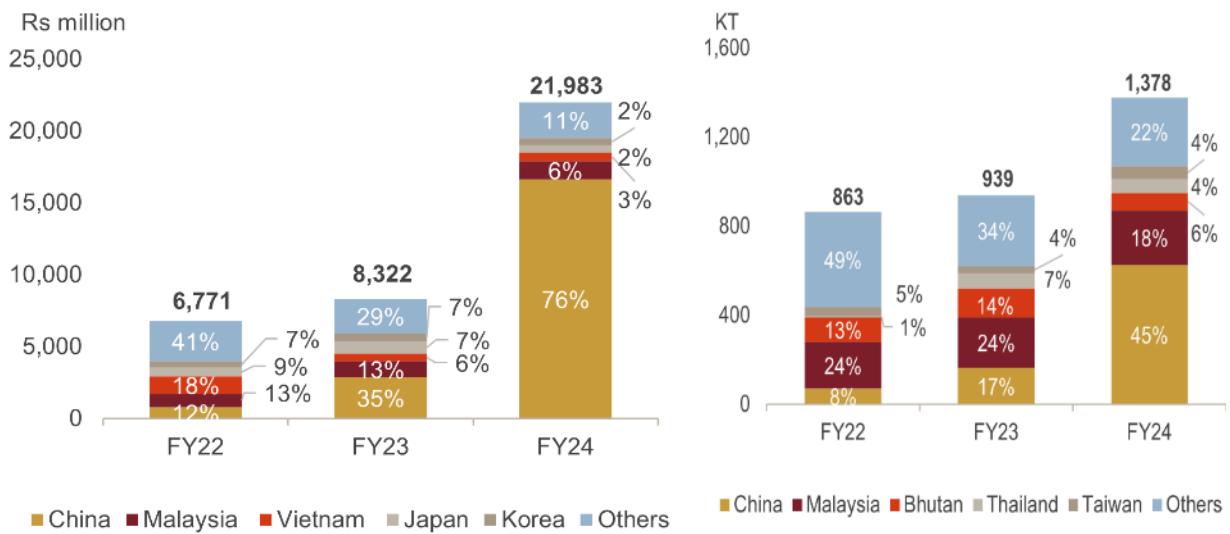


Source: DGFT, CRISIL MI&A Consulting

The share of quartz lumps exports in overall quartz exports has increased over fiscals 2022-2024. While the share of quartz lumps in overall export volumes increased from 61.6% in fiscal 2022 to 78.1% in fiscal 2024, its share in overall quartz exports value increased much faster (from 52% in fiscal 2022 to 88% in fiscal 2024), highlighting a significant increase in the average exports' realisations from quartz lumps.

In fiscal 2024, quartz lumps exports of ~1,076 KT was valued at ~Rs 19,406 million. Quartz powder accounted for ~11.7% of overall quartz export value (~Rs 2,578 million) and ~21.9% by volume (~302 tonne), highlighting lower average realisations from exports when compared to quartz lumps. Its share has decreased over fiscals 2022-2024.

Country-wise quartz export value and volume over fiscals 2022-2024



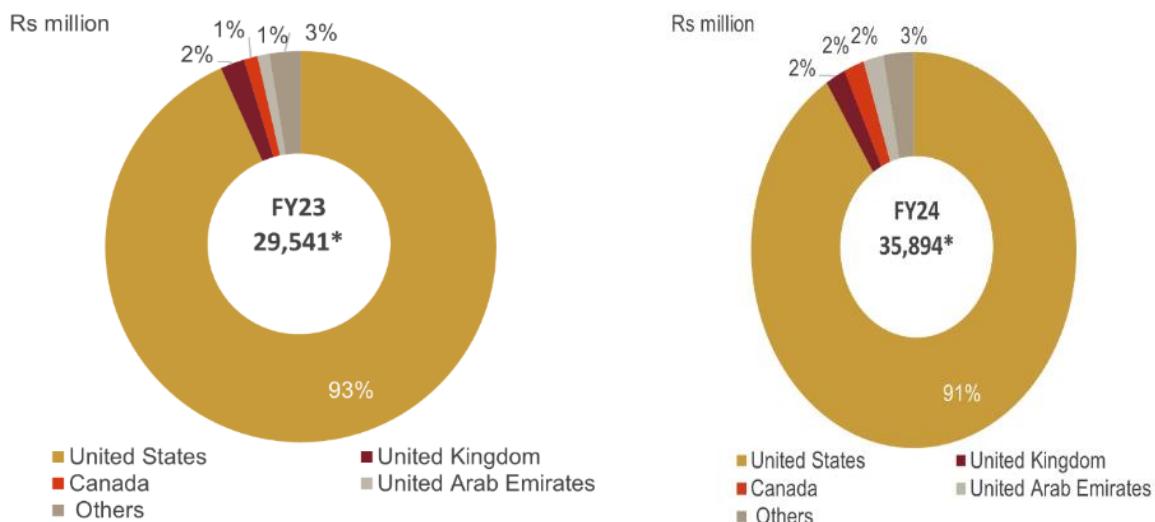
Source: DGFT, CRISIL MI&A Consulting

In fiscal 2024, China, Malaysia, Vietnam, Japan and Korea emerged as the dominant players in the quartz export market, collectively accounting for 89% of the total export value. This represents a decent increase from their combined share of 71% in fiscal 2022 and 59% in fiscal 2023. China stood out as the leading importer, responsible for 45% of volumes import in fiscal 2024, marking a substantial rise from its previous minimal share. While exports to China contributed 76% of the total export value, the export volumes constituted only 45%. Conversely, Malaysia's share in export volume was 18%, yet its contribution to export value was just 6% in fiscal 2024, suggesting that China paid a higher price for the quartz it imported. This pricing trend persisted over three years, potentially driving the overall increase in export share to China.

Engineered Quartz Slab

Quartz grit is used for manufacturing of Engineered slabs. Quartz grit is a type of abrasive material that is used to create a uniform and consistent texture in engineered stones and slabs. It is made by crushing and grinding natural quartz into small particles, which are then mixed with a binding agent and other materials to create a composite material. The resulting product has a smooth, uniform texture and is used in the production of countertops, vanities and other decorative surfaces. The global demand for engineered quartz slabs has led to a significant surge in exports from major producing countries. China, India, and Turkey are among the top exporters of engineered quartz slabs.

Engineered quartz slabs exports from India- by value for fiscals 2023 and 2024



* FOB Value

Source: Industry, CRISIL MI&A Consulting

The total exports market of Quartz Slabs increased at significant rate of 21.5% from Rs 29,541 million in fiscal 2023 to Rs 35,894 million in fiscal 2024.

United States (US), United Kingdom (UK), Canada and United Arab Emirates are the top importers of Indian Quartz Slabs. The US market accounted for ~93% (Rs 27,474 million) and ~91% (Rs 32,663 million) of total engineered quartz slabs exported from India in fiscal 2023 and 2024 respectively. India is a significant exporter of quartz slabs to the US market with a long-standing reputation for quality craftsmanship and innovative designs.

The surge in India's quartz slab exports to the US can be attributed to several key factors, including its vast manufacturing capacity, competitive pricing, and a well-established network of exporters and distributors. By capitalizing on these strengths, Indian manufacturers are able to offer a diverse range of high-quality quartz slabs that meet the exacting standards of the US market.

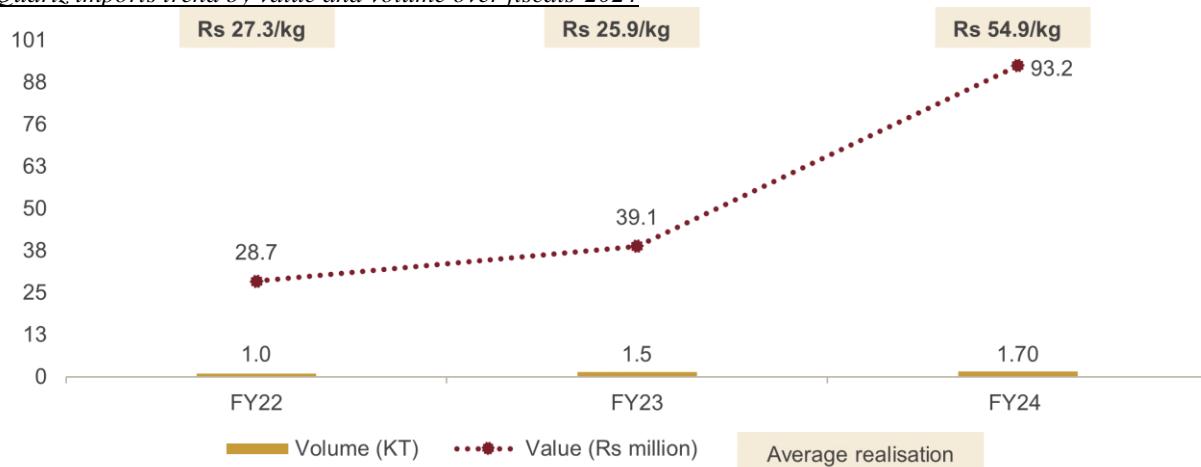
As the global construction and interior design industries increasingly seek out durable and low-maintenance surfacing materials, India's engineered quartz slab exports are poised to continue their upward trajectory, driven by growing demand.

As mentioned in the annual report of 2022-2023 of Global Surfaces, the global engineered stone market size reached US\$ 24.7 billion in 2023. Looking forward, it is expected that the market to reach US\$ 38.7 billion by 2032, exhibiting a growth rate (CAGR) of 5.12% during 2024-2032. The engineered quartz stone market in India has been experiencing significant growth, with an estimated value of \$3,643 million in 2022. It is projected to grow at a compound annual growth rate (CAGR) of 7-8% between 2022 and 2027, reaching \$7,355 million by 2032.

Imports

In fiscal 2022, India imported 1 KT of quartz valued at Rs 28.7 million. In the subsequent years, both import volumes and values showed an increasing trend. In fiscal 2023, the import volume increased 44.47% to reach 1.5 KT, while the import value increased 36.56% and stood at Rs 39.1 million. Notably, in fiscal 2024, the import volume remained relatively stable at 1.7 KT, but the import value experienced a remarkable 138.18% surge, reaching Rs 93.2 million. This highlights that while both import volumes and values have been increasing, the latter has escalated at a much higher pace, suggesting potential shifts in market or demand-supply dynamics.

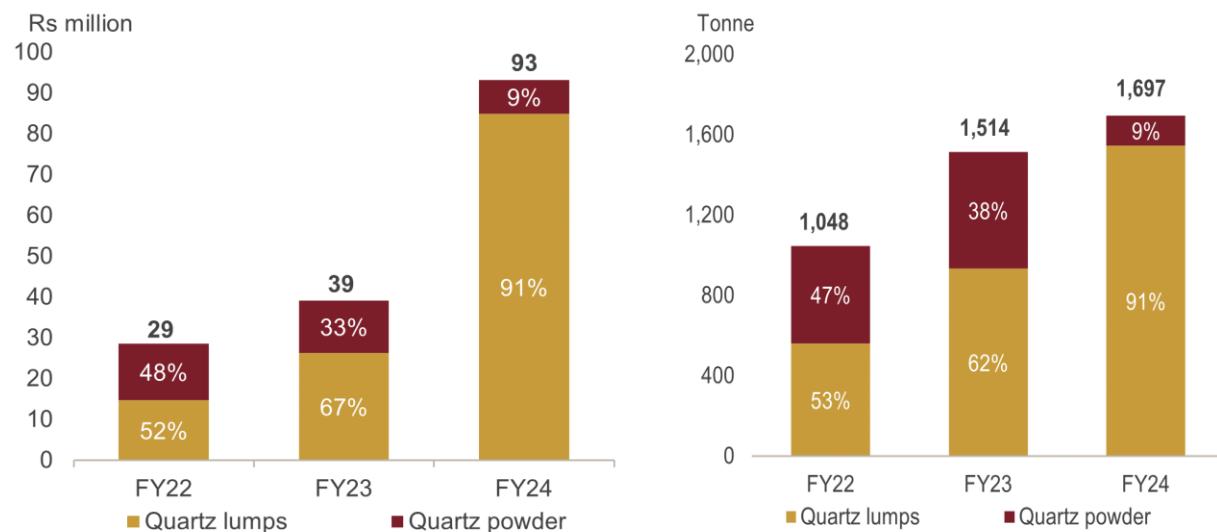
Quartz imports trend by value and volume over fiscals-2024



Source: DGFT, CRISIL MI&A Consulting

Quartz is imported in the form of lumps as well as powder.

Quartz imports bifurcation based on Quartz lumps and Quartz powder (value and volume over fiscals 2022-2024)



Source: DGFT, CRISIL MI&A Consulting

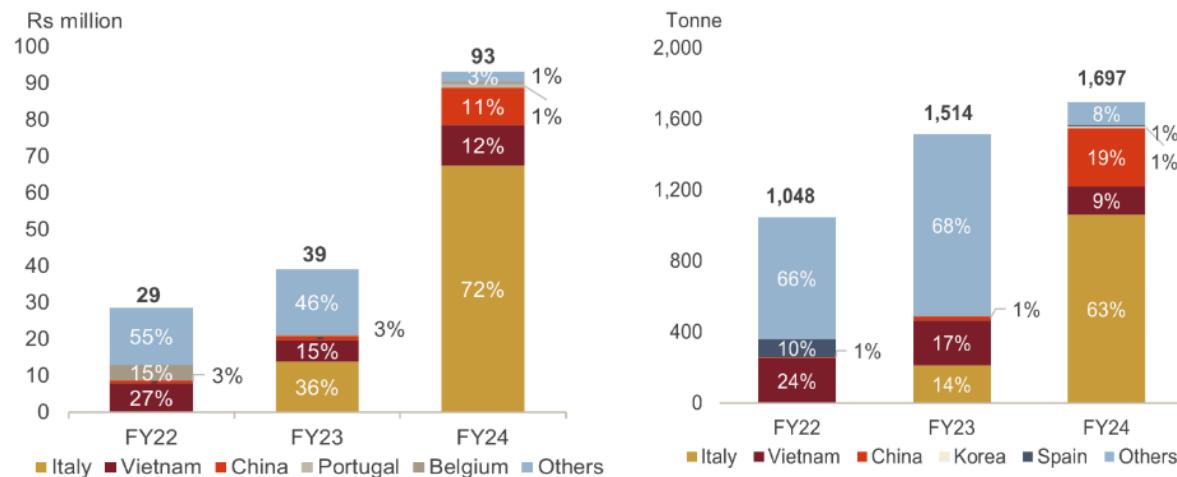
The share of quartz lumps in overall imports has increased over fiscals 2022-2024. While the share of quartz lumps in overall import volumes increased from 53% in fiscal 2022 to 62% in fiscal 2023, its share in overall quartz imports value increased faster (from 53% in fiscal 2022 to 67% in fiscal 2023), highlighting an increase in average import costs for quartz lumps. In fiscal 2024, quartz lumps accounted for 91%, both value wise (~Rs 85 million) and volume wise (~1,546 tonne).

Quartz powder accounted for 9% of overall quartz import value (~Rs 8 million) and volume (~151 tonne). Its share has decreased over fiscals 2022-2024.

In fiscal 2024, Italy, Vietnam, China, Portugal, and Belgium emerged as the key players in quartz imports, collectively contributing 97% of the total imports value. This represents a substantial increase from their combined contribution of 45% in fiscal 2021 and 55% in fiscal 2023. Notably, Italy dominated the market in fiscal 2024, accounting for 72%

of import value, marking a significant rise from its negligible presence in previous years. Vietnam's share declined from 27% in fiscal 2021 to 12% in fiscal 2024. Belgium also experienced a reduction in its import value share. The US, previously a major player with a 10% share in fiscal 2021 and 20% in fiscal 2023, recorded negligible exports in fiscal 2024.

Country-wise quartz import value (in lakh) and volume (in tonne) over fiscals-2024



Source: DGFT, CRISIL MI&A Consulting

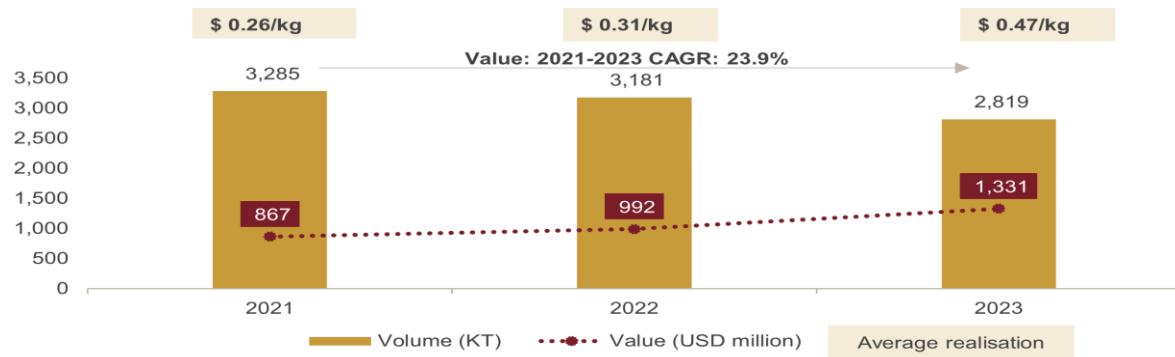
In fiscal 2024, the quartz import landscape witnessed a significant transformation, with Italy, China, Vietnam, Korea and Spain emerging as the five major players collectively responsible for 92% of total volume of quartz imports. This marked a substantial increase from their relatively modest contribution of 34% in fiscal 2022 and 32% in fiscal 2023. Notably, Italy emerged as the largest importer, accounting for 63% of quartz imports in fiscal 2024- a remarkable rise from its minimal share in preceding years. There has been a growing preference for sanitaryware, and other bathroom products, such as sinks, wash basins and bathtubs made from quartz imported from Italy. Similarly, China saw a noteworthy surge, with its share increasing from a mere 1% in fiscals 2022 and 2023 to 19% in fiscal 2024. However, amidst these developments, Vietnam, previously a significant player in the market, witnessed a dramatic decline, virtually ceasing imports in fiscal 2024 after consistently exporting substantial volumes in earlier years.

Between fiscals 2022 and 2024, India consistently exported significantly larger volumes and values of quartz, compared with the imports. This trend indicates that India is a net exporter in the industry.

Global Quartz trade

In 2021, global quartz imports were 3,285 KT, valued at USD 867 million, which stood at 2,819 KT, valued at USD 1,331 million in 2023.

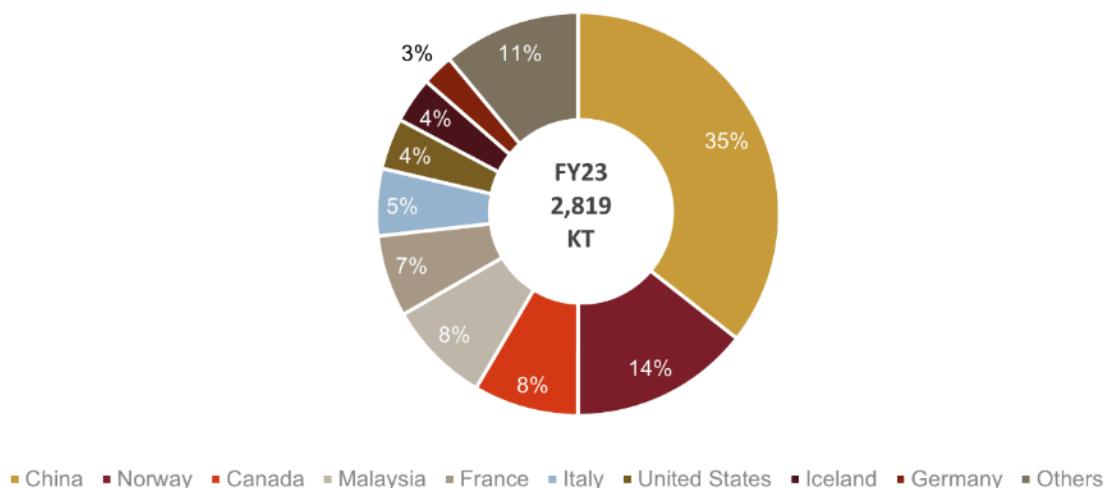
Quartz global imports trend by value and volume over fiscals 2021-2023



*Note: Volume analysis based on reported countries' data
Source: World Integrated Trade Solution, CRISIL M&A Consulting*

During 2021-2023, while volumes declined, the value increased at a CAGR of 23.9%, highlighting an increase in average realisations.

Country-wise imports trend by volume for fiscal 2023



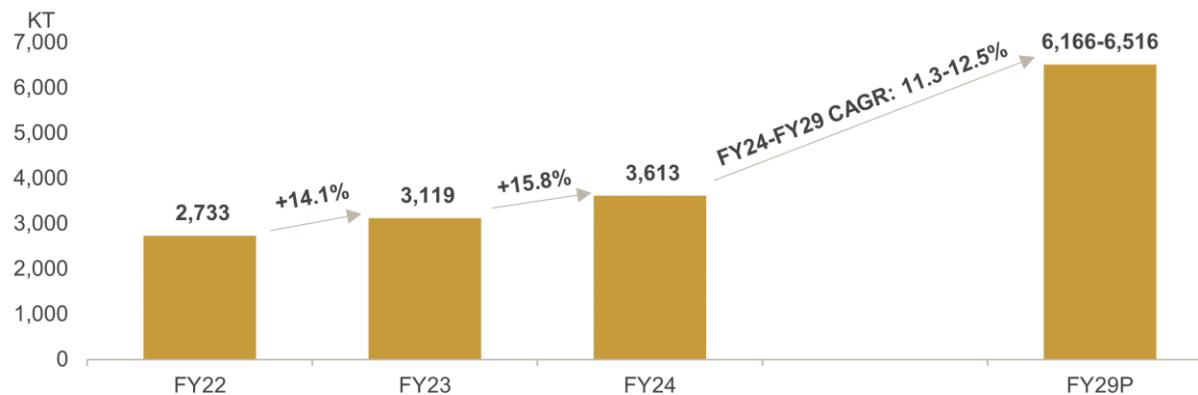
*Note: Volume analysis based on reported countries' data
Source: World Integrated Trade Solution, CRISIL M&A Consulting*

During 2023, top 9 importers- China, Norway, Canada, Malaysia, France, Italy, US, Iceland and Germany contributed to 89% (~2,498 KT) of the global imports by volumes. China topped the list of importers, accounting for 35% (~999 KT) of the global imports, followed by Norway and Canada.

The value contribution of these 9 players stood USD 1,058 million, ~80% of the total value of global imports.

Assessment of domestic demand of quartz

Domestic demand of quartz- review (fiscal 2022-2024) and outlook (fiscal 2029)



P: Projected

Source: CRISIL MI&A Consulting

The domestic demand for quartz saw an upward trend over fiscal 2022-2024, logging a significant CAGR of 15.0%. The domestic demand stood at 2,733 KT in fiscal 2022, which increased 14.1% to reach 3,119 KT in fiscal 2023 and further by a greater 15.8% to stand at 3,618 KT in fiscal 2024.

The requirements of these products are linked directly to the iron and steel industry, including alloy steel production, and sunrise industries like Solar, Electronics, Glass and Slabs. There are large prospects of increasing the production and the export of quartz and silica minerals to the neighbouring countries.

The quartz domestic demand is projected to register a CAGR of 11.3-12.5% and the consumption is expected to reach 6,166-6,516 KT in fiscal 2029 from the 2024 level, driven construction, solar glass, electronics and engineered stone industries.

Quartz for solar glass

Quartz is a crucial component in the production of solar glass, a high value glass used in solar panels to convert sunlight into electricity. The grit is a premium quality product in which the iron content is lower than 100-120 ppm, making it a suitable raw material to produce solar panel glass. Quartz grit constitutes ~65-70% of raw material used to produce the glass for solar panels. It is mixed with other materials and melted to create a thin, flexible sheet of glass that can be used in solar panels.

Domestic demand of quartz by end use applications (solar glass vs others)



P: Projected

Note: Others- includes all the applications other than solar glass like- engineered stone, electronics etc.

Source: CRISIL MI&A Consulting

Currently, India has high import dependency for solar glass where almost 65% of demand is met through imports and the rest (~35%) through domestic supply. But this scenario is expected to reverse in next 4-5 years with domestic supply to increase to 70-80% by fiscal 2029. Over 1.2 mnT of solar glass manufacturing capacity is planned by various players in the country over the next 4-5 years. The demand for quartz to manufacture solar glass is expected to increase at a strong CAGR of 30.7%-31.4% to reach ~2,100-2,160KT in fiscal 2029, accounting for ~32-33% share of overall quartz demand, driven by an expected increase of ~140 GW of solar capacity additions over fiscal 2025-2029.

Midwest, with a planned capacity addition of 0.5 mnT of quartz grit used for solar glass -manufacturing is expected to cater to 15-18% of the demand in fiscal 2029.

Growth drivers for solar industry in the country are as follows:

1. Other central schemes: The Solar Energy Corporation of India (SECI) has also started tendering projects outside the JNNNSM Batch programme. It has initiated the Inter-State Transmission System (ISTS) scheme, wherein projects are planned for connection with the ISTS grid directly. Under this, the SECI has already tendered and allocated more than 35 GW (including hybrid).
2. State solar policies: ~24 GW of projects are under construction and are expected to be commissioned over fiscals 2025-2029. Based on tendered capacities by states as of June 2024, a further ~24 GW worth of solar projects are expected to be up for bidding over the same duration.
3. PSUs: The Central Public Sector Undertaking (CPSU) programme under JNNNSM has been extended to 12 GW in February 2019. The government is also encouraging cash-rich PSUs to set up renewable energy projects. In particular, NTPC has already commissioned a total of over ~2,120 MW of capacities, allocated ~5 GW, and tendered a further ~1 GW, under various schemes. It has a target of installing ~35 GW of renewable energy capacities by fiscal 2028. Similarly, NHPC had allocated 2 GW of projects in 2020, while the Indian Railways has committed to 20 GW of solar power by 2030. Other PSUs such as NLC, defence organizations, and governmental establishments are also expected to contribute to this addition.
4. Rooftop solar projects: We expect 20-22 GW of rooftop solar projects (under the capex and opex mode) to be commissioned by fiscal 2029, led by PM Surya Ghar Yojana and industrial and commercial consumers under net/gross metering schemes of various states.

5. Open-access solar projects: We expect 13-15 GW of open-access solar projects (under the capex and opex mode) to be commissioned by fiscal 2029, led by green energy open access rules 2022, sustainability initiatives/RE 100 targets of the corporate consumers, better tariff structures and policies of states such as Uttar Pradesh and Karnataka, which are more long term in nature.
6. Push for Green hydrogen: Production for green hydrogen is expected to start from fiscal 2026 with production of 0.5-1 million tonnes of production. Government has set the target production of 5 million tonnes of green hydrogen by 2030. As per announcement, we expect 2.0-2.2 MTPA of green hydrogen to commission which can lead to further upside of solar capacity of 32-37 GW, by fiscal 2029. However, since developers may tie-up via grid / open access and not go to the captive route generation under this segment will remain a monitorable.
7. Renewable generation obligation (RGO): As per the guidelines upcoming coal plants are obligated to establish renewable generating capacity at a minimum of 40% of their generating capacity. This will be applicable for plant commissioning from April 2023 onwards. Plant commissioning prior to March 2025 will be required to achieve 40% RGO by April 1st, 2025. All plants commissioning after April 1st 2025 will be required to comply with RGO from the day of commissioning. However, upcoming coal power plants may also tie-up these capacities via the grid or open access as most of these projects would be in advanced stages of construction, where land and financing would already be tied-up. Hence, this segment may possibly add capacity of 8-10 GW by fiscal 2029, which as per tie-up is an upside to our current outlook.

Further, an amendment to open access regulations via the green energy open access rules through energy banking regulations, changes in minimum contract demand, standardizing calculation of charges, etc will solve the key issues of high levies, absence of banking provisions, and standardization across procedures prevalent in the open access market.

Sectoral overview- heavy mineral sand minerals

Heavy minerals sand, occur as placer deposits, are formed by the action of water and wind concentrating valuable minerals from weathered rocks in coastal and near-coastal environments. Heavy minerals have a higher density than typical sand minerals, which causes them to concentrate in certain areas through the action of waves and currents.

Heavy minerals sand- They are found on beaches, often in the form of sand and include:

- Quartz: The most abundant mineral, forming the bulk of sand on most beaches
- Feldspar: Another common mineral, often found alongside quartz
- Mica: Flaky minerals that can be present in small amounts
- Magnetite: A heavy, magnetic mineral often black or dark brown in colour

Overview of heavy mineral sand

Mineral sand deposits are characterised by their grade (the percentage of heavy minerals found in a particular deposit) and their assemblage (the relative proportion of different products of heavy minerals like ilmenite, zircon, etc. in the beach sand deposit). A typical composition of a mineral sands deposit has a heavy mineral grade ranging from 0.5% to above 20%. It means 100 tonnes of heavy minerals' beach sand deposit contain heavy minerals in the range of 0.5 to 20 tonnes.

Common heavy minerals sand include:

Sr. no.	Heavy mineral sand	Picture	Brief description
1	Rutile	 A cluster of reddish-brown, elongated, needle-like rutile crystals.	A titanium dioxide mineral, also an important source of titanium, valued for its high purity and brightness in pigments
2	Ilmenite	 A dark, metallic, octahedral ilmenite crystal.	An iron titanium oxide, a major source of titanium dioxide, used in pigments, cosmetics and aerospace components
3	Garnet	 A group of red garnet crystals with a vitreous lustre.	A hard, dense mineral, having a vitreous lustre, which means it has a glass-like appearance used as an abrasive and in water filtration
4	Zircon	 A yellowish-brown zircon crystal with a distinctively faceted, diamond-shaped habit.	A zirconium silicate, used in ceramics, refractory materials and as a foundry sand due to its high melting point and resistance to corrosion
5	Monazite	 A yellowish-orange monazite mineral with a granular or fibrous texture.	A phosphate mineral containing rare earth elements, thorium and uranium. Rich in rare earth elements, essential for electronics, renewable energy technologies and various advanced materials

Source: Industry

The two main product streams of heavy minerals are:

1. *Titanium dioxide minerals*: The titanium dioxide minerals are ilmenite, rutile, and leucoxene. Ilmenite is also used to manufacture titanium slag and synthetic rutile products; and
2. *Zircon minerals*

The titanium dioxide products (ilmenite, rutile, etc.) are normally in the greater preponderance, relative to zircon. It has been observed that in a typical heavy mineral deposit, an average ratio of titanium dioxide minerals to zircon is around 5:1 i.e. heavy mineral consists of 83.3% of titanium dioxide minerals and 16.7% of Zircon.

Australia, South Africa, India and Mozambique are key producers of heavy mineral sands. Countries such as Kenya, Madagascar and Sri Lanka are developing their heavy mineral sand mining capabilities, contributing to global supply. In India, heavy minerals are mainly found along the country's coastal areas and inland placers.

According to IBM and the letter received from Department of Atomic Energy, Mumbai dated July 26, 2018, the details of total reserves and resources are as follows:

Mineral	Unit	Reserves/resources#
Ilmenite*	Million tonne	629.57
Rutile	Million tonne	33.95
Zircon	Million tonne	33.71
Garnet	Million tonne	56.01
Monazite	Million tonne	12.73
Sillimanite	Million tonne	72.26
Titanium (P)	Million tonne	427.12

Source: IBM

Note: As per the letter received from Department of Atomic Energy, Mumbai dated July 26, 2018. The resources of beach sand minerals (BSM) viz. Ilmenite, Rutile, Zircon, Garnet, leucoxene, monazite and Sillimanite were last updated in 2016 by AMD.

P: Provisional (IBM)

Inclusive of indicated, inferred and speculative categories

** Including leucoxene*

^The yield for Ilmenite is ~44-70% and that of Rutile is ~90-95% (titanium feedstock)

Prices of Heavy minerals sand are as follows:

Mineral	Unit*	Price range
Ilmenite (TiO ₂ ≥56%)	INR/Ton	57,120-59,500
Rutile (TiO ₂ ≥90%)	INR/Ton	173,740-192,780
Zirconium Dioxide (Zr (Hf)O ₂ ≥99.5%)	INR/Ton	583,100-595,000
Sillimanite	INR/Ton	21,672-22,008
Garnet	INR/Ton	26,000-27,000
Monazite Concentrate	INR/Ton	470,050-493,850
High Titanium Slag (TiO ₂ ≥90%)	INR/Ton	85,680-88,060
Titanium Concentrate (TiO ₂ ≥47%)	INR/Ton	29,750-31,654

Source: Shanghai Metals Market

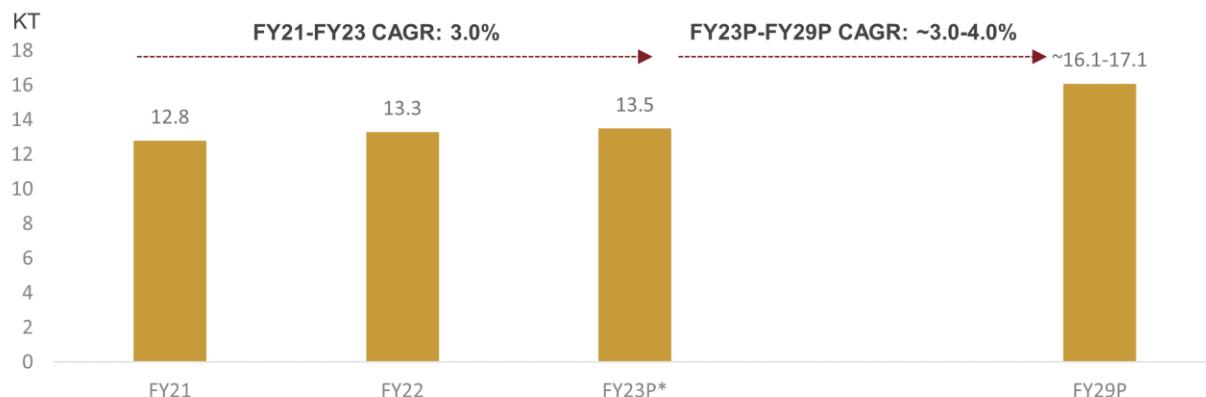
**Conversion factor taken as, 1USD=84INR, 1CYN=11.9INR*

Note: prices as of September 2024

Rutile

Rutile is a mineral composed primarily of titanium dioxide (TiO_2). It is a significant ore of titanium and known for its high refractive index and optical dispersion, making it valuable in various industrial applications. It is a mineral with a distinctive combination of red, reddish-brown, yellow and black colours, exhibiting adamantine to metallic lustre.

Domestic production review- Rutile



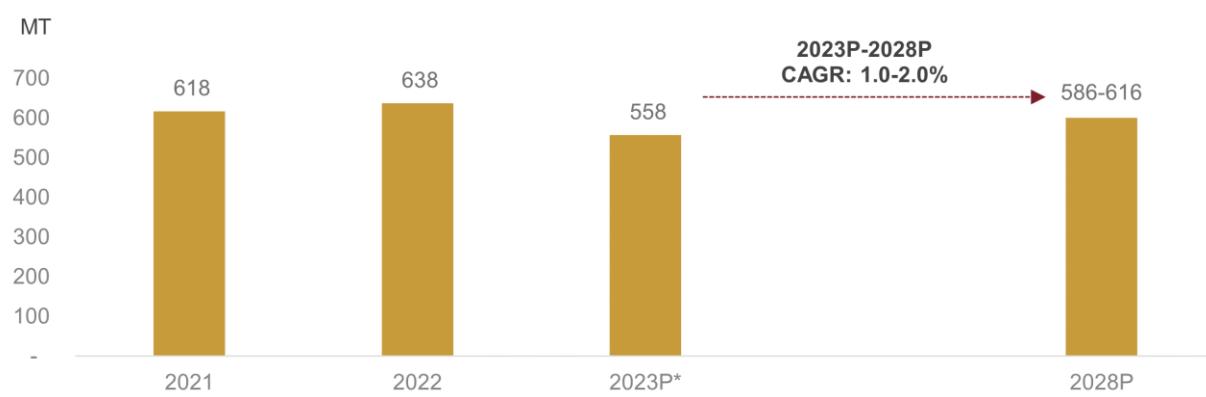
P: provisional

Sources: IBM

The domestic production of rutile increased from 12.8 KT in fiscal 2021 to 13.4 KT in fiscal 2023, clogging a CAGR of 3.0%. In India, the production of rutile is done by only 2 players- Indian Rare Earths Limited (IREL) and Kerala Minerals and Metals Ltd (KMML), accounting for ~89% and 11%, respectively, in overall domestic production for rutile.

During fiscals 2023-2029, the domestic production of Rutile is expected to increase at a similar CAGR of ~3.0% to reach ~16.1-17.1 KT. The prices of Rutile were in the range of Rs 92,138- 93,052 per tonne during fiscal 2020, as reported by IBM.

Global production review- Rutile



P: provisional

Sources: USGS

Global production of rutile stood at 558 MT in 2023. In 2023, the global production of rutile experienced a decline because of reduced production in Ukraine which accounted for 15% (~95 MT) in 2022 and just 9% (50MT) in 2023

of the overall rutile production, caused by the ongoing Russia-Ukraine war. Major producers around the globe for rutile include Australia, South Africa and Sierra Leone.

During 2023-2028, the global production of Rutile is expected to increase at a CAGR of 1.0-2.0% to reach ~586- 516 MT, driven by global demand for titanium minerals.

Rutile finds its application as follows:

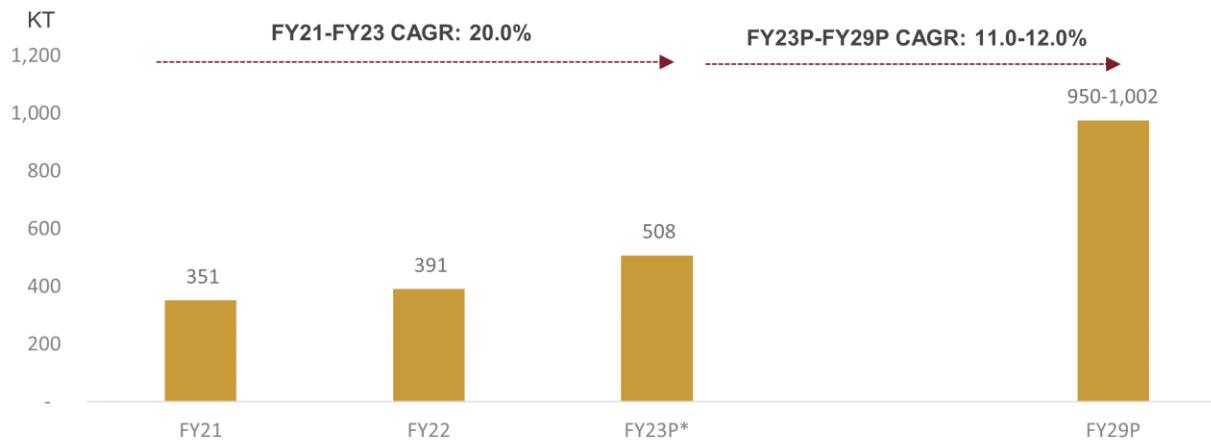
- Titanium dioxide production: The primary use of rutile is as a source of titanium dioxide. Titanium dioxide produced from rutile is suitable for application in high-performance segments such as the automotive and aerospace industry while also being suitable for use in pigments, plastics and welding rods as a coating material
- Metallurgy: Titanium metal is derived from rutile, used in aerospace, military and medical applications due to its strength and corrosion resistance
- Welding rods: Rutile is used in the coating of welding rods to stabilise the arc and improve the quality of the weld
- Gemstones: Due to its high refractive index, rutile is occasionally used as a gemstone or in the production of synthetic star sapphires and rubies

Furthermore, synthetic rutile is used as a flux component in the production of welding electrodes and also to manufacture titanium tetrachloride, which is then used to make titanium sponge. This mineral is also an ingredient in special abrasives.

Ilmenite

Ilmenite is a titanium-iron oxide mineral. It is an important source of titanium and is typically found in igneous and metamorphic rocks as well as in placer deposits. It is a dark brown to black mineral with a metallic to submetallic luster, characterized by a smooth, glassy appearance with a slight iridescence.

Domestic production review-Ilmenite



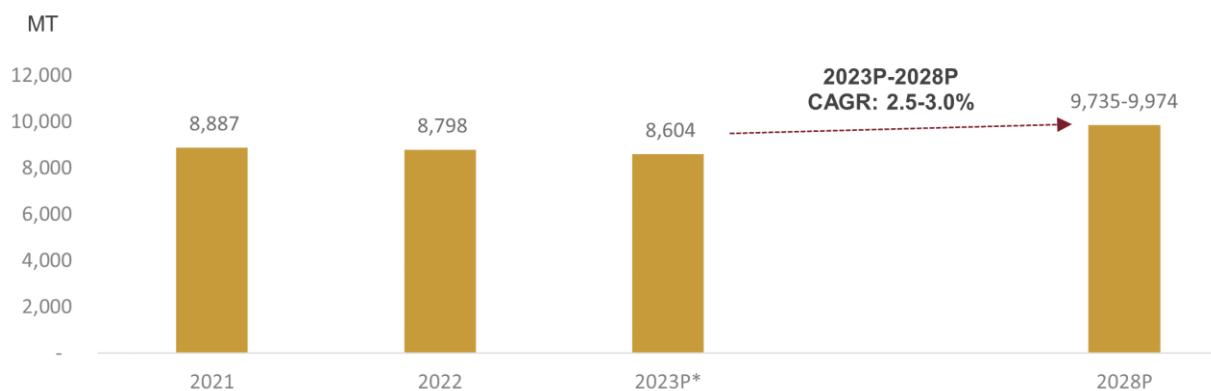
P: provisional
Sources: IBM

The domestic production of ilmenite increased from 351 KT in fiscal 2021 to 508 KT in fiscal 2023, clogging a CAGR of 20.0%. In India, the production of Ilmenite is done by only 2 players- Indian Rare Earths Limited (IREL) and Kerala Minerals and Metals Ltd (KMML), accounting for ~90% and 10%, respectively, in overall domestic production for Ilmenite.

During fiscals 2023-2029, the domestic production of Ilmenite is expected to increase at a CAGR of 11.0-12.0% to reach ~950- 1,002 KT, driven by the domestic demand for titanium minerals.

The prices of Ilmenite were in the range of Rs 13,167- 14,618 per tonne during fiscal 2020, as reported by IBM.

Global production review-Ilmenite



P: provisional
Sources: USGS

Global production of ilmenite stood at 8,604 MT in 2023. The global production of ilmenite decreased because of reduced production in Ukraine, which contributed 190 MT in 2022 and just 60 MT in 2023 caused by the ongoing Russia-Ukraine war. Major ilmenite-producing countries include Australia, South Africa, Canada, and Norway. During 2023-2028, the global production of Ilmenite is expected to increase at a CAGR of 2.5-3.0% to reach ~9,735-9,974 MT, driven by global demand for titanium minerals.

Its applications are as follows:

- Titanium dioxide production: The primary use of ilmenite is to produce titanium dioxide (TiO_2), which is used as a white pigment in paints, plastics, paper and food colouring.
- Titanium metal production: Ilmenite is also a key raw material for producing titanium metal, used in aerospace, medical, and other high-performance applications, due to its strength, light weight, and resistance to corrosion.
- Welding rod coating: It is used in the manufacture of fluxes for welding rods.

Assessment of titanium mineral market

Among heavy minerals, ilmenite and rutile are the two primary sources of titanium.

Picture	Brief description
	Titanium dioxide exists in various forms, including rutile, anatase (octahedrite), and brookite, although brookite is not found in large quantities in nature. Leucoxene is an alteration product of ilmenite and is often found associated with ilmenite.

Source: Industry

The different grades of titanium minerals obtained from the mining of heavy minerals are provided in the table below.

Titanium minerals	TiO ₂ Content (%)	Availability
Rutile	>93%	Restricted occurrence
Leucoxene	up to 90%	Restricted occurrence
Ilmenite	44-70%	Most abundant product

Source: Industry, CRISIL MI&A Consulting

The domestic production of titanium minerals is estimated to be ~365-375 KT in fiscal 2023.

These minerals (rutile, leucoxene and ilmenite) along with their value-added products like synthetic rutile and TiO₂ slag constitute “Titanium Feedstock” for the following major industries:

1. TiO₂ Pigments
2. Titanium Metal
3. Welding electrodes and titanium chemicals industry

Domestic market of Titanium minerals by end use segments for fiscal 2023 and fiscal 2029



P: Projected

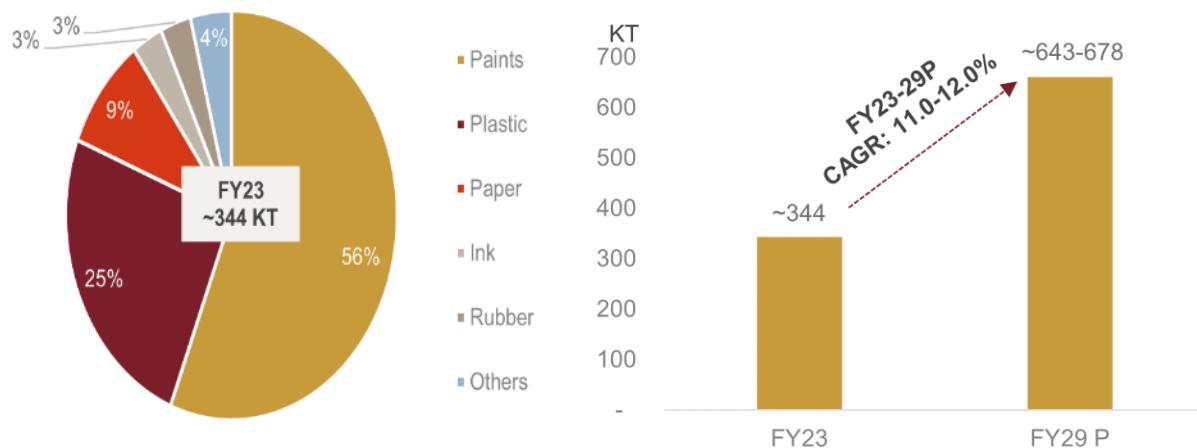
Source: CRISIL MI&A Consulting

The domestic consumption for titanium minerals is estimated to be ~382 KT. About 90% (~344 KT) titanium minerals is used in the manufacturing of white titanium dioxide pigment, followed by titanium metals (6%; 23 KT) and others (4%; ~15KT) during fiscal 2023.

During fiscal 2023-2029, the domestic market of titanium minerals/feedstock is expected to increase at a CAGR of 11.0-12.0% to reach ~714-754 KT.

This unique mineral offers a combination of exceptional properties, including high refractive index, low specific gravity, high hiding power, and opacity, as well as non-toxicity. These qualities make titanium dioxide a versatile material with numerous applications across various industries.

Domestic market of Titanium dioxide (TiO₂) pigments for fiscal 2023



P: Projected

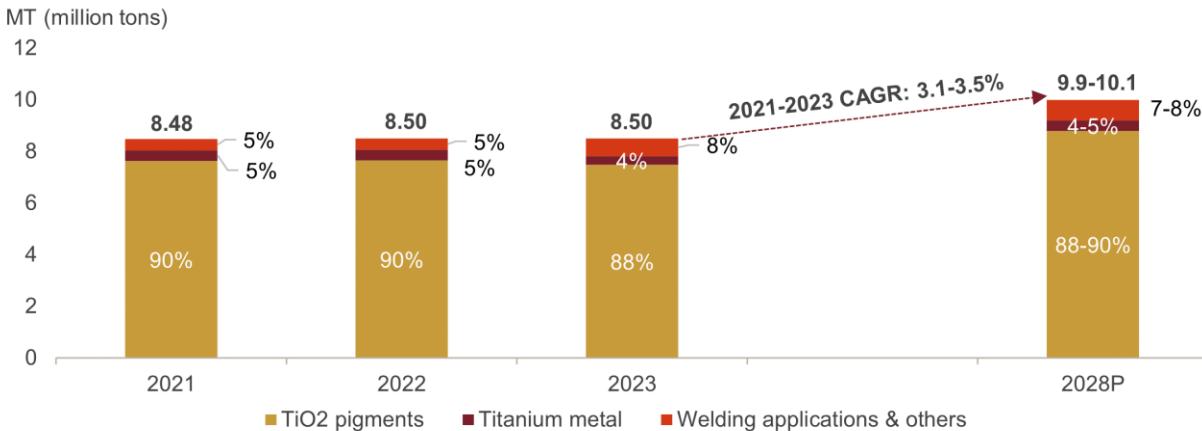
Source: CRISIL MI&A Consulting

- Paints accounted for 56% (~192 KT) of the market for TiO₂ pigments.
- Rest 44% (152 KT) is used in the production of white-walled tires, glazed papers, plastics, and printed fabrics. Additionally, its non-toxic nature makes it suitable for use in pharmaceuticals, and even in foodstuff as well as in toothpaste.

Titanium metal (6%; ~23KT, of domestic market of titanium minerals), on the other hand, is a versatile material with exceptional characteristics. Its lightness, strength, and durability make it an essential metal for the aerospace Industry. It is also used in desalination and power-generation plants, as well as in corrosive chemicals industries, due to its inertness and resistance to corrosion. Its non-reactive property makes titanium metal one of the few materials that can be used in the human body for orthopaedic use and in pacemakers.

During fiscal 2023-2029, the domestic market of Titanium dioxide pigments is expected to increase at a CAGR of 11.0-12.0% to reach ~643-678 KT.

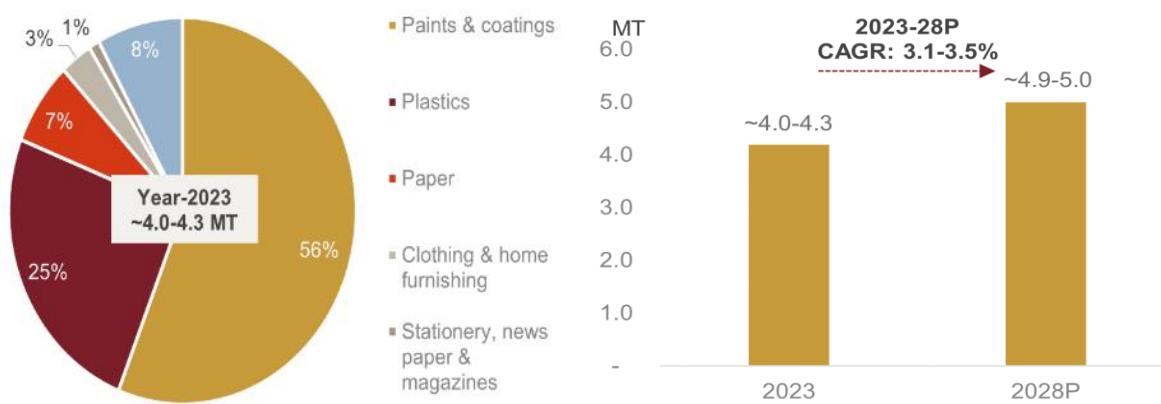
Global market of Titanium minerals by end use segments



The global consumption for titanium minerals (feedstock) increased from 8.48 MT (million tons) in 2021 to 8.50 MT in 2023. About 88% (~7.5 MT) of titanium feedstock is used in the manufacturing of white titanium dioxide pigment, followed by welding applications and others (8%; 0.7 MT) and titanium metals (4%; ~0.3 MT) during 2023.

During 2023-2028, the global market of Titanium feedstock is expected to increase at a CAGR of 3.1-3.5% to reach ~9.9-10.1 MT.

Global market of Titanium dioxide (TiO₂) pigments for 2023 and 2028P



P: Projected
Source: CRISIL MI&A Consulting

- Paints & coatings accounted for 56% (~2.24 MT) of the market for TiO₂ pigments. In the manufacturing of paints, titanium dioxide is used to create a wide range of white and pastel shades.
- Plastics accounted for 25% (~1.00 MT) of the market.
- Rest 19% (~0.76 MT) is used in production of ink and stationary materials like glazed papers, clothing and home furnishing- printed fabrics. Additionally, its non-toxic nature makes it suitable for use in pharmaceuticals, and even in foodstuff as well as in toothpaste.

Titanium dioxide is also used in cosmetics industry in manufacturing of sunscreen lotions and creams due to its non-toxicity and ultraviolet absorption properties.

As mentioned in the previous section, about 90% of the titanium dioxide pigment is predominantly used in the paint, plastic, and paper industry. Therefore, the demand for TiO₂ is a function of economic activity. TiO₂ is considered to be a quality-of-life product as its demand is driven by rising economies and standards of living. The correlation between TiO₂ demand and world gross domestic product (GDP) has been noted by many TiO₂ companies. This correlation holds because TiO₂ is fundamental to many basic building blocks of economies including housing materials, automobiles, industrial equipment, consumer packaging, and construction materials. These segments do well when countries' economies (GDP) are doing well, which drives TiO₂ demand growth.

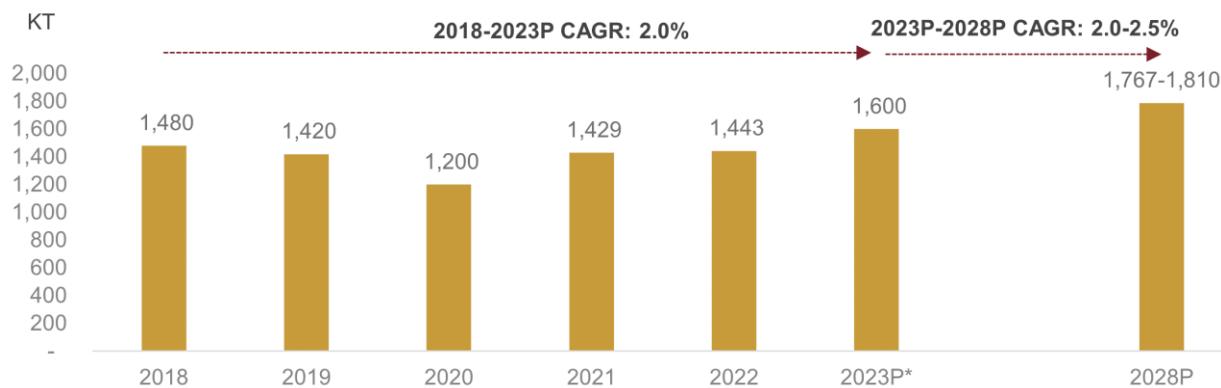
During 2023-2028, the global market of Titanium dioxide (TiO₂) pigments is expected to increase at a CAGR of 3.1-3.5% to reach 4.9-5.0 MT.

Assessment of zircon mineral market

Zircon is a mineral that belongs to the group of silicates and is characterized by its high density, hardness, and resistance to corrosion and heat. The heat-resistant properties also make it suitable for use in refractories in foundries and other high-temperature industrial applications.

It is a common mineral found in igneous, metamorphic, and sedimentary rocks, and is used in a variety of industrial and commercial applications. It is highly resistant to corrosion, even in the presence of acidic or alkaline substances.

Global production review- zircon



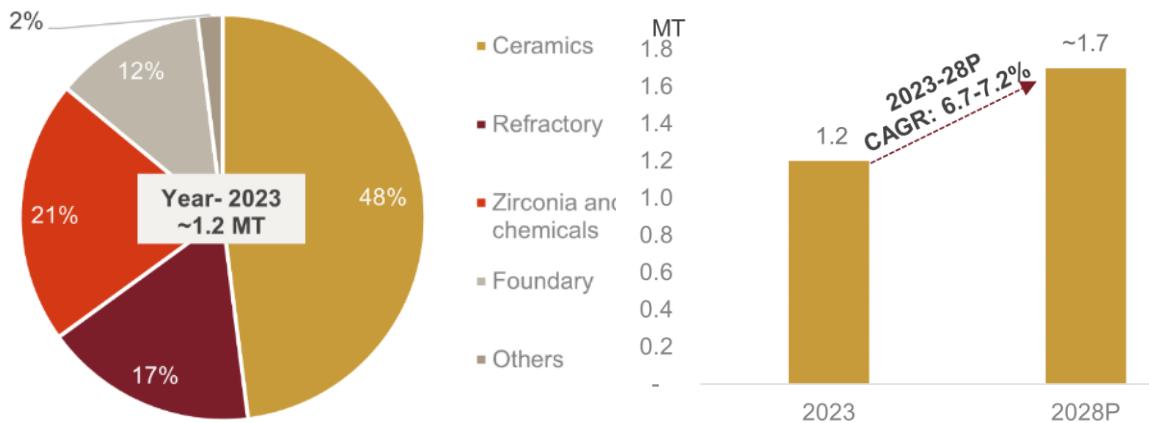
P: provisional
Sources: USGS

As per U.S. Geological Survey (USGS), Global production of zircon increased from 1,480 KT in 2018 to 1,600 KT in 2023, clogging a CAGR of 2% over years 2018-2023.

As per IBM, the production for zircon stood ~ 9.1 KT in fiscal 2018, ~11.9 KT in fiscal 2019 and ~15.6 KT in fiscal 2020. While the global production decreased over fiscals 2018-2020, India's production increased at a CAGR of ~31%.

The global production of zircon is expected to increase at a CAGR of 2.0-2.5% over 2023-2028, to reach ~1,767-1,810 KT by 2028.

Global consumption review/ market of zircon for year 2023 and 2028P



P: Projected

Source: CRISIL MI&A Consulting

Zircon is used in a variety of industrial and commercial applications, including:

- Ceramics accounts for ~49% (~0.58 MT) of the market of zircon, used in the production of ceramic products, such as tiles, bricks, and pottery.
- Zirconia and Zr chemicals accounts for 21% (~0.25%) used for abrasives, lamp filaments, jet engines and space shuttle parts etc.
- Refractory accounts for 17% (~0.20 MT) of the market Optical lenses: High refractive index and high dispersion make zircon useful for optical applications, such as gemstones and optical lenses, including those used in eyeglasses and telescopes.

Other applications includes:

- Jewellery: Zircon is used as a gemstone in the production of jewellery, particularly in rings, earrings, and other decorative items.
- Electronics: Zircon is used in the production of electronic components, such as capacitors and resistors.

The global consumption of zircon is expected to increase at a CAGR of 6.7-7.2% over 2023-2028, to reach ~1.7 MT by 2028.

Its high density, hardness, and resistance to corrosion make it a valuable material in a variety of industries, from abrasives to jewellery to electronics. Its optical properties also make it a popular choice for gemstones and other decorative items.

Garnet

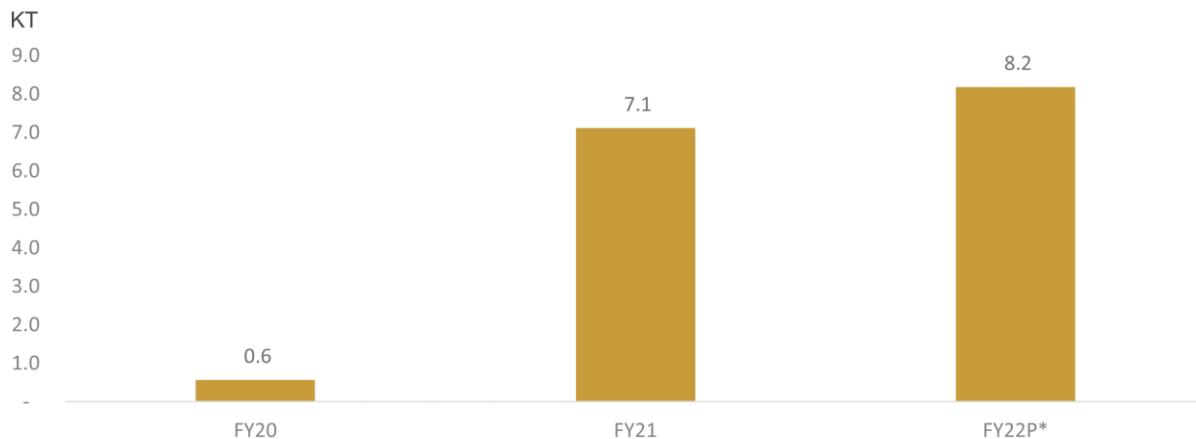
Garnet is a group of silicate minerals and are widely distributed in the Earth's crust, found in a variety of geological settings, including metamorphic rocks, igneous rocks, and sedimentary rocks, making up about 4% of the Earth's crust by volume.

It is a hard, dense mineral, having a vitreous lustre, which means it has a glass-like appearance when polished. It is a brittle mineral, which means it can break easily along cleavage planes. It is found in a wide range of colours, including red, orange, yellow, green and purple.

Uses of Garnet:

- Gemstone: Garnet is used as a gemstone and is prized for its deep red colour.
- Abrasives: It is used in abrasives, such as sandpaper and grinding wheels, due to its hardness and durability, and is also used in the manufacture of abrasive blasting media and in the production of refractory materials.
- Ceramics: Garnet is used in high-temperature applications, such as in the production of glass and ceramics.

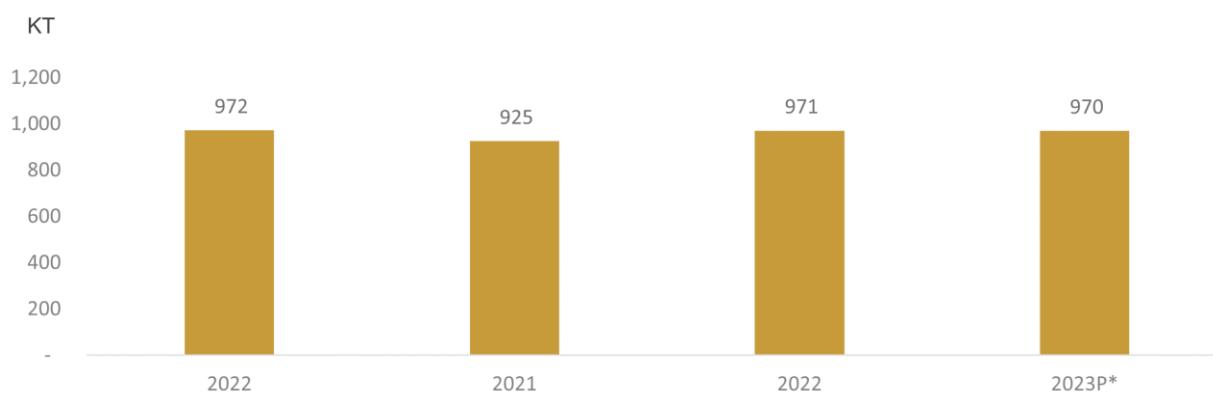
Domestic production of Garnet (abrasive)



P: provisional
Sources: IBM

The domestic production of garnet (abrasive) increased from 0.6 KT in fiscal 2020 to 8.2 KT in fiscal 2022. In fiscal 2022, like fiscal 2021, Rajasthan was the sole contributor to production, with five major producers from the state accounting for approximately 100% of the total output.

Global production of garnet (industrial)



P: provisional
Sources: USGS

Global production of garnet (industrials) stood at 971 KT in 2022. In 2023, the production of garnet (industrial) is projected to be at 970 KT. As per USGS, the US natural gas and petroleum industry is one of the key end use industries

which uses garnet for cleaning the drilling pipes and well casings. The expected decrease in the production can be attributed to the decline in the number of drill rigs operating in United States during 2023.

As per IBM, India's production of garnet industrial stood at 12 KT in 2021 and 15 KT in 2022.

Monazite

Monazite is a rare mineral that belongs to the phosphate mineral group. It is composed of phosphate minerals, specifically monazite-Ca and monazite-La. Monazite is found in rare earth element (REE) deposits and is a significant source of cerium, lanthanum, and neodymium.

Its applications are as follows:

- REE production: Monazite is a significant source of cerium, lanthanum, and neodymium, which are essential for a wide range of applications, including renewable energy technologies, catalysts, and advanced ceramics.
- Phosphor production: Monazite can be used as a phosphor in the production of lighting products, such as LEDs and fluorescent lights.
- Catalysts: Monazite has been shown to exhibit catalytic properties in certain chemical reactions, making it a potential component in catalysts for the production of chemicals and fuels.
- Advanced ceramics: Monazite can be used in the production of advanced ceramics, such as those used in aerospace and defence applications.
- Nuclear applications: Monazite has been explored as a potential component in nuclear applications, such as nuclear reactors and fuel cycles.

Monazite contains viable quantities of rare earth elements which are critical to produce high-quality strong magnets, which are found in various electronics, wind turbines and electric vehicles. These elements are also used in petroleum refining, automobiles and electronic screen displays.

In India, Monazite is produced by KMML and IREL. As per IBM, the production of monazite stood at 69.75KT in fiscal 2020.

Overall, the heavy mineral sand industry plays a critical role in supplying key materials for various high-demand sectors, ensuring its continued importance in the global market.

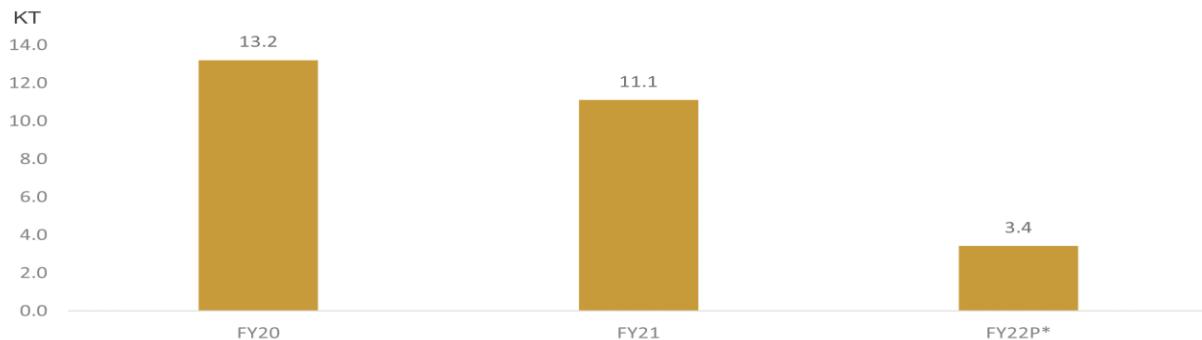
Sillimanite

Sillimanite is an aluminosilicate mineral, and it is commonly found in metamorphic rocks such as schists and gneisses. Sillimanite typically forms under high-temperature and high-pressure conditions during the metamorphism of aluminium-rich sediments.

- Refractories: Sillimanite is primarily used in the production of refractory materials. Its high melting point and resistance to thermal shock make it ideal for lining furnaces, kilns, and other high-temperature equipment. Refractories made from sillimanite are used in industries such as steelmaking, glass manufacturing, and ceramics.
- Ceramics: Used to manufacture high-quality porcelain and stoneware. Its properties help enhance the durability and strength of ceramic products.
- Abrasion-resistant Materials: Sillimanite's hardness makes it suitable for use in abrasives. It can be incorporated into materials that need to withstand wear and tear, such as sandblasting media and grinding wheels.
- Geological Studies: In geology, sillimanite serves as an index mineral for determining the metamorphic grade of rocks. Its presence can help geologists understand the temperature and pressure conditions under which the host rock formed.
- Engineering Applications: It is used in various engineering applications where high-temperature stability and resistance to thermal shock are required.

(Remainder of this page has been intentionally left blank)

Domestic production of Sillimanite



P: provisional
Sources: IBM

The domestic production of sillimanite stood at 11.1 KT in fiscal 2021. In fiscal 2022, the production for sillimanite is estimated to be at 3.4 KT.

As per IBM, the main reason for decrease in number of mines is classification of some sillimanite producing mines, as BSM mines in Andhra Pradesh, Kerala and Tamil Nadu. Earlier, these mines were considered under sillimanite mineral as a part of MCDR mineral as there was no separate classification of Beach Sand Minerals (BSM) and Non-Beach Sand Minerals (non-BSM).

Maharashtra is the only State which contributed 100% of the total production of sillimanite during fiscal 2022.

Company profile: Midwest Ltd

Business profile

Midwest Ltd., was incorporated in 1981 with the main objective of developing knowledge and expertise in the field of natural stones, namely granite, marble, quartzite, quartz and heavy mineral sand. Midwest mines over 1.37 million cubic meters (CBM) of granite per annum (average of fiscals 2022, 2023 and 2024), including saleable product and waste granite.

Midwest has built a strong presence over the past four decades in the business of mining and processing granite and further diversified into quartz mining and processing; heavy mineral sand extraction and processing of rare earth elements, including titanium; manufacturing of engineering diamond tools using eco-friendly techniques.

Quartzite and Laza Grey Marble, both recent additions to the company's portfolio, are being developed using a B2B2C strategy. The company is developing certain varieties of Laza Grey Marble and Celestia Quartzite, which could supplement the Indian market for imported Marble and Quartzite, as they possess similar aesthetic and functional attributes. This is expected to enhance revenue starting next year. These two products are recent additions to our portfolio, reflecting our commitment to offering cost-effective and high-quality materials.

The company aims to cater to the growing domestic market, which can complement demand patterns in international markets. For instance, while Black Galaxy Granite is sold at a premium in the overseas markets compared with the

Indian market, Absolute Black Granite can serve as a lower-cost alternative to Black Galaxy Granite, which can be sold at competitive prices in the domestic market.

Major subsidiary companies



Source: Midwest Limited

1. Midwest Ltd.

Midwest Ltd, a distinguished entity with four decades of legacy, is based in Hyderabad, Telangana. Incorporated on December 11, 1981, the company specialises in mineral exploration, mining, processing and global distribution of natural-stone products. Midwest Ltd's diverse portfolio includes the exploration and extraction of Black Galaxy Granite, Absolute Black Granite, quartz, quartzite, and heavy mineral sand across various locations in India and Sri Lanka.

2. Andhra Pradesh Granite (Midwest) Private Ltd

Andhra Pradesh Granite (Midwest) Private Ltd is a joint venture between Midwest Ltd and Andhra Pradesh Mineral Development Corporation Ltd, a state government enterprise. Incorporated on June 11, 2007, the company focuses on the mining and sales of Black Galaxy Granite, serving both global distributors and the domestic market.

3. Midwest Neo Stone Private Ltd

Midwest Neo Stone Private Ltd, incorporated on January 17, 2017, is a quartz crushing and processing unit located in the SEZ in Ongole district, Andhra Pradesh. As Midwest Ltd already excels in mining, this venture represents the next stage of vertical integration with processing plants. By setting up this processing facility, the company has successfully extended its business operations, completing the industrial chain from mining to market to meet the demand for engineered stone, glass, solar, and semiconductor industries—a significant value addition for its growth.

4. Midwest Heavy Sands Private Ltd and Trinco Mineral Sands Ltd

Midwest Heavy Sands Private Ltd and Trinco Mineral Sands Ltd mark Midwest Ltd's strategic expansion into the heavy mineral sand sector. Midwest Heavy Sands Private Ltd (MHPL) was incorporated on November 9, 2022, and Trinco Mineral Sands Ltd (TMSL) on June 30, 2023, both in Sri Lanka. These companies are subsidiaries of Midwest Ltd.

The above companies have already obtained mineral exploration licences for Heavy minerals sand from the government of Sri Lanka and completed exploration activities. The company is in the process of obtaining mining licenses and various operational permits to start the mining activities and establish the processing plant.

Infrastructure details

The company's infrastructure details are as follows:

Addresses	Area (sq ft)	Details (leased/ owned/ rented/ licensed)
-----------	--------------	--

Midwest Ltd 8-2-684/3/25&26, Road No.12, Banjara Hills, Hyderabad - 500 034 (T.S) INDIA	11,500	Leased (office building)
Midwest Ltd Plot No 29, Building Product SEZ at Growth Center, Gundlapally, Ongole, Prakasam District, Andhra Pradesh – reg	72,000	Leased (land leased for 33 years from the Andhra Pradesh Industrial Infrastructure Corporation Ltd [APIIC]. The company constructed the processing plant)
Midwest Neostone Pvt Ltd Plot No 30A, Building Product SEZ at Growth Center, Gundlapally, Ongole, Prakasam District, Andhra Pradesh – reg	1,25,280	Leased (land leased for 33 years from the APIIC. The company is constructing the processing plant)
Midwest Neostone Pvt Ltd Plot No 30B & 31, Building Product SEZ at Growth Center, Gundlapally, Ongole, Prakasam District, Andhra Pradesh – reg		Leased (land leased for 33 years from the APIIC. The company is constructing the processing plant)
Midwest Ltd Plot No. 44/C, IDA, Patancheru Medak TG 502319	34,130	Own (built the diamond tools manufacturing plant)
Andhra Pradesh Granite (Midwest) Pvt. Ltd Sy No 55/5, RL Puram Village, Chimakurthy Rd, Chimakurthy Mandal, Prakasam, Andhra Pradesh, 523226	20,400	Leased land (the company built the granite processing plant)
Midwest Ltd La Creative Heights, Flat No 2 & 3, Road No. 12, Banjara Hills, Hyderabad, Telangana	4,500	Guest house
Midwest Ltd Padmaja Courts – I, Flat No 401, Sri Nagar colony, Hyderabad, Telangana	2,000	Guest house

Source: Midwest Limited

The company's reserves details are as follows:

MIDWEST GRANITE RESERVES								
DECORATIVE STONES (GRANITE)								
S. No.	Rock Type	Mine Location	Proved Reserves (CBM)	Blockable Reserve (CBM)	Recovery (%)	Avg. production per month in CBM	Life of the mine (In months)	Life of the mine (In Yrs)
1	Galaxy granite (Black)	Chimakurthy	10,170,512	2,339,218	23	5,000	468	39
		APJV	28,514,685	6,273,231	22	6,000	1046	87
		Block-4	11,810,753	1,771,613	15	5,000	354	30
2	Black granite	Arpanapalli&Teegalaveni	7,462,588	1,417,892	19	4,000	354	30
		Yerraballigudem	1,275,592	234,203	18	500	468	39
		Gurthur	1,425,686	260,008	18	800	325	27
		Makkapeta	1,773,845	319,292	18	400	798	67
		Ramakuppam	946,412	198,747	21	700	284	24
		Kukatlapalle	3,888,094	816,500	21	2,500	327	27
3		Kodad	5,716,369	1,280,437	22	4,000	320	27
		Vilasagar	14,889,153	3,871,180	26	5,000	774	65

	Colour granite	Ilkal	1,773,845	461,200	26	5,000	92	8
4	Marble	Kadapa	3,985,046	1,036,298	26	5,000	207	17
5	Quartzite	Hanumanthunipadu	4,239,147	1,294,865	30	5,000	259	22
Total			97,871,727	21,574,683				

Source: Midwest Limited

Existing footprints in the granite market

- Core operations in India

Midwest at present holds 20 mining lease licenses, five leases for which mining approvals are in the process, two granite processing units, one quartz crushing and processing unit and one diamond tool manufacturing plant.

The details of the leases as on May 31, 2024, are listed below:

Name of mine/ processing unit/ plant	Location	Number of mine leases/ processing plants	Leases available: obtaining mining approvals
Mines			
Black galaxy granite mine	Ongole, Andhra Pradesh	3	
Absolute black granite mine	Warangal, Telangana	7	2
Absolute black granite mine	Kodad, Telangana	2	
Absolute black granite mine	Errabelligudem, Telangana	2	
Grey marble mine	Kadapa, Andhra Pradesh	1	
Tan-brown granite mine	Karminagar, Telangana	2	
Quartzite	Hanumanthunipadu, Andhra Pradesh		1
Quartz mines	Kadapa, Andhra Pradesh	3	
Quartz mine	Chejerla, Andhra Pradesh		1
Quartz mine	Hathibelgal, Andhra Pradesh		1
Granite processing units			
Chimakurthy	Andhra Pradesh	1	
Ongole SEZ	Andhra Pradesh	1	
Diamond tool plant in Hyderabad			
Diamond Rope	Hyderabad	1	
Quartz crushing and processing plant in Andhra Pradesh			
Ongole SEZ	Andhra Pradesh	1	

Source: Midwest Limited

Midwest's global distribution network

Midwest supplies its natural stone products across the world through its global distributor network. Despite significant waiting time and higher prices, the company has established a loyal and committed base of customers owing to the trust it has built over the years.

The distribution network across continents is as follows:

Major regions/ continents	Countries where Midwest has an established distribution network
North America	The US, Canada, Mexico, Guatemala
South America	Chile, Argentina, Brazil
Europe	Spain, Italy, Romania
Africa	East Africa, Mozambique, Zimbabwe
Asia	India, Sri Lanka, China, Taiwan, Hong Kong, Thailand, Singapore, Maldives, Indonesia

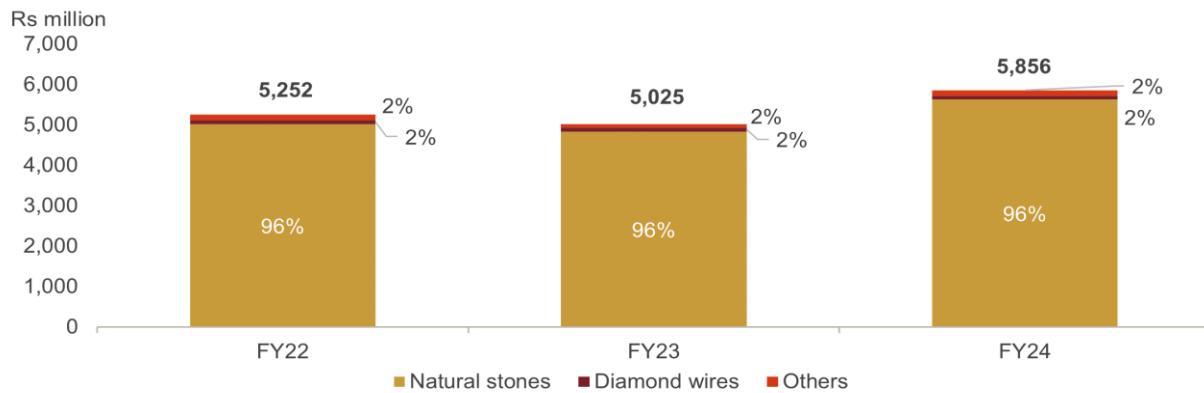
Source: Midwest Limited

Apart from the regions listed above, the company is also present in Australia and a few countries in the Middle East.

Past performance review

Midwest's primary business segment is natural stones. It also earns revenue from secondary business segments such as diamond wires and other processed stones (such as polished slabs).

Over fiscals 2022-2024, 96% of its revenue came from the primary business of selling granite blocks, particularly absolute black and black galaxy granite. The secondary segments contributed 2% each.



Source: Midwest Limited, CRISIL MI&A Consulting

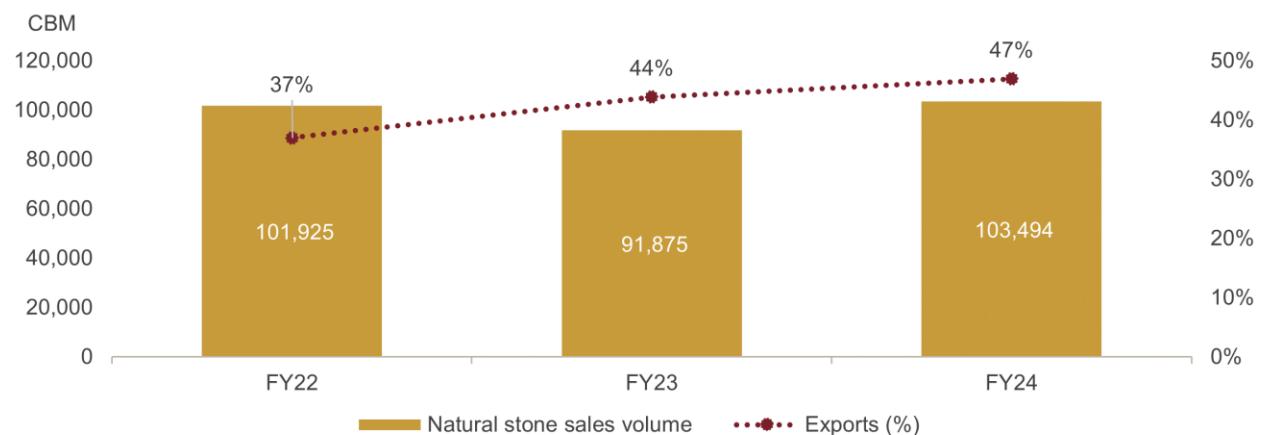
Midwest's revenue increased from Rs 5,252 million in fiscal 2022 to Rs 5,856 million in fiscal 2024, clocking a CAGR of 6%. In fiscal 2023, the revenue had declined to Rs 5,025 million owing to a fall in processed stones revenue. However, the revenue rebounded strongly in the following year.

The overall revenue trend is positive, demonstrating resilience and a steady growth trajectory. Despite a minor setback in fiscal 2023, the company demonstrated its ability to recover and continue growing, driven predominantly by its core strength in the granite blocks market. The steady contributions from the secondary segments also highlight the company's diversified revenue streams, which complement its primary operations.

Segment 1: Natural stones

Operations under this segment involve extraction, processing and sale of natural stone products, including granite, marble and other types of natural stones used in construction, decoration and various industrial applications.

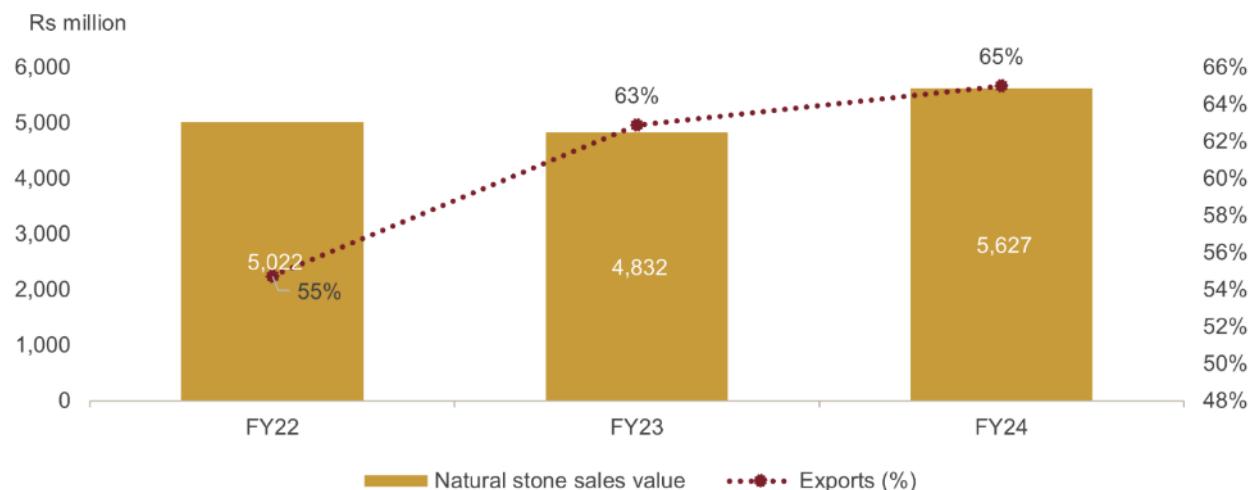
Natural stone sales in volume terms



Sources: Midwest Limited, CRISIL MI&A Consulting

The sales volume of granite increased to 103,494 cubic metre (cu m) in fiscal 2024 from 101,925 cu m in fiscal 2022. These products are sold both domestically and internationally. Exports constitute a significant portion of the company's overall granite sales volume. Share of exports in total sales has seen a steady increase from 37% in fiscal 2022 to 44% in fiscal 2023 and 47% in fiscal 2024, when it sold 48,602 cu m. The growth is a reflection of Midwest's expanding global footprint and the increasing demand for its granite products in the international markets.

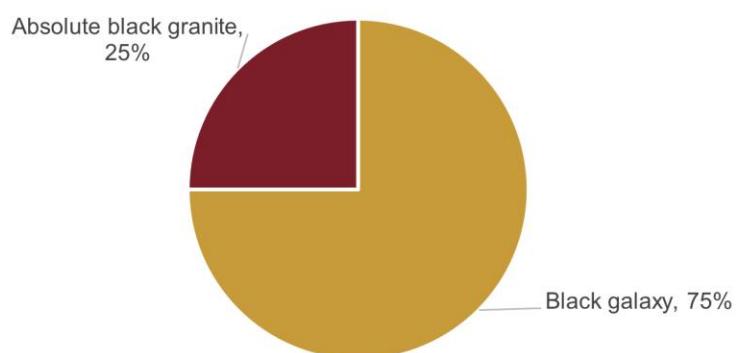
Natural stone sales in value terms



Source: Midwest Limited, CRISIL MI&A Consulting

Revenue from granite sales logged a CAGR of 6% between fiscals 2022 and 2024, increasing from Rs 5,022 million to Rs 5,627 million. Exports constitute more than half of the company's total revenue, rising from 55% in fiscal 2022 to 63% in fiscal 2023 and further to 65% in fiscal 2024. Comparatively, average realisation from exports is higher when assessing revenue generated as a percentage of the volume exported. This underscores the advantageous financial impact of Midwest's exports strategy on its overall revenue growth during the period.

Share of black galaxy and absolute-black granites in natural stones sales (by value, fiscal 2024)



Source: Midwest Limited, CRISIL MI&A Consulting

In fiscal 2024, black galaxy granite accounted for 75% (Rs 4,237.26 million) of the total granite sales revenue. The product had dominated sales value and volume in fiscals 2022 and 2023, too.

Black granite stands out as a premium product in overseas markets, commanding higher average realisations than in Indian markets. The realisation is higher than that of coloured or other forms of granite, too. The premium positioning makes black granite a preferred option for luxury projects where quality and aesthetics are paramount considerations. Whether used in modern architectural designs or traditional settings, black granite adds a timeless elegance and enhances the overall value of the spaces it adorns. As such, its demand remains strong in global markets, reinforcing its status as a premium choice among granite varieties.

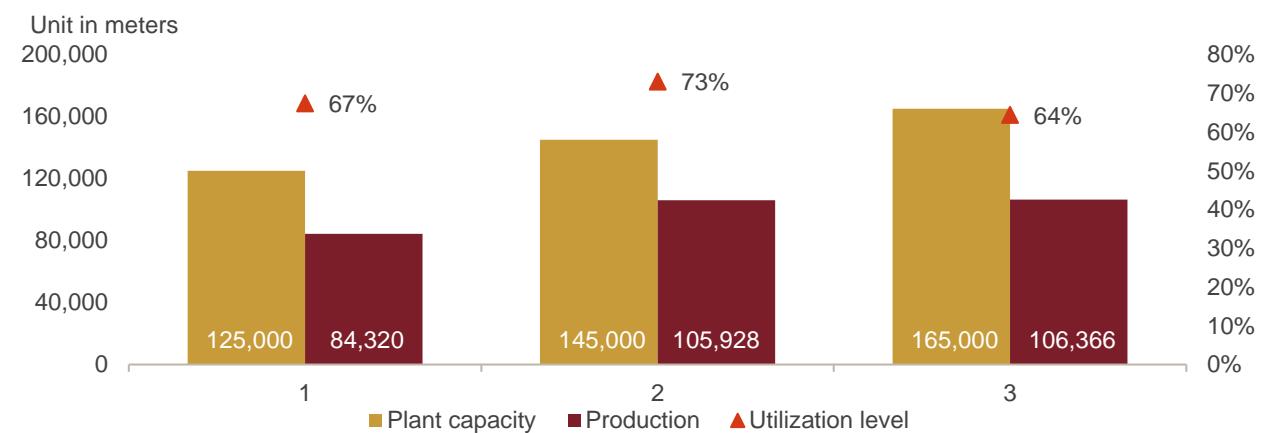
Segment 2: Diamond wires

Midwest produces diamond wires that are used in the cutting and processing of hard materials, including natural stones, semiconductors and solar panels. The most common end-use industries where they find application are as follows:

- Stone cutting and quarrying: Diamond wires are an essential tool in the granite and natural stone industry for precise and efficient cutting of blocks, slabs and dimensional stone products. They are used for wire sawing in mining and quarrying for extracting minerals and rocks.
- Construction and infrastructure: They are used in civil engineering projects for cutting and shaping hard materials such as reinforced concrete and steel, enhancing efficiency and precision in construction processes.
- Slicing wafers and substrates in semiconductor manufacturing.

Revenue is derived by selling diamond wires to other businesses involved in the cutting and shaping of hard materials.

Capacity and production of diamond wires



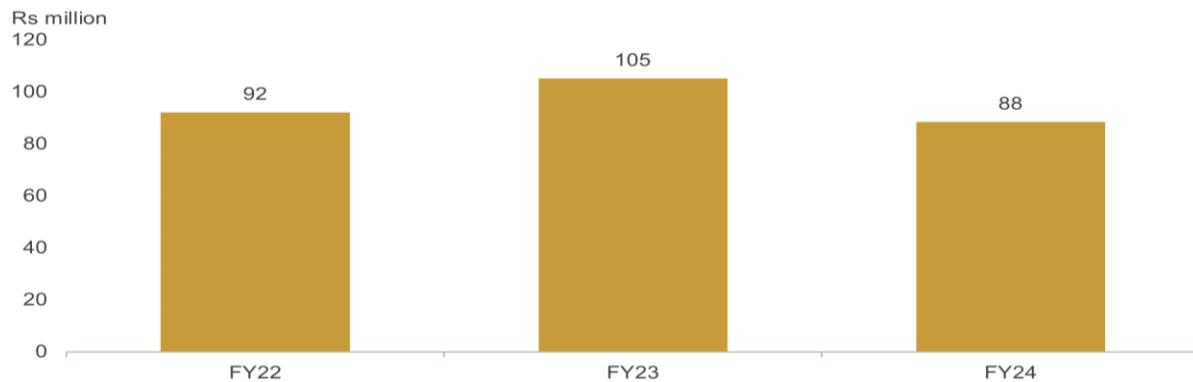
Source: Midwest Limited, CRISIL MI&A Consulting

Midwest's initial plant capacity was 125,000 metre (m) in fiscal 2022 and steadily increased through annual additions of 20,000 m, reaching 165,000 m by fiscal 2024.

Production volume rose from 84,320 m in fiscal 2022 to 106,366 m in fiscal 2024, marking a substantial CAGR of 12%.

Capacity utilisation during the period consistently ranged between 64% and 73%. The expansion strategy reflects Midwest's proactive approach to scaling up operations to meet growing demand while maintaining efficient utilisation of its manufacturing capabilities.

Revenue from diamond wires



Sources: Midwest Limited, CRISIL MI&A Consulting

Revenue from diamond wires was on a positive trajectory over fiscals 2022-2024. From Rs 92 million in fiscal 2022, it increased to Rs 105 million in 2023, indicating growth in demand and sales. Although there was a decrease to Rs 88 million in fiscal 2024, the overall trend demonstrates resilience and stability in the segment. The consistency in performance underscores Midwest's ability to capture and maintain a significant market share in the diamond wires sector, despite fluctuations, indicating the company is well placed to tap into future growth opportunities in this specialised market.

Segment 3: Other processed stones

Midwest has effectively leveraged its operations by finding revenue streams from granite stones that do not meet international standards. These stones, which would otherwise be considered waste, are now processed (cut and polished) and sold in the market. This initiative not only helps utilise the by-products efficiently but also generates additional revenue for the company.

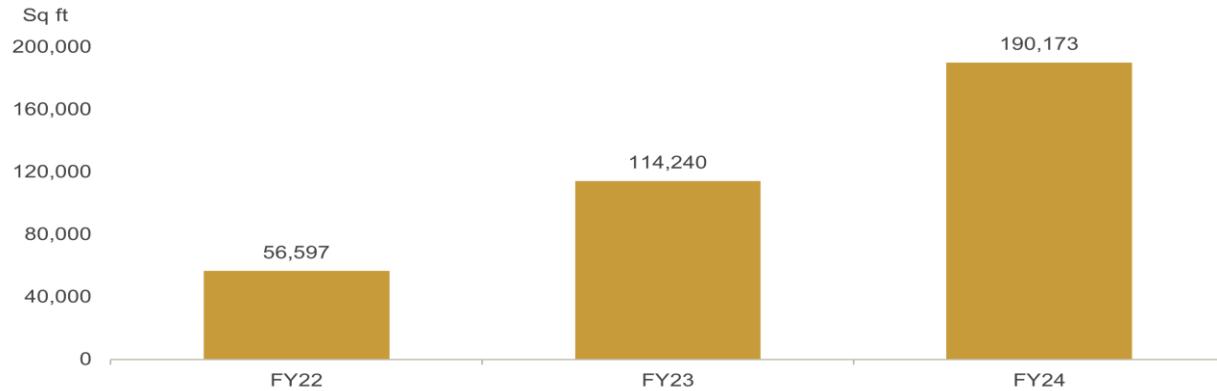
Under this segment, the company sells a variety of other processed stone products such as:

- Processed polished slabs: Finished stone slabs that are cut, polished and ready for installation in various applications such as flooring, countertops and wall cladding.

Though, this adds less than 2% of the revenue, value addition is created from this approach.

The processing of such products is done in Midwest's granite processing plants at Chimakurthy and SEZ-Ongole, Andhra Pradesh, which together have a capacity to produce 2,330,382 sq ft of stone slabs per annum. This segment involves further refinement and customisation of raw stone materials into finished products that meet specific market demands. These finished and value-added stone products are sold to construction companies, retailers and end consumers.

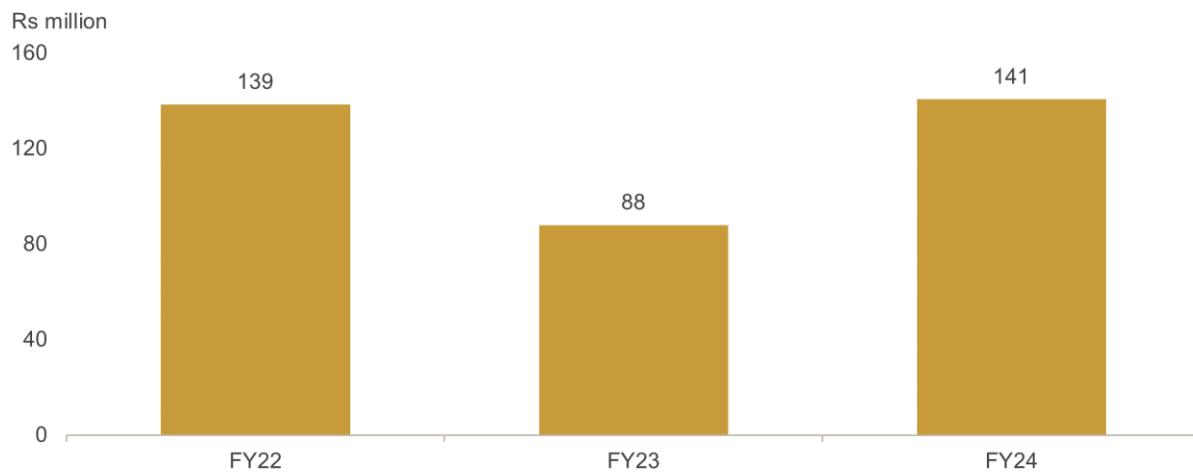
Production of other products



Sources: Midwest Limited, CRISIL M&A Consulting

The total production at Midwest's two granite processing plants grew significantly to 190,173 sq ft in fiscal 2024 from 56,597 sq ft in fiscal 2022. The impressive growth represents a multiple fold increase each year, 102% in fiscal 2023 and 180% in fiscal 2024. The substantial expansion in production capacity reflects Midwest's effective operational scaling to meet rising demand for its processed granite products. The growth not only enhances the company's output capabilities but also positions it as a strong player in the market.

Revenue from other products sales



Sources: Midwest Limited, CRISIL MI&A Consulting

Revenue from sales of other processed products showed a positive trend over the fiscals 2022-2024, despite a dip in fiscal 2023. In fiscal 2022, the revenue stood at Rs 139 million, in fiscal 2023 Rs 88 million and in fiscal 2024 Rs 141 million.

Expansion plans and tie-ups to boost sales

1. Quartz mining licences

The company will add processing operations to its existing strength in mining in the quartz segment to diversify its revenue stream. It has already secured mining licences and is also in the process of acquiring new leases to boost its business prospects.

2. Quartz processing plants

Midwest has identified quartz as a potential sector given its experience in mining and mineral processing apart from the ability to be the organised player in an unorganised market and as part of its strategic objective. The company wants to set up quartz processing plants to initiate the next stage of integration to ensure effective utilisation of mines, increased revenue and employment generation.

The phase 1 of the project will produce 243,000 MT of quartz grit and powder per annum. The products are primarily used in engineered slabs and the glass industry.

The phase 2 will add 243,000 MTPA of quartz grit and powder. Midwest owns mines having proven high purity quartz (HPQ) resources. HPQ grit produced in the phase 2 will be used in solar and semiconductor industries. With the operationalisation of the phase 1, the company will become one of the few players in the world that incorporate a mine-to-market integrated business model for production of quartz, i.e., offering capabilities across mining, processing, branding, bagging and distribution of quartz.

3. Heavy mineral mining licences in Sri Lanka

The company has obtained mineral concessions in Sri Lanka for the mining of heavy mineral sand ores to extract and produce 37,000 metric tonne per annum of minerals such as rutile, Ilmenite, zircon, garnet, sillimanite and monazite, each yielding different quantities of titanium and small quantities of rare earth elements.

In this regard, the company has incorporated two subsidiaries in Sri Lanka — Midwest Heavy Sands (Pvt) Ltd and Trinco Mineral Sands Ltd. It has obtained four mineral concessions (exploration licences) with a potential to explore, develop and exploit the minerals mentioned above.

Ilmenite and rutile, which constitute the bulk of the ore, are used as feedstocks in the production of titanium oxide and titanium sponge and the company intends to produce intermediate products, titanium slag and titanium di-oxide pigment. Titanium di oxide pigment is used in pigments and paints and titanium sponge in the making metal and alloys. Rare earth elements are key ingredients for the manufacture of high-strength magnets and semi-conductors critical for the manufacture of electronics and medical equipment.

Monazite is a feedstock for rare earth elements that are critical for the manufacture of high-strength magnets. Further, the company has aggressive plans to acquire more mines and leases for consolidating its granite, quartz and heavy minerals business.

Competition benchmarking

Operational benchmarking

While the Indian granite and quartz industries comprises several small and medium enterprises, it is the organised players that have an edge, as they employ mechanised mining methods and automation, and have scale of operations, which lowers their cost of production. Further, mining rights covering specific areas are typically granted on an exclusive basis for a fixed period of time ranging between 1 and 30 years and establishing and operating a mine requires significant capital investment with long gestation periods to transition from the exploration stage to the production stage. Hence, those with large and established resources have a competitive advantage.

Prominent players in the granite as well as quartz industries

Company name		Midwest Ltd	Pokarna Ltd
Size/capacity of the plant	Number of mines and quarries	20 operating mines in Andhra Pradesh and Telangana (16 granite mines, 1 marble mine, 3 quartz mines)	Captive quarries located in Andhra Pradesh, Telangana and Tamil Nadu
	Processing plants/manufacturing units for core products	2 granite processing units in Andhra Pradesh and Telangana	2 granite manufacturing units in Telangana, and 1 quartz manufacturing unit each in Telangana and Andhra Pradesh
	Other plants/manufacturing units	1 diamond tool manufacturing plant in Hyderabad	1 apparel manufacturing unit in Telangana
Product offering		Building products: Granite and quartz	Building products: Granite, quartz (undertaken through subsidiary, Pokarna Engineered Stone Limited (PESL); apparel business:

Company name	Midwest Ltd	Pokarna Ltd
		Distribution and retailing of men's shirts and trousers
Presence	Global: 30+ countries	Global: 20+ countries

Note: Pokarna Ltd. is not into Diamond wire business and the production details are not available.

Source: Company websites, CRISIL MI&A Consulting

Financial benchmarking

The profitability, liquidity and leverage parameters of Midwest have been benchmarked with Pokarna, which has comparable range of operational capabilities and similar product offerings.

Profitability parameters

Particulars	Units	FY22	FY23	FY24
Total revenue				
Midwest	(Rs million)	5,252.37	5,025.17	5,856.24
Pokarna	(Rs million)	6,501.91	7,253.23	6,876.14
Revenue growth				
Midwest	(%)	38.23%	-4.33	16.54
Pokarna	(%)	120.38	11.56	-5.20
Ebitda				
Midwest	(Rs million)	1,057.41	895.87	1,514.43
Pokarna	(Rs million)	1,750.03	1,700.74	2,096.67
Ebitda margin				
Midwest	(%)	20.13	17.83	25.86
Pokarna	(%)	26.92	23.45	30.49
PAT				
Midwest	(Rs million)	670.93	544.36	1,003.24
Pokarna	(Rs million)	783.00	658.11	873.63
PAT margin				
Midwest	(%)	12.77	10.83	17.13
Pokarna	(%)	12.04	9.07	12.71

Source: Company financials, CRISIL MI&A Consulting

- *Operating profit margin comparison*

Operating profit margins of both the players improved by ~5% points over fiscals 2022 to fiscal 2024, showcasing enhanced efficiency and cost management within the organization.

- *Net profit margin comparison*

Midwest has also shown strong resilience in maintaining its net profit margin (NPM) vis-à-vis peers. The company outperformed Pokarna between fiscals 2022 and 2024. Also, the rate of contraction of Midwest's NPM over fiscal 2022-2023 was shallower as compared Pokarna. The underscores Midwest's superior financial management and resilience in a challenging market environment. In fiscal 2024, its NPM improved 58% on-year.

Financial indicators

Particulars	Units	FY22	FY23	FY24
RoCE				
Midwest	%	26.29	14.39	25.00
Pokarna	%	14.12	13.77	18.31
Debt-to-Equity				
Midwest	times	0.35	0.45	0.29
Pokarna	times	1.15	0.89	0.66
Working capital days				
Midwest	No. of days	60	106	89
Pokarna	No. of days	163	165	157
Interest coverage				
Midwest	Times	9.73	7.51	14.11
Pokarna	Times	3.19	2.72	4.29
Current ratio				
Midwest	Times	1.11	1.32	1.68
Pokarna	Times	1.27	1.64	1.96
RoE				
Midwest	%	24.42	16.25	23.78
Pokarna	%	17.68	12.98	14.75

Source: Company reports, CRISIL MI&A Consulting

- *Return on capital employed comparison*

Midwest has consistently generated higher return on capital employed (RoCE) compared with its peers. In fiscal 2022, the company's RoCE of 26.29% was significantly than Pokarna (14.12%). Midwest maintained its lead up to fiscal 2024, with RoCE of 25.00%. During the year, Pokarna posted RoCE of 18.31%. Midwest's robust RoCE highlights its capital efficiency and superior financial management.

- *Net working capital days comparison*

In fiscal 2022, net working capital days of Midwest was 60 which got increased to 89 in fiscal 2024 . However, the company's competitor, Pokarna lagged on this metric whose net working capital days stood at 157 in fiscal 2024. Net working capital days was constantly lower for Midwest when compared with its competitors, indicating, efficiency in managing its receivables and inventory, allowing quicker conversion of assets into cash.

- *Return on equity comparison*

Midwest generated a healthy return on equity (RoE) over the years. In fiscal 2022, its RoE of 24.42%, better than Pokarna (17.68%). In fiscal 2024, while Midwest's RoE stood at 23.78%, Pokarna lagged behind by ~9% points. Midwest's RoE highlights its strong financial management and ability to generate returns for shareholders more effectively than its peers.

Leverage parameters

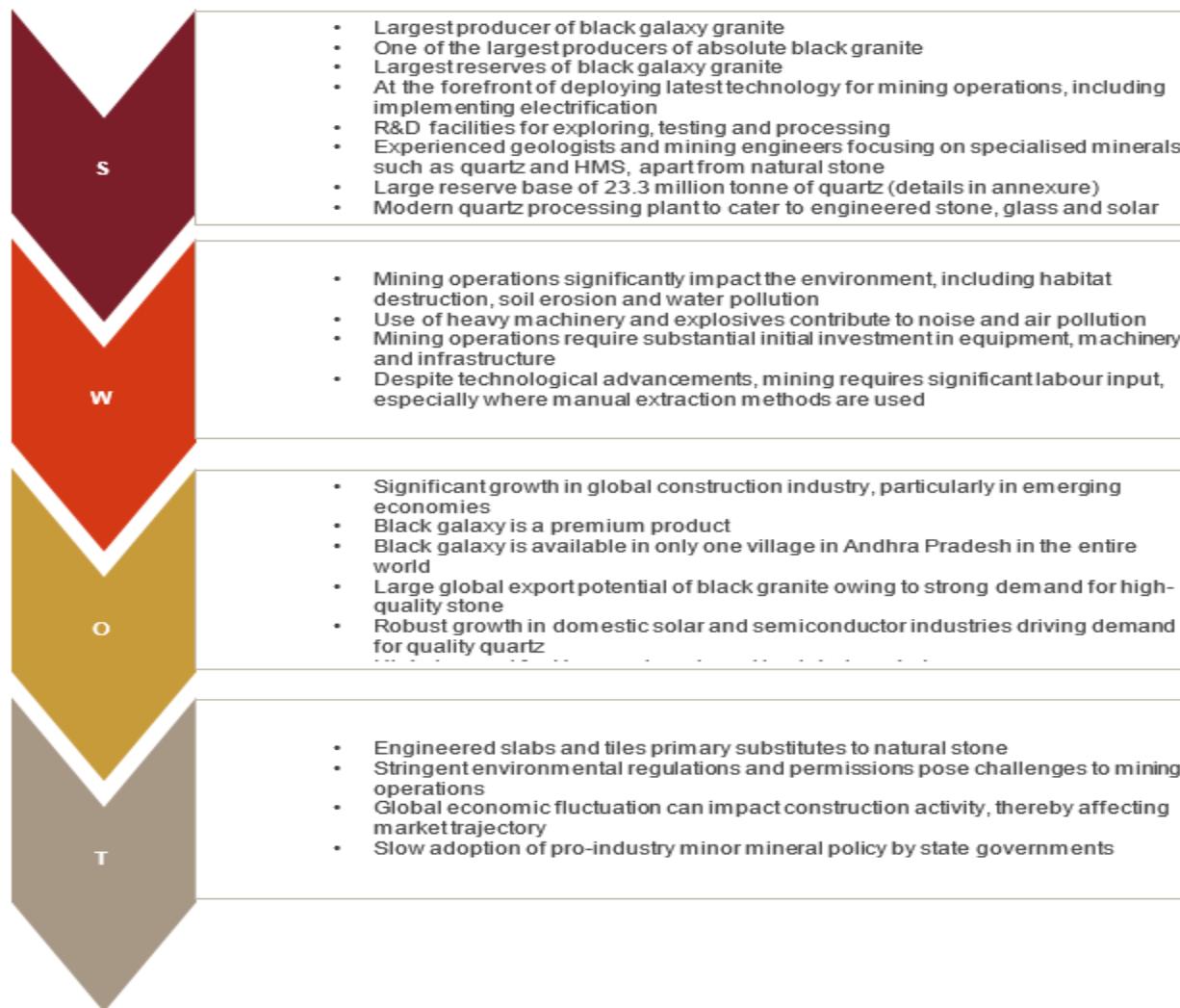
- *Debt-to-equity comparison (times)*

The debt-to-equity ratio of Midwest was 0.35 in fiscal 2022, indicating lower leverage. In fact, the ratio improved to 0.29 in fiscal 2024 from 0.45 in fiscal 2023, owing to reduction in debt during fiscal 2024 and increase in net worth. The ratio of its competitor, Pokarna, also improved to 0.66 in fiscal 2024 from 1.15 in fiscal 2022.

- *Interest coverage ratio comparison (times)*

Midwest's interest coverage ratio has been consistently above its peer over the years. In fiscal 2022, the company's ratio of 9.73 was considerably above Pokarna 3.19. It stayed strong at 14.11 in fiscal 2024, indicating Midwest's ability to comfortably cover interest expenses. During the year, Pokarna's interest coverage ratio was just 4.29. Midwest's high interest coverage highlights its ability to manage debt effectively vs industry peers.

SWOT analysis



Source: Midwest Ltd., Industry, CRISIL M&A Consulting

Key strengths

Considerable global presence

Midwest, which has been into exploration, mining, processing, distribution, logistics, etc of granite and quartz for the past 42 years, is the largest producer and exporter of black galaxy granite and one of the largest producers in absolute

black granite, which have high demand. The company also has reserves of coloured granite (tan brown), laza grey marble and celestia quartzite.

Its business is characterised by a strong track record of sustained growth and profitability, with zero-credit policy and strong sales visibility, backed by customer advances. Its operations span the entire wholesale stone granite value chain. The company has a workforce of 1,307 across locations in Asia, Africa, Europe and the Americas, with qualified and experienced professionals, with appropriate functional responsibilities. The employee base comprises a core team of geologists, geophysicists, and mining and process engineers, and a support team of experts in logistics management, marketing, sales, supply chain, finance and other functions.

The company's key strengths are:

- *Lower manufacturing cost due to operational efficiencies*

The company's operational efficiencies have improved through the reduction in consumption of diesel and spare parts, and sourcing of captive solar power to operate machinery. The company is currently undertaking a pilot project for operating indigenous electric dump trucks to reduce logistics costs. Also, efforts are being made to reduce cycle times across production activities to achieve higher output.

- *Strong distribution network*

Midwest has a strong distribution network, supported by long-term contracts and interest-free advances secured against raw material supply. The sale of materials in different territories is through distributors.

- *Captive quarries of premium black galaxy*

The company has captive black galaxy quarries, located in Chimakurthy. Black galaxy granite is a premium stone used in premium real estate projects, monuments, mausoleums, places of worship and luxury products.

- *First to implement strong ERP system in industry*

Midwest was the first company in the industry to implement an enterprise resource planning system, SAP, integrated with sensors on machinery data in real time, thereby eliminating the need for manual intervention. The company also employs computerised diesel dispensing and monitoring methods.

- *Strong R&D, manufacturing technology and backward integration*

Strong R&D, manufacturing technology and backward integration support the development of environmentally friendly diamond tools for captive as well as industry consumption. The technology is co-developed in partnership with machinery manufacturers.

- *Major expansion in black galaxy granite*

Midwest is set for majorly expanding its black galaxy granite production via the acquisition of considerable deposits. It has created a new domestic market for black galaxy granite which do not meet export material standard, increasing the bottom line with no additional expenditure. In fiscal 2024, Midwest Ltd. held over 23% of the India's export market for black galaxy block granite in an otherwise unorganised and fragmented market. Also, the ESG regulatory environment is conducive to natural stone.

- *High barriers to entry for new players*

Entry barriers are high, with the company having old mining rights and entrenched operations.

- *Superior pricing positioning*

Midwest has the ability to fetch better market pricing through its substantial market share. Historically, demand has far surpassed supply.

- *100% renewal of mining leases*

Adherence to statutory compliances has enabled Midwest to ensure 100% renewal of mining leases in the past 3 years and garner good will for securing new leases bolstering growth potential.

Key weaknesses

- *Heavy dependence on key customers*

Midwest depends on certain key customers for a significant portion of revenue from operations, with top 10 customers contributing 48.37%, 51.19% and 59.59% of total revenue from operations in Fiscals 2024, 2023 and 2022, respectively. Any decrease in the revenue earned from such customers could adversely affect the company's business, results of operations, cash flows and financial condition.

- *Dependence on international markets and China*

The company's revenue is substantially dependent on international operations, with a significant proportion of its revenue generated from customers based in China, a key global distribution hub for the granite industry. As a result, any unfavourable market developments or disruptions to China's ability to serve as a global hub could have a negative impact on the company's business and financial performance.

Key opportunities

- *Growing construction industry*

The booming construction industry, particularly in emerging economies, presents significant opportunities for the granite and marble mining industry.

- *Export market expansion*

The company can explore and expand market reach by exporting granite and marble to regions with high demand and limited local supply.

- *Innovation and differentiation*

The company can offer unique products, such as specialty finishes and designs, to cater to specific market segments.

Key threats

- *Competition from alternatives*

Granite and marble face competition from alternative materials, such as engineered stone, ceramic tiles and synthetic substitutes, which may offer similar aesthetics and durability at a lower cost.

- *Regulatory challenges*

Stringent environmental regulations and permitting processes can pose challenges to mining operations, increasing compliance costs and delaying project timelines.

- *Economic volatility*

Fluctuation in the global economy can impact construction activity and consumer spending, affecting demand for granite and marble products.

Midwest has won several prestigious awards and recognitions in various categories.

Key awards given by Midwest

Award/recognition	Awarded by	Year
Model Granite Quarry Award	Federation of Indian Mineral Industries (FIMI) in association with All India Granites and Stone Association (AIGSA)	2003 2008-2009
Export Promotion Award	Development Commissioner, Visakhapatnam Special Economic Zone	2008-2009 2010-2011 2011-2012 2012-2013
Model Granite Quarry Award	FIMI in association with AIGSA	2008-2009
Export Excellence Award	Development Commissioner, Visakhapatnam Special Economic Zone	2009-2010
Export Performance Award	Export Awards for EOUs, Andhra Pradesh, Chhattisgarh, Yanam	2010-2011 2011-2012 2012-2013
Longstanding Customer	Export Credit Guarantee Corporation of India	2012
1st prize for Maintenance of Quarry Roads & Foot Paths	Safety Committee Appointed by Director of Mines Safety / Director of Mines Safety	2014
1st prize for Mine Workings & Operation & Maintenance of Machinery 2nd prize for Registers & Records Maintenance 3rd prize for Appointment of Qualified Personnel Overall 1 st prize among all mines in the sector	Ministry of Labor and Employment through Directorate General of Mines Safety	2014 2017
One Star Export House	Ministry of Commerce and Industry (DGFT)	2015-2020
Star Export House	Ministry of Commerce and Industry (DGFT)	2013-2018
1st prize in Registers & Records Maintenance	Ministry of Labor and Employment through Directorate General of Mines Safety	2018
1st prize in Operation and Maintenance of Machinery 1 st prize in Publicity and Propaganda of Safety Measures 2nd prize in Appointment of Qualified Persons	Ministry of Labor and Employment through Directorate General of Mines Safety	2019
1st prize in Appointment of Qualified Persons 2nd prize in Mine Workings Overall 2nd prize in total mines	Ministry of Labor and Employment through Directorate General of Mines Safety	2022
1st prize in 21st Mines Safety week celebrations- AP Midwest Granite mine	Ministry of Labor and Employment through Directorate General of Mines Safety	2023
Three Star Export House	Ministry of Commerce and Industry (DGFT)	2024

Source: Midwest Limited

Key quartz resources owned by Midwest

Location	Zone	Spread area (hectare)	Available resource ss (Mn MT)	Mining licences obtained (mn MT)	Securing mining licences (mn MT)
Chejerla	CH 1	61.9	1.4	1.4	
	CH 2	30	4.7		4.7
Gudur	NDR	5.6	0.2	0.2	
	TBD – N	14	0.8		0.8
	TBD – S	10	1.9		1.9
Badvel	MN – S	4.6	1.1	1.1	
	MN – N	1.9	0.5	0.5	
	KVD	4.7	0.5	0.5	
Kadiri	KK	24	3.5		3.5
	ORV	14	2.1		2.1
Aluru	ALU	23	6.6		6.6
Total		198.6	23.3	3.7	19.6

Source: Midwest Limited

OUR BUSINESS

In this Draft Red Herring Prospectus, unless the context otherwise indicates, requires or implies, any reference to “the Company” or “our Company” refers to Midwest Limited, on a standalone basis, and any reference to “we”, “us” or “our” is a reference to our Company collectively with our Subsidiaries and Joint Ventures, on a consolidated basis, as of and for the relevant years covered by the Restated Consolidated Financial Statements.

Unless otherwise stated, or unless the context otherwise requires, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus on page 321. Our financial year ends on March 31 of each year. Accordingly, references to “Fiscal 2024”, “Fiscal 2023” and “Fiscal 2022”, are to the 12-month period ended March 31 of the relevant year.

Some of the information in this section with respect to our plans and strategies contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” on page 29 for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” beginning on page 31 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements.

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Restated Consolidated Financial Statements or otherwise subjected to an examination, audit or review or any other procedures by our Statutory Auditors. We consider and use these performance indicators as supplemental measures to review and assess our operating performance and some of them are not required by, or presented in accordance with, Ind AS. We present these key performance indicators because they are used by our management to evaluate our operating performance. These key performance indicators have limitations as analytical tools and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. These key performance indicators may not fully reflect our financial performance, liquidity, profitability or cash flows. Further, the manner of calculation and presentation of some of these operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India, including peer companies and, hence their comparability may be limited. Also see “Risk Factors—“Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors’ assessment of our financial condition, results of operations and cash flows.” on page 66.

Unless stated otherwise, industry and market data used in this section has been obtained or derived from the CRISIL Report, prepared and issued by CRISIL MI&A pursuant to an engagement letter dated March 27, 2024, and exclusively commissioned and paid for by us in connection with the Offer. The industry-related information included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. The CRISIL Report will be available on the website of our Company from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. For more information, see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation” and “Risk Factors—Industry information included in this Draft Red Herring Prospectus has been derived from the CRISIL Report, which was prepared by CRISIL MI&A and exclusively commissioned and paid for by our Company for the purposes of the Offer, and any reliance on information from the CRISIL Report for making an investment decision in the Offer is subject to inherent risks.” on pages 25 and 44, respectively.

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in “Risk Factors”, “Industry Overview”, “Restated Consolidated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 31, 163, 321 and 402, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole.

OVERVIEW

About Us

We have a legacy of more than four decades in the dimensional natural stone (*i.e.*, naturally occurring stones) industry with experience in exploration, development and operation of mines, stone processing and fabrication, sales, distribution and marketing of various types of natural stone. We are engaged in the business of exploration, mining, processing, marketing, distribution and export of natural stones, with an emphasis on sustainability. We are India’s largest producer and exporter of Black Galaxy Granite (a variety of Granite which is sparkling with flakes of a golden hue), and held a share of approximately 23% of the Indian export market for Black Galaxy Granite in Fiscal 2024 (*Source: CRISIL Report*), exporting 48,249 cubic meters of Black Galaxy Granite during Fiscal 2024. We are also one

of the largest producers in Absolute Black Granite (a variety known for its remarkable surface finish), both of which have high demand. Our Absolute Black Granite production accounted for 10.8% of the overall black granite production in India during Fiscal 2024.

We place much emphasis on decarbonizing our operations to improve the sustainability of our business. Our mining operations are mechanized and incorporate advanced engineering and process optimization, aided by vertical integration of key operational components such as customized Diamond Wires. We beneficially leverage our experience and organizational capabilities to serve as an organized player in an otherwise unorganized sector with the objective of catering to the requirements of our customers, improving our processes, expanding our market reach and building our resource base.

Our Operations

Our existing business activities primarily comprise extracting and processing Dimensional Granite (*i.e.*, Granite that is cut to conform to the specifications in terms of size and shape), particularly the Black Galaxy and Absolute Black varieties (“**Natural Stone Segment**”). In addition to our Natural Stone business, we also manufacture Diamond Wire, which is a precision cutting tool employed in the natural stone and construction industries to size stones and other hard substances with precision in mines and processing/ fabrication facilities (“**Diamond Wire Segment**”). While our operations in the Diamond Wire segment began with the objective of backward integration and supporting our Natural Stone Segment, at present, our operations in this segment cater both to our captive consumption as well as meeting market demand of the Indian mining and construction industry. Set out below is the breakdown of our revenue from operations across our key activities for the periods indicated.

Segment	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ million)	% of Revenue from operations	Revenue (₹ million)	% of Revenue from operations	Revenue (₹ million)	% of Revenue from operations
Black Galaxy and Absolute Black Granite						
Black Galaxy Granite						
- Exports	3,619.50	61.81	2,991.38	59.53	2,729.05	51.96
- Domestic	617.76	10.55	549.36	10.93	1,047.88	19.95
Absolute Black Granite						
- Exports	38.02	0.65	47.06	0.94	19.65	0.37
- Domestic	1,351.89	23.08	1,244.12	24.76	1,225.12	23.33
Sub-total for Black Galaxy Granite and Absolute Black Granite (A)	5,627.17	96.09	4,831.93	96.15	5,021.70	95.61
Others						
- Other natural stones ⁽¹⁾	140.64	2.40	88.04	1.74	138.51	2.64
- Diamond Wire	88.44	1.51	105.20	2.09	92.16	1.75
Sub-total for Others (B)	229.08	3.91	193.24	3.84	230.67	4.39
Total Revenue from Operations (A+B)	5,856.24	100.00	5,025.17	100.00	5,252.37	100.00

Notes:

1. Other natural stones includes revenue from the sale of Tan Brown Granite, Marble and Quartzite

In the Natural Stone Segment, we primarily produce dimensional blocks and slabs of Black Galaxy Granite and Absolute Black Granite. Black Galaxy Granite is a premium stone used in real estate projects for applications such as countertops and vanities, flooring, cladding, bathroom walls and floors, swimming pools, fire places and external/internal aids in construction. Black Galaxy Granite is a highly valued natural stone that offers a unique combination of durability, beauty and versatility, making it a popular choice for architects, designers and builders around the world (*Source: CRISIL Report*). Black galaxy is available in only one village in Andhra Pradesh in the entire world. (*Source: CRISIL Report*) For a brief description of the types of Granite that we produce, see also “*Definitions and Abbreviations – Industry related terms*”, “*Industry Overview*” and “*–Products and Production Details*” on pages 11, 163 and 249. Absolute Black Granite is known for its deep uniform black color and is prized for its elegance and versatility (*Source: CRISIL Report*). In addition, its hardness, durability, resistance to weathering, visual appeal and low maintenance are

some of its positive attributes. Absolute Black Granite is used to make sculptures, idols of deities, pillars, lintels (*i.e.*, beams installed over doors and windows) and plinths (*i.e.*, heavy bases used to support statues) and has been extensively used in temples, monuments and memorials and is also used in modern architecture such as kitchen counters, flooring, bathroom vanities, cladding, windowsills, backsplashes, fireplaces, steps, building facades and fountains.

We currently have 16 operational Granite Mines across 6 locations in the states of Telangana and Andhra Pradesh in India producing Granite varieties such as Black Galaxy, Absolute Black, Tan Brown, along with one Granite processing facility in each of the states of Telangana and Andhra Pradesh. In addition to our operational mines, we have also established a strong resource base comprising 25 locations across Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. For details of our Reserves and resource base, please see “*Description of our Business–Natural Stone Segment–Reserves and Resources*” on page 241.

A majority of the Granite blocks extracted from our Mines are sold directly to bulk customers from our Mines or stock yards. Only a small fraction are sent to our two mechanized processing facilities in Andhra Pradesh for further processing into cut slabs. We have established the Granite processing facilities close to our Mines to improve product recovery by salvaging low-quality commercial blocks which might not be economical to transport and process elsewhere. Such facilities allow us to maintain a presence across the wholesale value chain for Granite and offer ‘mine to distribution’ capabilities to our customers.

Our customers, comprising processors and distributors, are located across 17 countries and five continents, with China, Italy and Thailand being our primary export markets. Our customers include MP STENEKO AB (based in Sweden); GI-MA STONE SRL (based in Italy); Quanzhou Xinguang Stone Co., Ltd. and the Xiamen Group (based in China); King Marble and Granite Co. Ltd. (based in Thailand); and Kodeyalam Stones, Anjanee Exports and Anjalee Granites Pvt Ltd (based in India). Our Granite has been used in various marquee projects including the CSSC Power (Group) Tower in Shanghai, China and the Shenyang MaoYe Center in Shenyang, China.

Our operations span across the Dimensional Granite value chain allowing us to cater to our customers’ requirements ranging from mine to distribution. Our relationship with our distributors is typically mutually exclusive for specified products. We enjoy long-standing relationship with our customers, as evidenced by our continued relationship and the long-term contracts with such customers. Most of these contracts require payment of an interest-free deposit as a condition precedent to the signing of the contract. This cash flow helps us reduce our working capital requirements. Set out below are details of the average duration of our relationship with our top customers.

Particulars	% Contribution to Revenue from operations in Fiscal 2024	Average Duration of Relationship (in years)	Range (in years)
Top 5 customers	30.48	4	1-9
Top 10 customers	48.37	3	1-9

In our Diamond Wire Segment, we manufacture Diamond Wire at an advanced manufacturing facility (“**Diamond Wire Facility**”) located in Hyderabad, Telangana. This location provides ready access to road and rail infrastructure which facilitates, and aids optimization of the logistics for, distribution of our products. Our plant design and operational sequence allows tailoring of products to meet the specific requirements of each of our mining operations and each type of stone that we extract. This captive facility helps us increase our operational efficiency and optimize operational costs in both mining and processing activities.

Exploration and Innovation

We place a significant emphasis on process optimization through research and development (“**R&D**”) activities. Our R&D activities in the Natural Stone Segment primarily comprise (i) locating, exploring and proving new mineral deposits; (ii) testing, validating and delineating the mineral bearing parcels to expand our resource base; and (iii) developing methods to increase the efficiency of our processes and production systems and improve the quality of our products; while in the Diamond Wire Segment, R&D activities involve improving the metallurgy, matrix composition, coatings, materials and our processes and production systems to improve product quality and reduce the cost of production.

As of March 31, 2024, we had a dedicated team of 1,232 personnel, including 21 personnel specializing in electrical matters, 77 personnel with mining specializations, 45 personnel involved in production, 9 personnel (including 7 geologists) focusing on R&D and exploration and 791 contract workers who have, on average, 13.75 years of industry experience. We utilize a mix of permanent employees, consultants and contract workers in managing our operations. However, we deploy an in-house team to handle our core operations and only meet certain auxiliary labor requirements through contract workers.

In recent years, there has been a growing emphasis on sustainable materials and environmentally friendly practices, leading to increased demand for natural stone that is responsibly sourced and have minimal environmental impact (*Source: CRISIL Report*). Accordingly, sustainability and environmental consciousness have been the key focus areas of our R&D activities. Key initiatives in this regard have included (i) the use of solar energy, electric dump trucks and electric dressing stations, (ii) usage of expanding chemical powders to replace explosives, and (iii) installing automated fuel dispensing and monitoring systems covering all consumption points. These initiatives have allowed us to evolve efficient and sustainable practices and help us reduce our carbon footprint. Our R&D activities in the Diamond Wire segment have allowed us to increase the operating speed and useful life of our Diamond Wire, while reducing energy consumption. This was achieved by altering the composition of materials and modifying process parameters.

Set out below is our expenditure on R&D as a percentage of our revenue for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of Revenue	Amount (₹ million)	% of Revenue	Amount (₹ million)	% of Revenue
R&D Expenditure	114.61	1.96	57.84	1.15	41.69	0.79

Emerging Businesses

Leveraging our experience and capabilities in our current business activities and with an intent to diversify our business, we have expanded into new businesses, as described below.

Quartz



Aerial view of location of Quartz Processing Facility

Quartz, a crystalline mineral composed primarily of silicon dioxide (SiO_2). It is an industrial mineral having a wide range of applications including building materials such as engineered stone, glass, and industrial application such as solar glass, foundries, refractory, crucibles, semi-conductors, fillers in paint and rubber and ceramics. Though abundant in nature, only select mines in India have sufficient deposits of suitable quality. Quartz grit and powder are essential materials in the manufacturing of engineered stone and solar glass. They are used as the primary components in the production of high-quality, durable and energy-efficient products. (Source: CRISIL Report)

In November, 2020, we secured and developed two Quartz Mines located in Andhra Pradesh, India. These mines are ready for extraction of Quartz, and we are further developing three additional Quartz Mines in Andhra Pradesh. In order to process the Quartz ore extracted from our Mines and provide value-added high purity Quartz products, we are establishing an advanced Quartz processing facility which will produce Quartz grit and powder, at the APIIC Growth Center (Building Materials Special Economic Zone) at Annangi Village, Prakasam District, Andhra Pradesh, India. This project will be implemented in two phases. We have also entered into a consulting arrangement with a foreign producer of high purity Quartz products to assist with the commissioning of the Quartz processing facility.

Phase I of the facility will have an installed capacity of 303,600 metric tonnes per annum of quartz grit and powder for use in the manufacture of Engineered Stone and will commence operations during Fiscal 2025. We propose to expand the installed capacity by a further 303,000 metric tonnes per annum during Phase II, thereby creating a total installed capacity of 606,600 metric tonnes. Phase II, apart from expanding the capacity for producing Quartz grit and powder for use in Engineered Stone, will allow us to produce products for the solar industry. During Phase II, we will expand our product line to include grit suitable for production of solar glass as well as ultra high purity Quartz powder, which is a pre-cursor for production of crucibles, optical glass and semi-conductors.

Phase II of the Quartz processing facility will be entirely funded through the Net Proceeds from the Offer. For further details regarding Phase II of the Quartz processing facility, see “*Objects of the Offer—Funding capital expenditure by Midwest Neostone, our wholly owned subsidiary, towards the Phase II Quartz Processing Plant*” on page 111.

Laza Grey Marble and Celestia Quartzite

We are developing facilities for extracting certain distinct varieties of Marble and Quartzite, branded as ‘Laza Grey Marble’ and ‘Celestia Quartzite’. We have one Mine each for Grey Marble and Quartzite, located in Andhra Pradesh, India with an intent to compete with, imported Marble and Quartzite varieties in the Indian market, as they possess aesthetic and functional attributes similar to that of imported Marble and Quartzite varieties (Source: CRISIL Report), while being competitively priced. We are also exploring the potential of exporting our Laza Grey Marble and Celestia Quartzite to European markets, by working together with a company based in Italy.

Heavy Mineral Sand Mining

We are expanding our product portfolio through development of capabilities in Heavy Mineral Sand mining and processing. In this regard, we have incorporated two subsidiaries in Sri Lanka, Midwest Heavy Sands (Private) Limited and Trinco Mineral Sands Private Limited and have obtained four exploration licenses in Sri Lanka with potential to explore, develop and extract minerals such as Rutile, Ilmenite, Zircon, Garnet, Sillimanite and Monazite, which constitute the majority of the Heavy Mineral Sands. Ilmenite is a feedstock for production of Titanium Slag which is in-turn a precursor for manufacture of Titanium Pigment (TiO_2), Synthetic Rutile (TiO_2) and Titanium Sponge (metal). These products find application in varied industries such as paints (majority of rhetorical white pigments), aerospace (high strength to weight, corrosion/temperature resistant applications), chemical (sunscreens, water treatment, advanced ceramics, surface treatments), automotive (alloys in light weight high performance applications), electronics (sensors, semi-conductors) and medical industries (prosthetics, implants) on account of its light weight, high strength, resistance to corrosion and compatibility with human organs. (Source: CRISIL Report)

Rutile a naturally occurring titanium dioxide which finds application in production of welding rods and titanium sponge. (Source: CRISIL Report)

Zircon is a mineral used in ceramics, abrasives, refractories and jet engines. (*Source: CRISIL Report*)

Garnet is a silicate mineral which finds applications such as abrasives, gemstones and ceramics. (*Source: CRISIL Report*)

In addition to the above, Heavy Mineral Sands contain a minor fraction of valuable minerals such as Monazite which host a wide variety of rare earth elements. We are exploring monetisation of this mineral as it is key to producing high-quality strong magnets, which are found in various electronics, wind turbines and electric vehicles. (*Source: CRISIL Report*)

Financial Performance

Brief details of our financial performance during the Fiscals 2024, 2023 and 2022 have been provided below:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations (₹ million)	5,856.24	5,025.17	5,252.37
EBITDA (₹ million)	1,514.43	895.87	1,057.41
EBITDA Margin (%)	25.86	17.83	20.13
Profit/ (loss) after tax for the year/ period (₹ million)	1,003.24	544.36	670.93
Net Profit Margin (%)	17.13	10.83	12.77

OUR STRENGTHS

India's largest producer and exporter of Black Galaxy Granite, a premium variety of Granite

Black Galaxy is available in only one village in Andhra Pradesh in the entire world (*Source: CRISIL Report*). We are India's largest producers and exporters of Black Galaxy Granite. We have produced 57,519 cubic meters of Black Galaxy Granite during Fiscal 2024, and held a share of approximately 23% of the Indian export market for Black Galaxy block Granite. (*Source: CRISIL Report*) We operate 3 Black Galaxy Granite Mines which allowed us to export 48,249 cubic meters during Fiscal 2024. According to data from the Mining and Geology Department, Government of Andhra Pradesh, the sale price for Black Galaxy Granite ranges between ₹50,000-100,000 per cubic meter while the sale price for black Granite ranges between ₹30,000-75,000 per cubic meter. (*Source: CRISIL Report*) Among all the granite categories available in India, average realizations are the highest for Black Galaxy Granite. (*Source: CRISIL Report*)

Black Galaxy Granite is a premium stone used in high-value real estate projects including luxury hotels, condominiums and apartments for applications such as kitchen counters, floor tiles, bathroom vanities, window sills, back splashes, fire place wraps, accent walls, sculptures, coffee tables, steps and facades (*Source: CRISIL Report*). Its exceptional durability, strength and color pattern have made it a popular choice among architects, designers and builders. Additionally, synthetic alternatives often lack the natural variations and unique patterns found in authentic Black Galaxy Granite, further reducing their appeal (*Source: CRISIL Report*)

Set out below are details of our production and sales of Black Galaxy Granite and Absolute Black Granite for the periods indicated:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Black Galaxy Granite			
- Production (in cubic meters)	57,519	51,672	54,310
- Sales (in cubic meters) (A)	61,690	50,245	56,149
- Revenue from sales (in ₹ million) (B)	4,237.26	3,540.74	3,776.93
- Average Realization per cubic meter sold (B/A) (in ₹ million)	0.07	0.07	0.07
Absolute Black Granite			
- Production (in cubic meters)	40,105	42,820	45,664
- Sales (in cubic meters) (A)	41,804	41,630	45,776

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
- Revenue from sales (<i>in ₹ million</i>) (B)	1,389.90	1,291.18	1,244.77
- Average Realization per cubic meter sold (B/A) (<i>in ₹ million</i>)	0.03	0.03	0.03

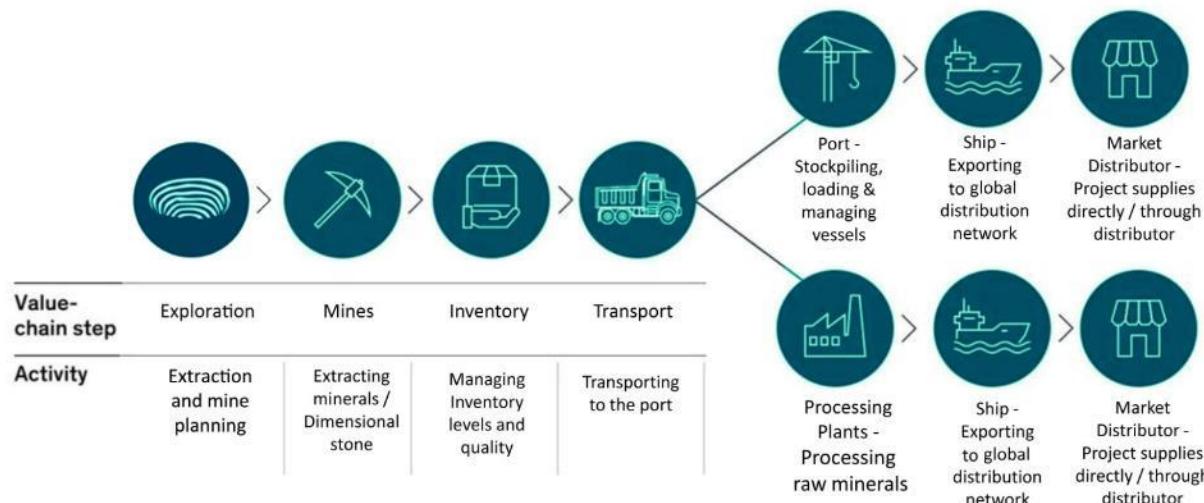
The natural stone mining industry in India largely comprises unorganized and fragmented players, and strategic planning and substantial financial resources are essential for sustained success. (*Source: CRISIL Report*) Further, mining rights covering specific areas are typically granted on an exclusive basis for a period of 30 years, which can be extended up to 50 years under the terms of the MMDR Act, and establishing and operating a mine requires significant human and financial capital investment with long gestation periods to transition from the exploration phase to the production phase. Accordingly, producers with large and established resources have a competitive advantage. (*Source: CRISIL Report*)

We are also continuously evaluating opportunities to expand our resource base by developing additional Mines in areas abutting our existing operations. For instance, we are developing an additional Black Galaxy Granite Mine over an area of 10.94 hectares adjacent to our existing Black Galaxy Granite Mines at Chimakurthy, Andhra Pradesh. Based on the JORC Report commissioned by our Company, this proposed Mine holds 11,810,753 cubic meters of Measured Resources. For further information, see “*Description of our Business–Natural Stone Segment–Reserves and Resources*” on page 241.

Given the significant demand for Black Galaxy Granite, our exclusive mining rights over proven reserves, our experience in mining and processing of Black Galaxy Granite and established customer base, we are well positioned to beneficially cater to this growing and high-value market segment.

Presence across the entire Dimensional Granite value chain with mine to distribution capabilities

Our mine to distribution capabilities span across the Dimensional Granite value chain and allow us to effectively cater to our customers' requirements.



Through our 16 operational Granite Mines, we are able to extract and supply dressed dimensional Granite blocks (in varieties such as Black Galaxy, Absolute Black and Tan Brown) to our customers. We also operate two processing facilities where smaller Granite blocks are cut and polished, rendering the Granite suitable for use in final products such as counter-tops, steps, window-sills, dining islands, facades and floor/ wall cladding. Our processing facilities enable us to enhance the recovery from extracted Granite blocks of commercial quality by allowing us to salvage rejects obtained from dressing of large-sized blocks, and produce marketable products using such rejects. We utilize third-party logistics providers who cater exclusively to our operations to transport dressed Granite blocks and Granite

slabs on flatbed trucks to the assigned ports, most commonly Chennai in Tamil Nadu and Krishnapatnam and Kakinada in Andhra Pradesh, India. We also operate a stock yard at the Krishnapatnam port in Andhra Pradesh which allows us to maintain required levels of inventory and ship our products efficiently. We adopt flexible supply chain models to meet the requirements of our customers and distributors and have the capability to deliver goods in modes ranging from, an ex-mine basis (where customers collect products from our Mines or stock yards) to a cost-insurance-freight basis (where products are delivered to customers at the port of destination). We are also able to assist customers in arranging shipments of products to the desired port and destination through a network of freight forwarding and shipping agents with whom we engage frequently which allows us to deliver our products to distributors and stone processors in various countries.

Our presence across the Dimensional Granite value chain allows us to cater to the requirements of our customers more effectively, thereby creating enhanced customer value. By operating our own Mines, we are able to assure our customers consistent supply in terms of volume and quality. Further, our distributor model allows us to maintain optimal inventory levels closer to the primary consumption markets, which include China and Italy. We assist our distributors in securing more favorable shipping rates by aggregating their consignments under a single charter, leading to reduced costs. Additionally, our network of distribution agents facilitate more accurate estimation of market demand, which in turn allows us to prepare production plans at our Mines and our inventory levels.

Collectively, these factors give us added control and stability in our supply chain, allow us to cater to bespoke customer requirements and unlock value for our customers.

Emphasis on Research and Development (“R&D”) and Technology Integration

We place a significant emphasis on R&D, which primarily comprises (i) tracing, identifying and establishing new mineral deposits to expand our resource portfolio; and (ii) developing methods to increase operational efficiency, reduce costs and improve the quality of our products. We have a dedicated R&D and Exploration team, comprising 9 personnel, including 7 geologists, 1 quality control specialist and 1 chemist who have, on average, 14.53 years of industry experience. Our R&D team has enabled us to undertake various business initiatives, some of which have been discussed below.

- **Exploration of New Mines:** Our R&D team identifies and evaluates prospects, with a focus on Black Galaxy Granite, Absolute Black Granite, Quartz and Heavy Mineral Sands. The potential mineral bearing areas are identified by using satellite imagery and studying geological and geophysical reports and data. A desktop study is conducted based on the leads generated, which is followed by field visits to shortlisted areas. Further, mapping, geo-physical studies and invasive studies are carried out as required. The reserve estimation along with cost projections generated enable us to assess the viability of the prospective mineral resource. We are currently developing an additional Black Galaxy Granite block over an area of 10.94 hectares, which is adjacent to our three existing Black Galaxy Granite Mines at Chimakurthy, Andhra Pradesh. Further, we are also developing a deposit at Hanumanthulapadu, Andhra Pradesh for extracting Quartzite blocks, an emerging alternative to imported Quartzite.



- **Electric Squaring and Dressing Station:**

Station: Rough granite blocks extracted from mines undergo squaring and dressing, i.e., blocks are worked upon to ensure conformity to the required shape, size and finish. We have co-developed an electric dressing station with an Italian company, which allows us to replace at least three mechanical drills in the dressing process. Further, using electric power in the place of diesel reduces mine emissions and operating costs and enhances longevity of the equipment. It further reduces our cost of production and processing time and enables us to accelerate the production process. It further reduces our dependence on manpower while enhancing safety of our operations (a reduction of the number of personnel present in the Mine pit, reduces the risk of injury).



- **Electric Dump Trucks:** Diesel is a significant component of our production cost as most of our mining equipment is diesel operated. Besides the cost, it increases the emissions from our operations. We had inducted one electric dump truck into our fleet on a pilot basis for use at our Mines. Deployment of electric dump trucks over diesel trucks has led to a decrease in the cost per kilometer, reduced maintenance cost, downtime and emissions. In addition, electric trucks have also improved operator comfort due to reduced heat, sound, vibration and improved air quality. Further, we propose to deploy solar power generation installations at two additional mine locations with a combined generation capacity of 0.66 MW, allowing us to power the electric dump trucks at these locations using renewable energy, to further reduce emissions.



- **Phasing-out Usage of Explosives:**

Traditionally, rough Granite blocks are separated from the bed rock in the mines using drilling and blasting, wherein explosives are placed in drill holes along the line of weakness and then the block is separated from the rock mass by detonating explosives. Our mining team has identified and improvised a process utilizing expanding chemical powder as a substitute for explosives. This process has improved the yield of dimensional blocks at our Mines due to elimination of generation of micro-fissures in the rock mass during the blasting. Further, it has reduced dust pollution, safety risks and compliance requirements associated with the storage and use of explosives. Accordingly, we began our shift away from blast mining and reduced the utilization of explosives in our operations.

- **Quartz Laboratory Facility:**

To support our proposed Quartz processing facility, we have established a laboratory in APIIC Growth Center (Building Materials Special Economic Zone) at Annangi Village, Prakasam District, Andhra Pradesh, India capable of assessing quartz samples emanating from the mines and identifying attributes required to meet the specifications for processing of Quartz and market needs. This lab improves our ability to understand the quality of raw materials and enables us to design process parameters and arrive at yields without depending on the use of third-party facilities.



Our R&D team continuously evaluates emerging methods and technologies to identify opportunities for process optimization and enabled us to conduct evaluations on the deployment of electric dump trucks to replace diesel trucks and electric squaring and dressing stations to improve our operating efficiency and process flow; and our ERP system and sensor suite enabled monitoring of fuel utilization by machines at our Mines, and reduce the overall operating costs.

For further details regarding our R&D activities, please see “*Description of our Business—Research and Development (“R&D”) and Exploration*” on page 260.

Significant establishment costs with a long gestation period benefitting established players

Mining is a highly capital-intensive business involving significant expenditure at each stage of the process, namely, exploration, development, exploitation and reclamation. There is a long gestation period to transition from the exploration stage to the production stage. (*Source: CRISIL Report*) Further, natural stone mining is subject to extensive regulation in India, requiring mining leases and other approvals, permits and consents from government authorities which are typically granted on an exclusive basis for a period of up to 30 years, which can be extended to 50 years under the MMDR Act. Further, mechanized mining requires the acquisition and deployment of highly customized and expensive machinery, technically specialized and skilled personnel with competence in various disciplines such as Geology, Mining and Engineering. It further employs complex production methods which involve a significant learning curve. Accordingly, these requirements of the Granite mining industry in India give established players a competitive advantage over new players in the industry. (*Source: CRISIL Report*)

We have 20 operational Mines, comprising 16 Granite Mines, 3 Quartz Mines and 1 Marble Mine, and a resource base across the Indian states of Telangana, Andhra Pradesh, Karnataka and Tamil Nadu. We held a share of approximately 23% of the Indian export market for Black Galaxy Granite in Fiscal 2024. (*Source: CRISIL Report*) Further, our Mines are operated using modern equipment and an advanced fleet of machines which includes 74 excavators, 43 dump trucks, 70 wire saws and 35 mechanical drills, as of March 31, 2024. Our sectoral experience allows us to leverage our knowledge to maintain our regulatory approvals and licenses. Further, given our history, position in the industry and our scale of operations, we lead the industry in royalty payments for Black Galaxy Granite and paid the highest royalties between 2020 and 2024, with a notable contribution of ₹406 million in Fiscal 2024, accounting for 31% of the total royalty paid for Black Galaxy Granite during Fiscal 2024. (*Source: CRISIL Report*)



Given that we have established the Mines, developed a resource base, deployed a comprehensive equipment fleet and accumulated more than 40 years of experience and knowledge in Dimensional Stone mining, our Mines are placed ahead in the development and operational cycle compared to new mines or mines operated by new or unorganized players. Therefore, we possess a strong comparative advantage over new and unorganized players in the Dimensional Granite mining industry.

Proven track record of financial and operational performance

We have a proven track record of strong financial and operational performance, which positions us well for growth and diversification. Between Fiscals 2022 and 2024, our revenue from operations, EBITDA and profit after tax grew at a CAGR of 5.59%, 19.67% and 18.55%, respectively. We maintain a stringent credit policy when compared with the industry trend, refraining from extending credit to customers. Our customer contracts have also been able to generate significant cashflow allowing us to maintain a healthy working capital cycle without significant dependence on external financing to meet our working capital requirements. Our typical payment terms in these contracts are (i) in the case of export customers, payment through letters of credit against delivery on a “free on board” basis apart from long-term advances paid by the customers which are adjusted in the invoices; and (ii) for domestic customers, advance payments, apart from maintaining a standing deposit with us for allocation of products. These payment terms in our customer contracts help us in reducing and meeting a part of our working capital requirements, thereby reducing our finance costs and crunching our working capital cycle.

The tables below set forth certain key financial and operational performance indicators as at and for the periods indicated.

Financial Indicators

Indicator	As at and for Fiscal		
	2024	2023	2022
Revenue from Operations (₹ million)	5,856.24	5,025.17	5,252.37
Revenue from sale of Black Galaxy Granite (₹ million)	4,237.26	3,540.74	3,776.93
Revenue from sale of Absolute Black Granite (₹ million)	1,389.90	1,291.18	1,244.77
Revenue from sale of Diamond Wire (₹ million)	88.44	105.20	92.16
Revenue from sale of Others (₹ million)	140.64	88.04	138.51
EBITDA	1,514.43	895.87	1,057.41
EBITDA Margin (%)	25.86	17.83	20.13
Profit/ (loss) after tax for the year/ period (₹ million)	1,003.24	544.36	670.93
Net Profit Margin (%)	17.13	10.83	12.77
Cashflow from operations (₹ million)	1,279.07	(519.46)	1,433.12
Return on Capital Employed (RoCE) (%)	25.00	14.39	26.29
Return on Equity (RoE) (%)	23.78	16.25	24.42
Debt to Equity Ratio	0.29	0.45	0.35

Indicator	As at and for Fiscal		
	2024	2023	2022
Interest Coverage Ratio (times)	14.11	7.51	9.73
Current Ratio	1.68	1.32	1.11
Working Capital Cycle (<i>in days</i>)	89	106	60

For details on the calculation and explanation of the non-GAAP measures included above, please see “*Management’s Discussion and Analysis of Financial condition and Results of Operations—Non-GAAP Financial Measures*” on page 410.

Operational Indicators

Particulars	As at and for the Fiscal Year ended March 31,		
	2024	2023	2022
Granite blocks			
<i>Produced (in cubic meters)</i>			
- Black Galaxy Granite	57,519	51,672	54,310
- Absolute Black	40,105	42,820	45,664
Total Production	97,624	94,492	99,974
<i>Sold (in cubic meters)</i>			
- Black Galaxy Granite	61,690	50,245	56,149
- Absolute Black	41,804	41,630	45,776
Total Sale	103,494	91,875	101,925
Diamond Wire			
Produced (<i>in meters</i>)	106,366	105,928	84,320
Sold (<i>in meters</i>)	93,015	104,141	77,579
Capacity Utilization (<i>in %</i>)	64.46	73.05	67.46

Experienced Promoters and professional management team with deep industry experience and strong track record

Our senior management team has significant experience in the mining and natural stone industries and has been instrumental in developing and implementing our business strategies and driving our business operations. Our management team has experience across technology, mining and finance.

- (i) Mr. Kollareddy Rama Raghava Reddy, our Founder and President, has more than four decades of experience in the mining industry.
- (ii) Kollareddy Ramachandra, our Whole-time Director and Chief Executive Officer, has more than two decades of experience in the mining industry and leads execution for our Company on various fronts including liaising with government authorities, identifying cost reduction measures, resource optimization strategies, developing marketing strategies and customer management.
- (iii) Uma Priyadarshini Kollareddy, one of our Whole-time Directors, has over 18 years of experience, including in investment banking in New York, United States, and handles business strategy, management, joint venture negotiations, team building and deal structuring at our Company.
- (iv) Mallikarjuna Rao Kommana, our Chief Operating Officer, heads all mining operations carried out at the natural stone mines of our Company and our international activities, including exploration, extraction, production, safety, environmental compliance and strategic planning for our mining operations.
- (v) Dilip Kumar Chalasani, our Chief Financial Officer, has more than two decades of experience as a chartered account and is a fellow member of the Institute of Chartered Accountants of India.

Our Board consists of Directors with a diverse mix of experience across sectors, and in particular, engineering, mining, finance, law and management. Our Board level committees, namely, the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee and the CSR & ESG Committee, work in tandem and supervise the activities of our executives. For further details regarding our board of directors, key managerial personnel and senior management, please see “*Our Management*” on page 292.

OUR STRATEGIES

Capitalize on the growing market for Black Galaxy Granite and Absolute Black Granite and build our resource base

Black Galaxy Granite is a highly sought-after premium stone. We held a share of approximately 23% of the Indian export market for Black Galaxy Granite in Fiscal 2024 (*Source: CRISIL Report*). Our 3 Black Galaxy Granite Mines produced 57,519 cubic meters of Black Galaxy Granite during Fiscal 2024, and we are developing an additional Mine in Andhra Pradesh to produce Black Galaxy Granite.

We aim to cater to the growing domestic market which can complement demand patterns in international markets. For instance, while Black Galaxy Granite is sold at a premium in overseas markets as compared to the Indian market, Absolute Black Granite can serve as a lower cost alternative to Black Galaxy Granite which can be sold at competitive prices in the domestic market. The attributes of Absolute Black Granite such as high hardness, durability, resistance to weathering and low maintenance requirements, rendering it suitable for use in modern architectural coverings such as kitchen counters, flooring, bath vanities, cladding, windowsills, backsplashes, fireplaces, steps, building facades and fountains. We are working on positioning Absolute Black Granite as an alternative to steel foundations and plinths for heavy precision machine tools where the requirements include tolerance to stress, resistance to wear and tear over a long period of time and ultra-low co-efficient of linear expansion.

The details of our existing Ore Reserves and Resource Base of Black Galaxy Granite and Absolute Black Granite, based on the JORC Report commissioned by our Company, have been summarized below:

Reserve Summary of Operational Mines			
S. No	Product	Proved Reserve	Blockable Reserve
1	Black Galaxy Granite	30,778,909 Cu.m	6,873,065 Cu.m
2	Absolute Black Granite	9,140,399 Cu.m	1,880,992 Cu.m
3	Colour Granite (Tan Brown)	3,761,254 Cu.m	977,926 Cu.m
4	Quartz	2.1 Million Tonnes	Not applicable

We will evaluate and identify opportunities to acquire additional resources through strategic acquisitions of Mines in zones contiguous to our existing Mines to leverage our existing extraction and processing infrastructure. The addition of reserves will allow us to maintain an optimum resource base of our products thereby balancing the reserve depletion and addition ratio in our Mines. Early tracing and reserve estimation enables us to expand our resource base ahead of our competitors.

Given our existing ore reserves, resource base and rich legacy in the industry, we are well positioned to capitalize on the growing market for Black Galaxy Granite and Absolute Black Granite.

Expand our Dimensional Stone products and enter new geographies

While we are primarily involved in the mining, processing and sale of Dimensional Granite varieties such as Black Galaxy Granite and Absolute Black Granite, we have one Mine that produces Quartzite in Hanumanthunipadu, Andhra Pradesh and another operating Mine in Siddhavatam, Andhra Pradesh that produces grey Marble.

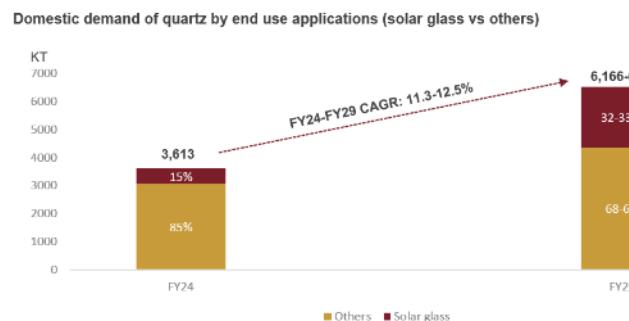
Quartzite is emerging as an attractive alternative to imported Quartzite varieties. Quartzite scores 7 out of 10 on the Mohs Scale of Hardness while Granite scores 6, making Quartzite ideal for applications such as facades, flooring, stairway steps, and countertops in kitchens. Similarly, Laza Grey Marble, like other types of marble, offers advantages including premium aesthetics and heat resistance making it desirable for applications in both residential and commercial projects and due to its domestic availability, is more price competitive compared to imported marble. These products are well positioned to compete with imported marble and quartzite products in the Indian market, due to their similar aesthetic and functional attributes (*Source: CRISIL Report*)

Accordingly, we are introducing certain exclusive varieties of natural stones such as Laza Grey Marble and Celestia Quartzite on a B2B2C model which can compete with the Marble varieties currently being imported into India and cater to the growing market for Quartzite, respectively (*Source: CRISIL Report*). We have made arrangements on a

'contract manufacturing' basis with an established Natural Stone processor in India who will process blocks of Quartzite and Marble from our Mines. The processed Laza Grey Marble and Celestia Quartzite will then be marketed by us to end-users, where we will brand, position and price the product.

We intend to capitalize on the brand equity that we have established as a producer of high-quality Granite and strong customer relationships, to help us break into the growing domestic and export geographies for Marble and Quartzite.

Diversify revenue through production of Quartz grit and powder



P: Projected

Note: Others- Includes all the applications other than solar glass like- engineered stone, electronics etc.
Source: CRISIL M&A Consulting

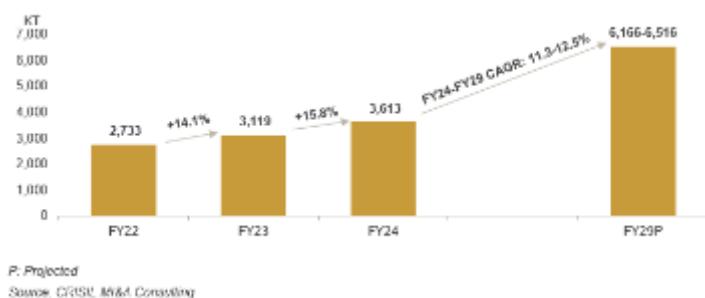
(Report)

Quartz, a crystalline mineral composed primarily of silicon dioxide (SiO_2). It is an industrial mineral having a wide range of applications including building materials such as engineered stone, glass, and application in industries such as solar glass, foundries, refractory, crucibles, semi-conductors, fillers in paint and rubber and ceramics. Though abundant in nature, only select mines in India have sufficient deposits of suitable quality. Quartz grit and powder are essential materials in the manufacturing of engineered stone and solar glass. There are very few large-scale integrated players in India with Mine to Market capabilities in Quartz. (Source: CRISIL Report)

The global demand for engineered quartz slabs has led to a significant surge in exports from major producing countries. China, India, and Turkey are among the top exporters of engineered quartz slabs. The total exports market of Quartz Slabs increased at significant rate of 21.5% from ₹29,541 million in Fiscal 2023 to ₹35,894 million in Fiscal 2024. Further, the domestic demand for quartz saw an upward trend between Fiscal 2022 and Fiscal 2024. The domestic demand stood at 2,733 kilo tons in Fiscal 2022, which increased to 3,618 kilo tons in Fiscal 2024, logging a significant CAGR of 15.0%. (Source: CRISIL Report)

We operate Quartz Mines in Andhra Pradesh, India with combined proved reserves of 2.1 million metric tonnes of Quartz to support the manufacture of Quartz grit and powder. Our operations in the Quartz segment are conducted by Midwest Neostone Private Limited ("Midwest Neostone"), a wholly owned subsidiary of our Company. Midwest Neostone is in the process of establishing an advanced quartz processing facility in the APIIC Growth Center (Building Materials Special Economic Zone) at Annangi Village, Prakasam District, Andhra Pradesh, India. The project will be implemented in two phases. Phase I comprises a plant to produce Quartz grit and powder with an annual installed capacity of 303,600 metric tonnes per annum which will be sold primarily to manufacturers of Engineered Stone. We expect Phase I of the Quartz Processing Facility to commence commercial operations during Fiscal 2025. Phase II comprises a plant with an additional capacity of 303,000 metric tonnes per annum, increasing the total capacity to a total of 606,600 metric tonnes per annum, which will produce enhanced quantities of quartz grit and powder suitable for manufacturing Engineered Stone and will also further process the rejects generated in our Phase I and Phase II facilities. By further refining these rejects, we will be able to produce Quartz grit and powder with a high enough purity for use as a raw material in the manufacture of Engineered Stone and solar glass (*i.e.*, specialized glass material used to produce solar panels) and other high-quality glass applications while also expanding our production capabilities to cater to the Engineered Stone industry. The Phase II Quartz Processing Facility is proposed to be entirely funded through the Net Proceeds from the Offer. For further details regarding Phase II of the Quartz Processing Facility, see "*Objects of the Offer–Funding capital expenditure by Midwest Neostone, our wholly owned subsidiary, towards the Phase II Quartz Processing Plant*" on page 111.

Domestic demand of quartz- review (fiscal 2022-2024) and outlook (fiscal 2029)



P: Projected

Source: CRISIL M&A Consulting

Part of the raw material for our Phase II Quartz Processing Facility will be sourced from our Phase I Quartz Processing Facility, leading to a stable supply of feed materials, and improving margins in both Phase I and Phase II operations of the Quartz Processing Facility. With the operationalization of Phase I, our Company will be one of the few players worldwide, which incorporate a mine-to-market integrated business model for production of Quartz grit and powder, *i.e.*, offering capabilities across mining, processing, packing, distribution and branding of Quartz. (*Source: CRISIL Report*) We are also developing two additional Quartz Mines in Andhra Pradesh, India with combined proved resources of 1.6 million metric tonnes of Quartz.

By leveraging the experience and expertise derived from operating the Phase I and Phase II Quartz processing facilities, combined with further R&D work, we aim to eventually enter the market for high purity Quartz, which will require further refinement of the products manufactured in our Phase II facility. Based on tests conducted on a sample of a pegmatite deposit (which is an ore for Quartz) from one of our mines, it was concluded that the sample had a high concentration of high purity Silicon Dioxide, which makes it suitable for high purity Quartz applications. High purity Quartz is a critical siliceous raw material widely used in the photovoltaic industry, semiconductors, large-scale integrated circuits, optical fibers, high-temperature lamp tubes, quartz crucibles, high-temperature glass, aerospace, and other high-tech applications owing to its performance in terms of thermal stability, transparency and chemical inertness. By commencing production of Quartz Grit and Powder, we will be able to diversify our existing revenue stream and cater to the growing demand for Quartz Grit and Powder.

Accordingly, we have identified the market for Quartz grit and powder as a key market segment to cater to, which we are well-positioned to do by virtue of our decades of experience in mining and mineral processing, supported by our established Quartz resource base.

Expand into heavy mineral sand mining

We are expanding our product portfolio through development of capabilities in Heavy Mineral Sand mining and processing. We intend to explore, develop and extract minerals such as Rutile, Ilmenite, Zircon, Garnet, Sillimanite and Monazite.

Such minerals are used as feedstock in the production of Titanium Oxide pigments, production of Titanium metal and welding electrodes, and in the Titanium chemical industry. We intend to produce intermediate products *i.e.*, Titanium slag from the extracted ores. Titanium slag is used in pigments and paints. Further, Monazite is a significant source of Cerium, Lanthanum, and Neodymium, and is used in (i) the production of phosphor (for LEDs and fluorescent lights), (ii) as a catalyst and (iii) in the production of advanced ceramics (with aerospace and defence applications). (*Source: CRISIL Report*)

We have obtained 4 licenses for exploration activities in Sri Lanka. We have identified additional areas where we are in the process of making applications for further exploration licenses. We have completed our exploration in the areas granted and the Geological Survey and Mines Bureau, Sri Lanka has approved our exploration reports on the mineral resource and viability of mining. We currently await certain environmental clearances, which is a pre-requisite to receive mining licenses to commence operations. We propose to establish a facility in Sri Lanka to process heavy mineral sands to cater to the growing Indian and global markets with commercial operations proposed to begin in Fiscal 2027.

Growing and augmenting operations in our Diamond Wire Segment

We manufacture Diamond Wire for use in precision cutting tools employed in the mining and construction industry. We produce two varieties of Diamond Wire for use in quarries, processing facilities and construction sites. Our operations are carried out at our manufacturing facility in Hyderabad, Telangana and caters both to our captive requirements and those of other customers in the mining and construction industries.

We aim to further increase our operations in the Diamond Wire Segment and acquire a greater share of the market for this product. A section of our R&D team focusses exclusively on the Diamond Wire Segment, which has allowed us to usher improvements in the cutting speed and useful-life of our Diamond Wire, by modifying the composition of key materials such as tungsten, iron, cobalt and the quality and size of synthetic diamonds in the matrix. We are seeking to increase our share of the Diamond Wire market by (i) continuing to make product improvements, and (ii)

augmenting our existing ‘product selling’ strategy (where we sell to existing users of Diamond Wire), with a ‘concept selling’ strategy (where we target operators who are yet to adopt Diamond Wire in their operations). To this end, we plan to widen the existing dealer network to provide sales and support services across the country.

The table below sets out details of the Diamond Wire produced and sold by us for the periods indicated.

Particulars	As at and for the Fiscal Year ended March 31,		
	2024	2023	2022
Diamond Wire			
Produced (<i>in meters</i>)	106,366	105,928	84,320
Sold (<i>in meters</i>)	93,015	104,141	77,579
Revenue attributable to Diamond Wire Segment (<i>in ₹ million</i>)	88.44	105.20	92.16

By continuing our product improvements and expanding our marketing strategies, we aim to expand our share of the domestic Diamond Wire market which, we anticipate, may serve as a foundation to compete in overseas Diamond Wire markets.

Improve efficiency and sustainability of our operations

Dimensional Stone Mining is a cost-intensive operation. When a rough Granite block is extracted from the deposit in the Mine, the blocks are loaded using excavators and transported in dump trucks to the dressing stations. During the process of handling, rolling, loading and transportation, the blocks may develop cracks or defects that reduce the ‘yield’, *i.e.*, the proportion of the rough block which is converted into Dimensional Stone. Additionally, given that Granite is a naturally occurring material, there may be imperfections in the block which can lead to a further reduction in the yield.

Further, a significant portion of our total expenditure is incurred on operations at our Mines, including expenses on fuel and electricity consumption to power large machinery and other equipment.

Therefore, to maintain and improve the efficiency of our operations, it is key that we preserve and/or improve the yield from our operations and reduce the costs incurred during such operations. Accordingly, we are in the process of implementing the following initiatives:

(i) Yield Improvements

- a. *Extraction:* During the extraction process, we are pivoting away from the use of explosives (which can damage the structure of the extracted block) towards expanding chemical powders, which produce similar results without collateral damage.
- b. *Transportation:* In order to reduce damage to the Granite blocks during transportation, where the operating environments are suitable, we intend to induct (i) wheel loaders for transporting blocks from the mine to surface/loading yards instead of the combination of excavators and trucks; and (ii) derrick cranes for hoisting the Granite blocks and the waste from the Mine pits to the surface.

(ii) Cost Reduction

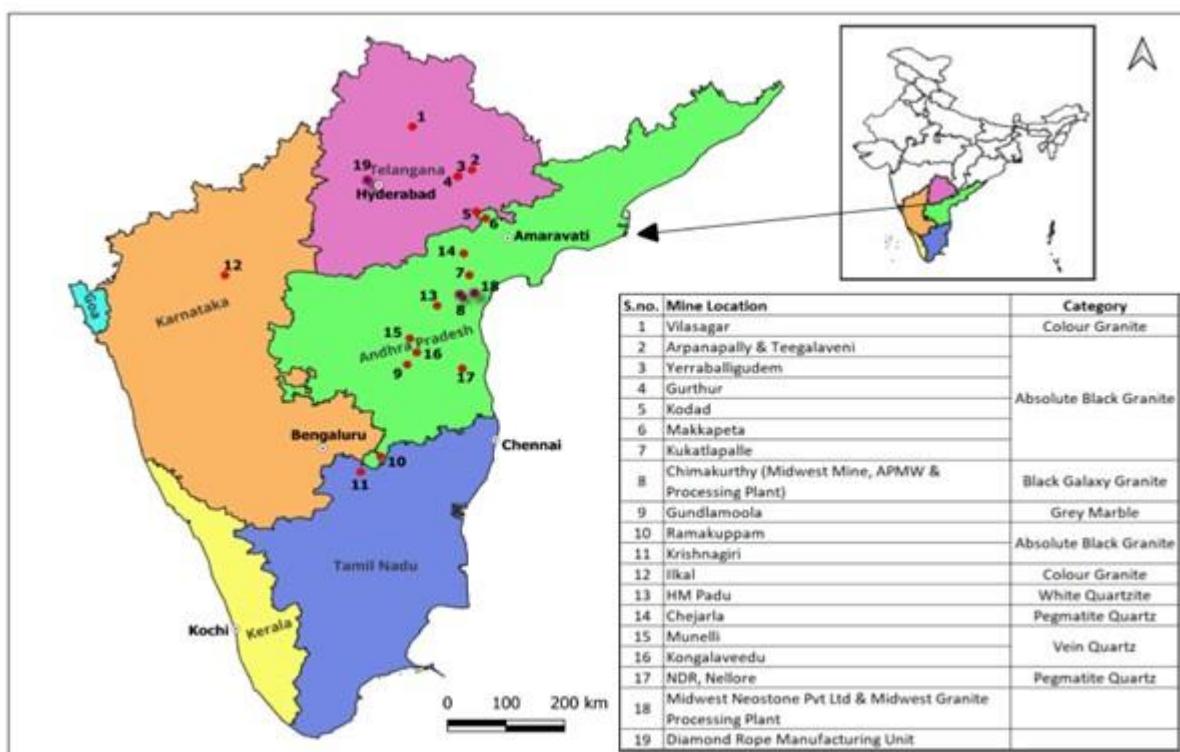
- a. *Electrify Mine Equipment:* Given that significant expenditure is incurred on our fuel requirements, we propose to deploy electric dump trucks at our Mines to replace diesel trucks and utilize electric dressing stations. For further details on the deployment of electric dump trucks, please see “*Objects of the Offer—Details of the Objects—Capital Expenditure for purchase of electric dump trucks to be used by our Company and APGM, our Material Subsidiary*” on page 117.
- b. *Integration of Solar Energy:* In addition to fossil fuel, the other major component of our expenses is the consumption of electricity from the municipal grid. Accordingly, we propose to establish solar power plants at our mining facilities to reduce our costs and dependency on conventional sources of power and fuel. For

further details, please see “*Objects of the Offer–Details of the Objects–Capital expenditure for integration of solar energy at certain Mines of our Company*” on page 118.

- c. *Process Improvements:* After extraction from the Mines and before transportation to the surface, the Granite blocks undergo a dressing process to create smooth edges and sides. We have developed and intend to utilize an electric dressing station which allows us to reduce the time and cost of dressing Granite blocks.
- d. *Replacing handheld jackhammers:* We intend to increase the deployment of mechanical/hydraulic drills to replace handheld jack hammers for splitting the rough Granite mass into blocks, thereby optimizing operating costs by mechanizing our process and increasing its efficiency. By replacing handheld jackhammers, we are also able to improve the safety of workers at our Mines.

By implementing the above yield improvements and cost reduction initiatives, we seek to improve the efficiency and sustainability of our operations.

DESCRIPTION OF OUR BUSINESS



Map of the states of Andhra Pradesh, Telangana, Karnataka, Tamil Nadu and Goa in India showing our key locations

Our current business activities comprise two operating segments (i) the Natural Stone Segment and (ii) the Diamond Wire Segment.

Set out below is the breakdown of our revenue from operations across our operating segments for the periods indicated.

Segment	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ million)	% of Revenue from operations	Revenue (₹ million)	% of Revenue from operations	Revenue (₹ million)	% of Revenue from operations
Black Galaxy and Absolute Black Granite						

Segment	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ million)	% of Revenue from operations	Revenue (₹ million)	% of Revenue from operations	Revenue (₹ million)	% of Revenue from operations
Black Galaxy Granite						
- Exports	3,619.50	61.81	2,991.38	59.53	2,729.05	51.96
- Domestic	617.76	10.55	549.36	10.93	1,047.88	19.95
Absolute Black Granite						
- Exports	38.02	0.65	47.06	0.94	19.65	0.37
- Domestic	1,351.89	23.08	1,244.12	24.76	1,225.12	23.33
Sub-total for Black Galaxy Granite and Absolute Black Granite (A)	5,627.17	96.09	4,831.92	96.15	5,021.70	95.61
Others						
- Other natural stones	140.64	2.40	88.04	1.75	138.51	2.64
- Diamond Wire	88.44	1.51	105.20	2.09	92.16	1.75
Sub-total for Others (B)	229.08	3.91	193.24	3.84	230.67	4.39
Total Revenue from Operations (A+B)	5,856.24	100.00	5,025.17	100.00	5,252.37	100.00

NATURAL STONE SEGMENT

In our Natural Stone Segment, we engage in the exploration, development, mining and marketing of dimensional stones, *i.e.*, stone that is cut to conform to specifications in terms of size and shape (“**Dimensional Stone**”). We produce Dimensional Granite, primarily Black Galaxy Granite and Absolute Black Granite in dressed blocks as well as slabs. We currently operate 20 Mines in the Indian states of Telangana and Andhra Pradesh, along with two Granite processing facilities in Andhra Pradesh, India. Our operations in the Natural Stone Segment are primarily carried out by our Company and Andhra Pradesh Granite (Midwest) Private Limited, our Material Subsidiary.



A. Reserves and Resources

We follow the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (“**JORC Code**”) for estimating and reporting our natural stone resource. In connection with the Offer, our Company

has commissioned a technical assessment report titled “*JORC Report on Techno-Economic Assessment of Dimension Stone Granite Reserves, High grade Quartz Deposits in India and Heavy Mineral Sand Resources in Sri Lanka*”, dated June 22, 2024 from G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code (the “**JORC Report**”). Geovale Services Private Limited, independent mining and geological consultants, have reviewed the JORC Report and our resource reporting practices and issued an audit report titled “*Audit Report on JORC Compliant reports on DSG and Quartz mines in India and Maiden Heavy Mineral Sand resources in Sri Lanka for Midwest Granite Pvt Ltd*” dated July 24, 2024, on the JORC Report and our resource reporting practices (“**Geovale Audit Report**”). The executive summary of the JORC Report along with the Geovale Audit Report have been included in the section “*Material Contracts and Documents for Inspection*” beginning on page 516. The methodology followed for resource estimation and resource classification under the JORC Code is different from, and may not be comparable to, that followed under other international codes. Please see “*Risk Factors—“Our estimates of natural stone reserves in our Mines may be materially different from the quantity and quality of natural stone that may actually be recovered from such Mines. Further, our estimates of mine life, i.e., the operational lifespan of a Mine, may prove to be inaccurate and market price fluctuations and changes in operating and capital costs may render certain of our natural stone reserves uneconomical to exploit*” on page 31.

Set out below are certain material terms that are used under the JORC Code.

Mineral Resource: A ‘Mineral Resource’ is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. (*Source: JORC Code*)

Modifying Factors: ‘Modifying Factors’ are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors. (*Source: JORC Code*)

Ore Reserve: An ‘Ore Reserve’ is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. (*Source: JORC Code*) We utilize the following classification for the estimation of our Natural Stone Reserves and Resource Base in accordance with the JORC Code.

(i) *Resource Categorization*

Inferred Mineral Resource: An ‘Inferred Mineral Resource’ is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration. (*Source: JORC Code*)

Indicated Mineral Resource: An ‘Indicated Mineral Resource’ is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing

gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve. (*Source: JORC Code*)

Measured Mineral Resource: A ‘Measured Mineral Resource’ is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve. (*Source: JORC Code*)

(ii) *Reserves Categorization*

Probable Ore Reserves: A ‘Probable Ore Reserve’ is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve. (*Source: JORC Code*)

Proved Ore Reserves: A ‘Proved Ore Reserve’ is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors. (*Source: JORC Code*)

In this Draft Red Herring Prospectus, unless otherwise indicated, a reference to our “resource base” is a reference to our “Probable Ore Reserves” at our Mines which are under development, determined in accordance with the JORC Code.

(remaining space intentionally left blank)

Set out below is certain information in relation to our operating Mines and Mines under development as on March 31, 2024, as included in the JORC Report and assessed by from G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code. The executive summary of the JORC Report has been included in the section "Material Contracts and Documents for Inspection" on page 516.

Reserve Summary of Operational Mines				Reserve Summary of Mines under Development			
S. No	Product	Proved Reserve	Blockable Reserve	S. No	Product	Proved Reserve	Blockable Reserve
1	Black Galaxy Granite	30,778,909 Cu.m	6,873,065 Cu.m	1	Black Galaxy Granite	19,717,041 Cu.m	3,510,997 Cu.m
2	Absolute Black Granite	9,140,399 Cu.m	1,880,992 Cu.m	2	Absolute Black Granite	13,348,187 Cu.m	2,646,087 Cu.m
3	Colour Granite (Tan Brown)	3,761,254 Cu.m	977,926 Cu.m	3	Colour Granite (Tan Brown)	12,901,744 Cu.m	3,354,454 Cu.m
4	Quartz	2.1 Million Tonnes	Not applicable	4	Quartz	1.6 million tonnes	Not applicable

Natural Stone									Quartz				
S. No.	Rock Type	Mine Location		Proved Reserves (Cu.m)	Blockable Reserve (Cu.m)	Recovery (%)	Avg. production per month (Cu.m)	Life of the mine (In months)	Life of the mine (In Yrs)	S.No.	Mineral Type	Mine Location	Proved Reserves (Million Tonnes)
1	Black Galaxy Granite	Chimakurthy	Main Pit	10,170,512	2,339,218	23	5,000	468	39	1	Chejerla	1.4	
			APJV	28,514,685	6,273,231	22	6,000	1046	87				
			Block-4	11,810,753	1,771,613	15	5,000	354	30				
2	Absolute Black	Arpanapalli and Theegalaveni		7,462,588	1,417,892	19	4,000	354	30	2	Kongalaveedu	0.5	
		Yerraballigudem		1,275,592	234,203	18	500	468	39				
		Gurthur		1,425,686	260,008	18	800	325	27				
		Makkapeta		1,773,845	319,292	18	400	798	67				
		Ramakuppam		946,412	198,747	21	700	284	24				
		Kukatlapalle		3,888,094	816,500	21	2,500	327	27				
		Kodad		5,716,369	1,280,437	22	4,000	320	27				
3	Colour granite (Tan Brown)	Vilasagar		14,889,153	3,871,180	26	5,000	774	65	3	Munelli North	0.5	
		Ilkal		1,773,845	461,200	26	5,000	92	8				
4	Marble	Kadapa		3,985,046	1,036,298	26	5,000	207	17	4	Munelli South	1.1	
5	Quartzite	Hanumanthunipadu		4,239,147	1,294,865	30	5,000	259	22	5	NDR (Gudur)	0.2	
Total			97,871,727	21,574,683							Total	3.7	

B. Stages of Mining Operations

Dimensional Stone mining involves the following key stages and regulatory approvals:

- *Exploration*

The exploration stage involves the identification and evaluation of potential mineral deposits on or beneath the Earth's surface. Exploration involves identifying particular regions which are likely to be resource bearing, based on available geological data and geological and physical characteristics of the region, and subsequently, identifying specific parcels of land which are suitable for detailed exploration. Exploration also involves analyzing our existing Mines to evaluate the feasibility of expanding or deepening our existing pits to harvest a greater quantity of the available resource.

We utilize a range of methods to conduct exploration which include geo-physical logging, drilling core boreholes, extracting and analyzing core samples to assess the quality and quantity of the available mineral deposit. For this purpose, we employ drilling machines capable of drilling below the Earth's surface.

We employ surveyors, geologists, geo-physicists, mine planners, mining engineers and other experienced personnel to conduct our exploration activities. As of March 31, 2024, we had a team of nine people who were involved in R&D and exploration activities. Set out below is our expenditure on exploration activities as a percentage of our total expenditure for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of Total Expenditure	Amount	% of Total Expenditure	Amount	% of Total Expenditure
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Exploration						
- India	13.14	0.28	26.01	0.59	10.36	0.23
- Mozambique	9.70	0.21	31.83	0.72	31.33	0.70
- Sri Lanka	91.77	1.97	0.00	0.00	0.00	0.00
Total	114.61	2.46	57.84	1.30	41.69	0.93

Before conducting any exploration, we are required to apply to the relevant authorities in the state concerned seeking a ‘prospecting license’ or an ‘exploration license’.

- *Construction and Development*

After we have identified, evaluated and proved the existence of mineral deposits in a particular land area, reviewed the quality and quantity of the available mineral deposit and evaluated the viability of winning the mineral, we prepare and submit a prospecting/ exploration report and apply to the relevant statutory authority in the State seeking grant of a mining lease and mining approvals for conducting mining operations.

The commencement of mining operations over a land area requires an extensive set of regulatory approvals.

- We are required to apply to the Directorate of Mines and Geology in the State (“**DMG**”) for a mining lease. The DMG may then issue a letter of intent or an in-principle mining lease, pursuant to which we are required to submit a detailed mining plan for approval (“**Mining Plan**”). The Mining Plan requires us to, among other things, provide details on the methodology, machinery and equipment proposed to be utilized for carrying out the mining activities and indicate the production capacity, longevity of the operations, proposals for preservation of the top soil, if applicable, and deposition of waste for reclamation of land at the time of mine closure.
- Once the Mining Plan is approved, we are required to apply for environmental approvals from the State Environmental Impact Assessment Authority (“**SEIAA**”) or expert appraisal committee of the Ministry of Environment, Forests & Climate Change (“**EAC-MoEFCC**”), as applicable, under the Environment (Protection) Act, 1986, and the rules made thereunder, each as amended (“**Environmental Clearance**”). An Environmental Impact Assessment Report (“**EIA Report**”) and subsequently, an environment management

plan (“EMP”) are then commissioned in accordance with the stipulated terms of reference. The SEIAA or the EAC-MoEFCC may conduct public hearings where necessary in accordance with the applicable law, on the proposed project and subsequently, based on the available information, the EIA Report, the EMP and responses received during the public hearing, finally determines whether an Environmental Clearance should be granted.

- Once we receive the Environmental Clearance, which may include certain special conditions, we are required to comply with such conditions in order to consents to establish and consents to operate under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981.
- After the above approvals are received, the first stage mining lease is sanctioned by the DMG in the form of a mining license or a quarry license (“ML-I”). Once we have received the ML-I, we are required to enter into a legally binding concession agreement, which is referred to as a lease deed with the statutory authority designated under the rules. After which, a work order is issued for commencement of commercial mining operations in the area bounded by the mining lease or quarry lease (“ML-II”).
- Simultaneously with the opening of the Mine, we issue a ‘Notice of Opening of Mine’ to the Directorate General of Mines Safety, Ministry of Labour and Employment, Government of India, and obtain necessary approvals for the deployment of heavy earth moving machinery and labor at the Mine location.
- In the event we propose to store or use explosives at the relevant mine or store large quantities of diesel fuel, we are required to obtain further approvals from the Petroleum and Explosives Safety Organization in this regard.
- Based on the requirements, the machinery, equipment, tools and tackles are allocated from our existing fleet or procured anew.
- While issuing the environmental clearance, the relevant authority may specify the ‘green cover’ also known as the Green Belt, to be maintained for a Mine. Under the terms of the Environmental Clearance and the Mining Plan, out of the total project area, we are required to allocate a certain portion of the land for use as ‘Dump Land’ and yet another portion for use as the ‘Green Belt’. The Dump Land is used to store the top-soil, the soil covering the mineral deposit and mine-waste excavated from the Mine (“Overburden”), while the Green Belt is built around the site of the Mine to capture fugitive emissions emanating from the mining operations and attenuate the noise generated from the operations.
- Excavators and dumper trucks are used to remove the Overburden from the deposit area to gain access to the mineral deposits. The top soil excavated is stored at the allocated parcel of the Dump Lands.
- The thickness of the mineral deposit may vary from tens of meters to hundreds of meters depending on the nature of the formation. However, given that Granite is of magmatic origin and generally is deeply seated, the feasibility of mining depends on the techno-economic feasibility at different points of time, principally based on the prevailing demand, realizable value and available technology.

- Exploitation

The primary activities involved in the exploitation stage are:

- Approach roads are built to facilitate access to the proposed area of operations. The relevant area is prepared and any vegetation or obstructions are cleared. The necessary infrastructure for supply of water, power, compressed air, fuel, storage, explosives magazine, communication and accommodation are then established.

- A trench is excavated in the deposit area to a depth of approximately 7-8 meters which allows us to place the required machinery, equipment and tools within the mine area. We employ a range of tools including Diamond Wire saws, circular saws, pneumatic drilling machines and blasting or expanding chemical powder for this purpose.
- After the trench is excavated, a bench shape is constructed in the deposit inside the trench by using drills. The drill holes are strategically placed in the deposit, to allow a Diamond Wire to pass through the holes.
- These Diamond Wires are then connected to a wire saw machine, which proceeds to cut the rock with precision, both horizontally and vertically. This process results in separation of the rock mass from the mother rock. The separated rock mass is then fissured and separated using expanding chemical powders which are filled into carefully positioned drill holes inserted in the separated stone to split the stone into the desired dimensions.
- After a ‘box’ of the desired dimensions is obtained, an L-cut is made to separate the rock mass from mother rock. This mass is then further cut into slices of approximately 2-2.5 meters thickness.
- These slices are then pushed by an excavator-mounted hydraulic pusher and sub-divided into Dimensional Stone blocks of different sizes. For this purpose, we utilize pneumatic or electric drills for perforation and expanding chemical powder for separation.
- The Dimensional Stone blocks then undergo a dressing process to create dimensional accuracy, smoothed edges and sides before the blocks are shifted to the surface by wheeled loaders.
- In accordance with the terms of the mining lease, we are required to pay a seigniorage at a specified rate to the State Government on the raw blocks produced and dispatched from the Mine. The designated Government officers conduct pre-shipment inspections of the raw blocks produced. Once the royalty is paid and permits are issued, the blocks can be transported from the Mine to ports or factories.
- The typical recovery of useful Dimensional Stone blocks varies across the deposits. The remaining waste rock is loaded by excavators into dump trucks, for transport to the designated Dump Lands.

- *Reclamation*

Our reclamation strategy is embedded within the mining plan of each mine lease, which is approved by the relevant State Government body. Our reclamation strategy broadly encompasses four steps:





Step 1: Eco-Friendly Overburden Management

The accumulated waste generated during the lifetime of the mine which is stored at the designated Dump Land. We ensure environmentally responsible disposal by using designated waste dump yards, prepared to prevent ecological disturbances.

Step 2: Post-Excavation Rehabilitation

After mining, we rehabilitate the dump lands by terracing, which controls erosion and promotes revegetation. These terraces are covered with nutrient-rich topsoil, preserved from the mining site, to encourage plant growth.



Step 3: Green Belt Development

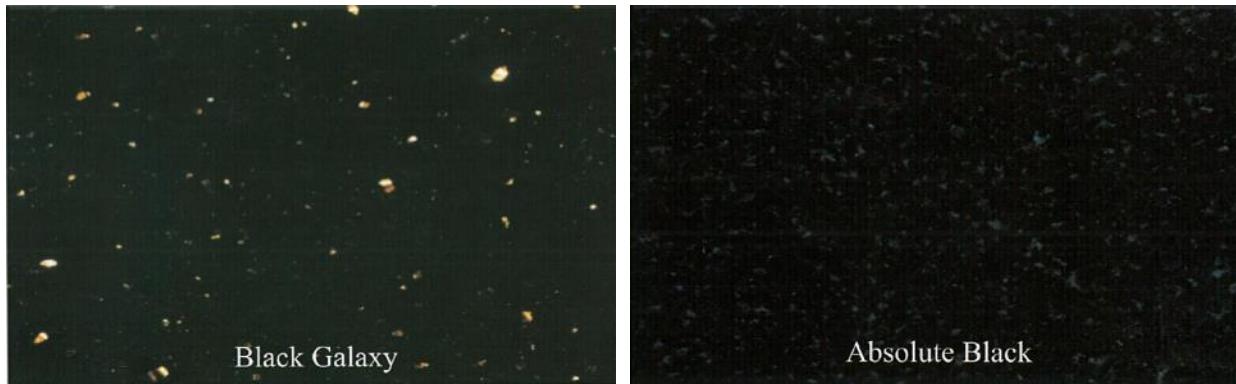
We establish green belts on these terraces, planting native, low-maintenance species that enhance biodiversity and stabilize the soil. These green areas serve as dust barriers, improving air quality and contributing to the ecosystem's health.

Step 4: Maintenance and Monitoring

A maintenance program ensures the vitality of these green belts, with regular checks for plant health and soil stability, underscoring our commitment to environmental stewardship and sustainable practices.

C. Products and Production Details

Our primary products in the Natural Stone Segment are Black Galaxy Granite and Absolute Black Granite. In addition, we also operate Mines which can produce Tan Brown Granite, Quartzite and Marble.



Set out below are the details of the production of Black Galaxy Granite and Absolute Black Granite during Fiscals 2022, 2023 and 2024:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Black Galaxy Granite			
- Production (<i>in cubic meters</i>)	57,519	51,672	54,310
Absolute Black Granite			
- Production (<i>in cubic meters</i>)	40,105	42,820	45,664

D. Quality Control

Customer service and maintaining high quality standards have been key tenets of our growth strategy. Accordingly, we place a significant emphasis on quality control and have implemented standard operating procedures for inspection of our products at different stages in the production cycle, which are reviewed and evolved from time to time.

We utilize a combination of precision hydraulic drills, expanding chemical powder and Diamond Wire saws to make precision cuts and obtain rough granite blocks which consistently conform to pre-determined dimensions. Our Granite cutting and polishing processes are highly mechanized and utilize Diamond saws, calibration and finishing equipment to ensure consistency in the quality of the Granite produced.

E. Machinery and Equipment

Dimensional Stone mining requires the use of heavy machinery such as excavators, wheeled loaders, heavy duty dump trucks, crawler-mounted and excavator-mounted hydraulic drills, compressors and generator sets. The details of the machinery and equipment owned and deployed at our Mines have been provided below.

Particulars	Purpose	Number Operated as of March 31, 2024
Excavators	Excavation of overburden, stone blocks and loading onto dump trucks	74
Wheeled Loaders	Lifting, transporting and loading stone blocks	8
Dump trucks	Transporting overburden, waste rock and small blocks from pit bottoms to dump yards or stock yards	43
Mechanical Drills	Secondary splitting of rock slices after separation from mother rock	35
Rock Drills	Primary drilling of the mother rock for passing Diamond Wire through the formation	

Particulars	Purpose	Number Operated as of March 31, 2024
Wire saws	Used on-site to saw stones using a Diamond Wire rope	70
Compressors	Supply compressed air to operate rock drills and jackhammers	36
Slotters	Used to drill holes in mother rock to facilitate primary drilling	19
Diesel generators	Provide back-up arrangements for electricity	13
Cranes	Hoisting stone blocks, overburden and waste from the pits to the surface	8



Wheel Loader with Excavator in foreground



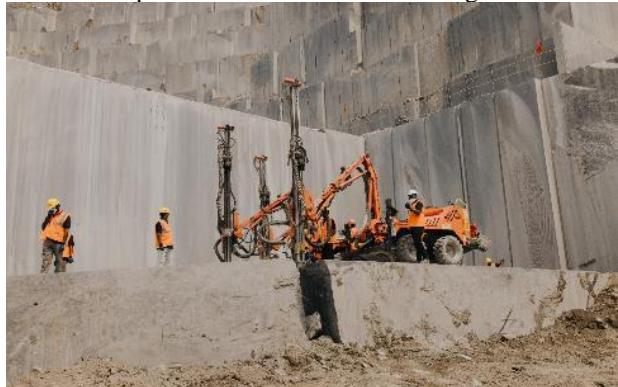
Excavator-mounted Mechanical Drill



Dump Truck with Excavator in foreground



Gantry Crane



Rock Drill



Diamond Wire saw



Excavator-mounted Mechanical Drill



Wheel Loader

F. Processing

Majority of the Granite blocks extracted from our Mines are sold directly to bulk customers from our Mines and at our stock yards. Only a small fraction of the extracted Granite blocks are sent to our two processing facilities in Andhra Pradesh, India for further processing and are cut into slabs. Accordingly, while the Granite processing facilities only account for a minor portion of our revenue from operations, we have established these Granite processing facilities close to our Mines to improve our product recovery by salvaging low-quality commercial blocks which might not be economical to transport and process elsewhere. These processing facilities also allow us to maintain a presence across the wholesale value chain for Granite and that we are able to offer ‘mine to distribution’ capabilities to our distributors.

At our Processing Facilities, dressed Granite blocks are cut into thin slabs ranging between 12-30 mm in thickness. These slabs undergo different finishing processes, making them suitable for use in final products or use-cases.

Details of the annual installed capacity, actual production and capacity utilization of our Granite processing facilities for the Fiscals 2024, 2023 and 2022 as certified by E. Raghunath, Chartered Engineer, through his certificate, are set out below.



(in square feet, except % information)

Unit	Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Granite Processing Facility – Chimakurthy, Andhra Pradesh	Installed capacity ⁽¹⁾	2,330,328	2,330,328	2,330,328
	Actual production ⁽²⁾	122,170	96,181	48,350
	Utilization Rate (in %)	5.24	4.13	2.07
Granite Processing Facility – Ongole, Andhra Pradesh	Installed capacity	300,000	300,000	300,000
	Actual Production	67,463	18,059	8,247
	Utilization Rate (in %)	22.49	6.02	2.75

⁽¹⁾ The information relating to the installed capacity as of the dates included above are based on various assumptions and estimates that have been considered for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the granite industry after examining the calculations and explanations provided by the Company and other ancillary equipment installed at the facilities. The assumptions and estimates considered include the following: (i) number of working days in a year is 240 days; (ii) number of working days in a month is 20 days; (iii) number

of working shifts in a day is 1 shift; (iv) number of working hours in a shift is 8 hours; and (v) schedule preventive maintenance days are included within the 125 non-working days.

- (2) *The information relating to the actual production as of the dates included above is based on the examination of the internal production records provided by the Company, explanations provided by the Company, the period during which the manufacturing facility operates in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.*
- (3) *Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of the relevant manufacturing facility as of the end of the relevant period.*

DIAMOND WIRE SEGMENT

Our Diamond Wire Segment comprises the design, development, manufacture and sale of diamond wires (“**Diamond Wires**”) which are used to cut hard materials such as concrete, stone and certain metals. Given that Diamond Wires are a key component for our mining operations in the Natural Stone Segment, having an in-house facility to produce Diamond Wire allows us to tailor and specifically design Diamond Wire suitable for our operational requirements.

We produce three types of Diamond Wire:

- (i) **Quarry Wire**: This type is used in Dimensional Stone quarries as a cutting tool in a wire saw machine.
- (ii) **Stationery Wire**: This type of wire is used in further processing stone extracted from a mine, where one or two wires work in tandem to cut and shape the extracted stones.
- (iii) **Multi Wire**: This type is used in processing plants as a cutting tool after blocks have undergone the dressing process. These wires are arrayed in a large gang and are used to produce thin slabs of Granite, quartzite and other hard stones.

Details of the Manufacturing Process

We currently have one manufacturing facility for the production of Diamond Wire. This facility is located in Hyderabad, Telangana. As at March 31, 2024, this facility had an installed capacity to manufacture 165,000 meters of Diamond Wire per annum.

The process employed for manufacturing Diamond Wires has been summarized below:



Capacity and Capacity Utilization

Set out below is certain information relating to capacity utilization of our Diamond Wire Manufacturing Facility calculated based on total installed production capacity and actual production as of/ for the periods indicated below as certified by E. Raghunath, Chartered Engineer

As at March 31, 2024	Installed capacity (in meters)⁽¹⁾	165,000
	Actual production (in meters)⁽²⁾	106,366
Utilization rate in Fiscal 2024 ⁽³⁾		64.46%
As at March 31, 2023	Installed capacity (in meters)⁽¹⁾	145,000
	Actual production (in meters)⁽²⁾	105,928
Utilization rate in Fiscal 2023 ⁽³⁾		73.05%
As at March 31, 2022	Installed capacity (in meters)⁽¹⁾	125,000
	Actual production (in meters)⁽²⁾	84,320
Utilization rate in Fiscal 2022 ⁽³⁾		67.46%

⁽⁴⁾ The information relating to the installed capacity as of the dates included above are based on various assumptions and estimates that have been considered for calculation of the installed capacity. These assumptions and estimates include the standard capacity calculation practice of the diamond wire industry after examining the calculations and explanations provided by the Company and other ancillary equipment installed at the facilities. The assumptions and estimates considered include the following: (i) number of working days in a year is 300 days; (ii) number of working days in a month is 25 days; (iii) number of working shifts in a day is 3 shifts; (iv) number of working hours in a shift is 8 hours; and (v) schedule preventive maintenance days are included within the 65 non-working days.

⁽⁵⁾ The information relating to the actual production as of the dates included above is based on the examination of the internal production records provided by the Company, explanations provided by the Company, the period during which the manufacturing facility operates in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

⁽⁶⁾ Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate installed capacity of the relevant manufacturing facility as of the end of the relevant period.

INTERNATIONAL OPERATIONS

A. Heavy Mineral Sand Mining

We are expanding our business activities by venturing into the business of exploring, mining and processing heavy mineral sands (“HMS”) for separation and winning of ore minerals such as Rutile, Ilmenite, Zircon, Garnet, Sillimanite and Monazite. Some of these minerals yield different quantities of Titanium and rare earth oxides. The ores extracted from heavy mineral sands have various industrial applications. These are briefly discussed below (*Source: CRISIL Report*):

- Ilmenite ore is a major source of Titanium Dioxide, which is a key component in production of pigments, cosmetics and aerospace components.
- Rutile is also an important source of Titanium Dioxide and is valued for its high purity. Its purity and brightness makes it valuable for use in pigments.
- Zircon is used in ceramics, refractory material and as a foundry sand due to its high melting point and resistance to corrosion.
- Monazite contains quantities of rare earth elements such as thorium and uranium, and is essential for electronics, renewable energy technologies and various advanced materials.
- Garnet has a glass-like appearance used as an abrasive and in water filtration.

Through our subsidiaries, Midwest Heavy Sands Private Limited and Trinco Mineral Sands Private Limited, we have obtained 4 exploration licenses for conducting exploration activities in Sri Lanka. We have also identified additional blocks where we are in the process of making applications seeking further exploration licenses. The Geological Survey and Mines Bureau, Sri Lanka has approved our exploration reports on the viability of mining the mineral resource, and we currently await environmental clearances in order to receive mining licenses, required to commence operations.

We are in the process of establishing a mineral sands processing facility in Sri Lanka with commercial operations proposed to begin in Fiscal 2027.

B. Coal Assets

We currently hold, through Midwest Africa LDA, rights over coal fields spread across an area of 15,800 hectares in the Moatize Basin, located in the Tete province of Mozambique. Midwest Africa LDA is a step-down subsidiary of Midwest Holdings Limited. The report titled “*Technical Report on Economic Feasibility of Coal Reserves in 5086C Moatize Coalfield, Mozambique*” dated August 31, 2024 prepared by G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code (“**Coal JORC Report**”) has found that the coal fields contain measured resource of 868 million metric tonnes, indicated resources of 1,942 million metric tonnes and inferred mineral resources of 2,257 million metric tonnes of coking and thermal coal reserves. The executive summary of the Coal JORC Report has been included as a part of the section titled “*Material Contracts and Documents for Inspection*” on page 516.

Based on the Coal JORC Report, these coal fields have shallow coal reserves at a stripping ratio of 1:2.5 (*i.e.*, for every 1 million tonnes of coal, 2.5 million tonnes of overburden must be removed), suitable for open pit mining within a depth of 250 meters.

Given that sustainability and environment consciousness are cornerstones of our operating strategy, we do not intend to exploit or operate these coal fields, and instead, we are exploring opportunities to monetize these assets through arrangements with other operators. This will also allow us to focus our capital and management attention on key business segments.

TRANSPORTATION AND LOGISTICS

Following extraction from our Mines, Granite blocks are either dispatched directly to buyers from the relevant Mine or dispatched to one of our Granite processing facilities. Our export sales are typically negotiated on a "free on board" basis, *i.e.*, we are required to deliver the Granite blocks at the Indian port agreed upon with the buyer and loaded on to the designated ship. Our domestic sales are negotiated on an "Ex Works" basis, *i.e.*, the buyers are required to arrange for transportation of the Granite blocks from our stock yards at their own cost.

We rely on third party road transportation providers, who work exclusively for us, to meet our transportation requirements, to transport Granite blocks on flatbed trucks to the relevant ports, most commonly Krishnapatnam and Kakinada in Andhra Pradesh and Chennai in Tamil Nadu. We maintain stock yards at these ports, allowing us to maintain appropriate inventory levels while reducing the time taken to fulfill customer orders.

MARKETING, SALES AND DISTRIBUTION

We rely on a network of distributors with operations in various countries to provide adequate market access for our products. Our relationships with our distributors are typically mutually exclusive for specified products.

Given that our typical customers are natural stone distributors and processors, we regularly participate in exhibitions to highlight our product range and capabilities. We also participate in industry bodies and associations such as the Confederation of Indian Industry. Unlike commodities like coal, crude oil or iron ore, Dimensional Granite does not have an industry-wide or recognized benchmark index, and pricing is determined through direct negotiations between buyers and sellers. (*Source: CRISIL Report*) We have a dedicated sales and marketing team, comprising 7 personnel, along with a 10 member dispatch team, which formulates sales procedures and coordinates sales activities and distribution of the Granite that we produce.

Our in-house inspection and quality control team is responsible for grading Granite blocks and slabs based on various attributes including color uniformity, size and veins. Based on the availability of dressed Granite blocks at our Mines and available inventory, our inspection team delivers periodic stock reports to the marketing team. The marketing team then co-ordinates with potential customers and buyers to schedule dates for conducting their pre-shipment inspections, selection and approval. Based on the market intelligence gained over a period of time, our teams are able to make lots of blocks that suit a particular demographic market, a particular application market or specific distributor. Buyers or their agents will then visit our Mines at scheduled times to inspect and confirm the Granite block lots. Once the blocks are marked, the inspection team prepares an inventory of such blocks and communicates the relevant details to the marketing team. The marketing team then, together with our finance team, raises a pro-forma invoice with detailed terms and conditions.

On receipt of the stipulated payment or a letter of credit from the buyer, the dispatch team arranges for measurements by government royalty inspectors and after the royalty or seigniorage is paid, delivery challan, invoices and waybills are drawn up and the Granite blocks are dispatched.

Trade with our overseas customers is typically conducted through long-term supply contracts with tenures up to 24 months. Our contracts require customers to pay an interest-free deposit in advance as a standing deposit at the time of entering into the contracts. Payments are generally arranged through letters of credit on a “free on board” basis, where a portion of the pro-forma invoice value is received as an advance and the remaining is payable once the blocks are delivered to the assigned port. Our primary export markets are China, Italy and Thailand while we are actively pursuing further opportunities in Vietnam, the United Arab Emirates and Turkey.

We maintain a stringent credit policy when compared with the industry trend, refraining from extending credit to customers. This approach has been instrumental in ensuring that we have the lowest receivables in the granite industry. By strictly adhering to this policy, it mitigates the risk of delayed payments and bad debts, thereby maintaining strong cash flow and financial stability. This prudent financial management strategy not only safeguards our liquidity but also reinforces our operational efficiency in the competitive granite market. (*Source: CRISIL Report*)

A breakdown of our revenue contribution by geography is provided below.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Revenue from operations						
Within India (A)	2,198.73	37.55	1,986.73	39.54%	2,503.68	47.67%
Outside India						

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
China	3,197.66	54.60%	2,529.77	50.34%	2,158.32	41.09%
Rest of the world	459.85	7.85%	508.67	10.12%	590.37	11.24%
Sub-total for Outside India (B)	3,657.51	62.46	3,038.44	60.46%	2,748.69	52.33%
Total (A + B)	5,856.24	100.00%	5,025.17	100.00%	5,252.37	100.00%

CUSTOMERS

Our typical customers are natural stone distributors and processors in India and abroad. We have long-standing relationships with our customers, evidenced by our continued relationship and long-term contracts entered into with such customers. Set out below are details of the average duration of our relationship with our top customers.

Particulars	Average Duration (in years)	Range (in years)
Top 5 customers	4	1-9
Top 10 customers	3	1-9

Our customers, comprising processors and distributors, are located across 17 countries and five continents, with China, Italy and Thailand being our primary export markets. Our customers include MP STENEKO AB (based in Sweden); GI-MA STONE SRL (based in Italy); Quanzhou Xingguang Stone Co., Ltd. and the Xiamen Group (based in China); King Marble and Granite Co. Ltd. (based in Thailand); and Kodeyalam Stones, Anjanee Exports and Anjalee Granites Pvt Ltd (both based in India).

Set out below are details of our revenue from our largest customer, top five customers and top 10 customers in the Natural Stone Segment, on the basis of revenue contribution, including as a percentage of revenue from operations for the periods indicated.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of revenue from operations	Amount (₹ million)	% of Revenue from operations	Amount (₹ million)	% of revenue from operations
Largest customer	398.00	6.80	524.86	10.44	693.11	13.20
Top five customers	1,785.09	30.48	1,863.08	37.07	2,420.61	46.09
Top 10 customers	2,832.66	48.37	2,688.91	53.51	3,135.01	59.69

Also see “*Risk Factors—We depend on certain key customers for a significant portion of our revenue from operations, with our top 10 customers contributing 48.37%, 53.51% and 59.69% of our revenue from operations in Fiscals 2024, 2023 and 2022, respectively. A decrease in the revenue we earn from such customers could adversely affect our business, results of operations, cash flows and financial condition*” on page 36.

COMPETITION

The Indian granite and quartz industry comprises several small and medium enterprises. However, certain organized players with large and established resources have a competitive advantage as establishing and operating a mine requires significant capital investment with long gestation periods (*Source: CRISIL Report*).

We believe that our ability to compete effectively is primarily dependent on our ability to anticipate, understand and address the preferences of our existing and prospective customers as well as to understand evolving industry trends. To stay ahead of our competitors, we regularly secure additional resources and reserves that can be exploited economically. We also aim to keep our costs of production of our products low to maintain our competitive advantage.

We believe that the key competitive factors include the price and quality of our products and the ability to understand evolving industry trends as well as the ability to anticipate, understand and address customer requirements. For further details, see “*Industry Overview—Competition benchmarking*” and “*Risk Factors—We operate in an industry with a few large players and any increased competition with them may lead to a reduction in our revenues, reduced profit margins or a loss of market share*” on pages 216 and 57, respectively.

ENERGY, WATER AND SUSTAINABILITY

We believe in responsible mining and make active efforts to mitigate the environmental impact of our operations.

We have a dedicated Environmental Cell, headed by a general manager which is responsible for ensuring that we comply with our statutory obligations to mitigate pollution and environment degradation. The Environmental Cell monitors all our processing facilities and Mines. All of our Mines are required to obtain Environmental Clearances under the Environment (Protection) Act, 1986, which requires us to prepare an environment impact assessment report followed by the preparation of an environmental management plan, which are submitted to the State Environmental Impact Assessment Authority for approval, before we can commence our mining operations.

Energy

We have appointed third-party agencies who are responsible for monitoring various environmental parameters at our Mines including air and water quality, noise levels and analysis of soil samples, and submit half-yearly compliance reports to the relevant authorities. Our Mine managers are given the responsibility of ensuring that adequate pollution control measures are implemented and suitably monitored at the Mine locations. Each of our Mines have designated green belts to assist in the capture of fugitive emissions from the Mines.

While we primarily meet our energy requirements by accessing the state electricity grids, we also provide emergency back-up generators at each of our Mines to ensure that critical operating activities are not disrupted. The table below sets out the breakdown of the electricity sourced from state electricity distribution companies, and our own captive solar plants and diesel generators to meet our overall electricity requirements for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Consumption (MWH)	Consumption (MWH)	Consumption (MWH)	Consumption (MWH)	Consumption (MWH)	Consumption (MWH)
State electricity distribution companies (A)						
– Andhra Pradesh	4,851.03	41.42%	5,062.75	41.87%	4,491.24	49.43%
– Telangana	5,112.01	43.64%	5,123.39	42.38%	4,477.7	49.28%
Captive solar plants (B)	1,555.24	13.28%	1,495.95	12.37%	0.00	0.00%
Diesel Generators (C)	194.21	1.66%	408.99	3.38%	117.15	1.29%
Total (A+B+C)	11,712.49	100.00%	12,091.08	100.00%	9,086.09	100.00%

Emissions



Scope 1 emissions (*i.e.*, emissions that resulted from activities we control or own) include emissions from the combustion of fuels in our mining equipment, vehicles and on-site power generation using generators. We are implementing, and plan to implement, several measures to minimize our Scope 1 footprint, as alongside and above.

In addition to the investments in deploying electric dump trucks and developing solar power installations at our Mines, we have also successfully converted 21 diesel operated compressors, and are in the process of converting 6 additional compressors, to electrical compressors by 2026.

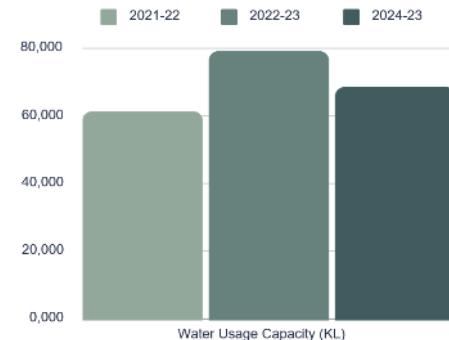
Scope 2 emissions are emissions associated with the purchase of electricity that we consume. To address our Scope 2 emissions, we plan to further invest in on-site renewable energy projects, such as solar power installations. For instance, we have installed a 1.10 MW solar power plant at Arpanapally in Telangana, India which caters to a part of the energy

requirements at our two operating Mines in the location. The plant's location and capacity allow us to harness solar energy efficiently, providing clean and sustainable power supply to our mining operations. We propose to install additional solar power plants at two locations, representing an additional 0.66MW of solar energy. For details, please see “*Objects of the Offer—Details of the Objects—Capital expenditure for integration of solar energy at certain Mines of our Company*” on page 118.

Water Management

Sustainable use of water resources is an integral component of our approach towards environmental sustainability. Our efforts for water management are focused on:

- (i) Assessing water risk in all our operations, considering both availability and quality.
- (ii) Implementing water-efficient technologies and processes to reduce consumption.
- (iii) Recycling and reusing water within our operations to minimize freshwater withdrawal.
- (iv) Monitoring and managing water discharges to prevent pollution and protect local water bodies.
- (v) Collaborating with local communities



We have also embraced rainwater harvesting by capturing and storing rainwater in mines that have been closed. This method not only provides us with an on-site water supply, reducing our dependency on external water sources, but it also plays a crucial role in recharging the groundwater.



One of our closed Mine pits in RL Puram village, Chimakurthy, Prakasham District, Andhra Pradesh, that has been used for rainwater harvesting.

Waste Management

We are committed to reducing waste generation in our operations, promoting recycling and ensuring safe disposal of waste. Our waste management strategy includes:

- Conducting regular waste audits to identify reduction opportunities. Implementing waste segregation practices to facilitate recycling and recovery.
- Investing in technology that minimizes waste production at the source.
- Engaging with certified waste management providers to ensure responsible waste disposal.
- Developing partnerships with local communities and businesses to create value from waste through recycling programs. Our goals are to achieve a significant reduction in waste sent to landfills, increase our recycling rates, and explore opportunities for waste-to-energy projects where feasible.

HEALTH, TRAINING AND SAFETY

Given that mining activities involve exposure to dust and other hazards, each of our employees are given training in best practices and safety protocols before they commence work at out sites. All dust-emitting equipment are fitted with dust collection systems to prevent fugitive dust particles and dissipation into the air. Vocational training is mandated for any contract workers engaged by us before they are allowed to commence work. We operate a mine vocation training center at Chimakurthy which imparts initial and refresher training for all the employees and contract workers working in our Mines. Personnel who operate heavy machinery such as excavators at our Mines also undergo specific training on simulators at facilities operated by the manufacturers of the equipment.



Drill machine equipped with dust sucking mechanism

Each employee is provided with personal protective equipment. We also impart periodic refresher training to our workers. Personnel who are required to work in close proximity to large machines, drills and saws are provided with earplugs to ensure auditory protection. We also conduct initial and periodic health checks for employees working in our Mines. Each of our Mines and processing facilities are provided with ambulances to ensure that emergency care is provided in a timely manner. We have implemented dust suppression measures at each of our Mines including water sprinklers along haul roads, approach roads, ramps and working

surfaces. We utilize water-flushed drilling machines and machines with vacuum suction arrangements to limit airborne dust generation.

RESEARCH AND DEVELOPMENT (“R&D”) AND EXPLORATION

We have a dedicated 9 person strong R&D and exploration team, including 7 geologists, 1 quality control specialist and 1 chemist who have, on average, 14.53 years of industry experience. Among other things, our R&D team is charged with studying geological, geo-physical, geo-chemical, tectonic and geographical information system data to identify mineral bearing parcels in areas suitable for mining activities, evaluating emerging technologies and industry methods and adapting such technologies and industry methods to our operations. Our R&D activities have allowed us to implement various measures that have led to an increase in our operational efficiency.

Our R&D teams have conducted extensive pilot projects to evaluate the feasibility and suitability of these proposals to our operations. Based on the observations from the pilot projects conducted, we were able to identify significant avenues for cost reduction and process optimization, the details of which have been summarized below.

Initiative	Benefits/ Results
Identification of Mineral Resources	<ul style="list-style-type: none"> ▪ Identified land parcels in Chimakurthy, Andhra Pradesh suitable for development and exploitation for production of Black Galaxy Granite. This helped in building our Resource Base for Black Galaxy Granite. ▪ Identified viable deposits of Absolute Black Granite in Telangana ▪ Identification of mineral deposit locations for Marble and Quartzite, conducted geo-physical investigations of the deposit, testing samples obtained and produced sample blocks from trial excavations which we were able to use for evaluation of market demand for Quartzite.
Deployment of Electric Dump Trucks	<ul style="list-style-type: none"> ▪ Cost per kilometre for an electric dump truck was lower than their diesel counterparts. ▪ Electric trucks utilize fewer moving parts, which translates into fewer breakdowns and lesser downtime required for maintenance. ▪ Drivers reported better operational comfort due to reduced noise and vibrations, and improved air quality. ▪ Reduction in utilization of fossil fuels and carbon footprint
Utilization of Solar Energy for Mine operations	<ul style="list-style-type: none"> ▪ Reduction in the expenditure incurred in purchase of electricity ▪ Reduction in carbon footprint ▪ Surplus energy generated is fed into the grid which in turn offsets future expenditure incurred on electricity.
Design, development, building and operation of electric dressing stations	<ul style="list-style-type: none"> ▪ Reduction in the processing time per Granite block compared to manual dressing. ▪ Reduction in diesel consumption and number of personnel required to be present in the mines during operations, improving safety. ▪ Reduction in the cost of production of a cubic meter of Granite resulting in savings of time and cost. ▪ Saving valuable real-estate in the Mine pit.
Improvements in Diamond Wire	<ul style="list-style-type: none"> ▪ Key considerations for a Diamond Wire are the cutting speed it can deliver and the longevity of its useful-life ▪ Our R&D team conducted studies wherein the composition of key materials such as iron, nickel, tin, cobalt and the quality and size of synthetic diamonds used were modified and evaluated the results ▪ The modified composition allowed us to produce Diamond Wires with improved cutting speeds and longer useful-life.
Quartz Laboratory Facility	<ul style="list-style-type: none"> ▪ Established a laboratory facility in the APIIC Growth Center (Building Materials Special Economic Zone) at Annangi Village, Prakasam District, Andhra Pradesh, India capable of analyzing quartz samples from our Mines and identifying attributes such as material performance and stability. ▪ Laboratory is equipped to conduct testing at the exploration, exploitation and post-production stages. ▪ Allows us to be self-reliant, without depending on third-party facilities. The Quartz laboratory gives us the following advantages: <ul style="list-style-type: none"> ○ <u>Exploration stage:</u> Helps in mine selection by evaluating excavated samples for their chemical and physical properties, allowing for a better understanding of the quality of the available resource

Initiative	Benefits/ Results
	<ul style="list-style-type: none"> ○ <u>Exploitation stage</u>: Enables testing of Quartz boulders, crushed stones and ground Quartz grit and powder at pre-defined points in the refinement process which helps in maintaining the desired purity. ○ <u>Post-production</u>: Enables batch testing of packed Quartz grit and powder bags before dispatch to our customers

Based on the initiatives of our R&D teams, we are in the process of implementing a shift towards the use of electric dump trucks and installation of additional solar power plants, which initiatives are proposed to be entirely funded through the Net Proceeds from the Offer. For further information, please see “*Objects of the Offer—Capital expenditure for purchase of electric dump trucks to be used by our Company and APGM, our Material Subsidiary*” and “*Objects of the Offer—Capital expenditure for integration of solar energy at certain Mines of our Company*” on pages 117 and 118, respectively.

IT SYSTEMS

We continuously evaluate emerging methods and technologies to identify opportunities for process optimization.

Enterprise Resource Planning (“ERP”) System

We have implemented a comprehensive SAP ERP system. This information system enables a data driven approach in the decision-making process. Our ERP systems are also being integrated with data from sensors stationed on the machinery that relay data in real-time, especially fuel and location data, devoid of manual intervention, allowing us to monitor the operating status, location, performance and fuel consumption of our trucks, excavators and loaders. The heavy machinery and vehicles used in our Mines are geo-tagged, which allows us to monitor their position on a real-time basis using the global positioning system.

Fuel Dispensing Automation and Tracking

Given that expenditure on diesel fuel is a substantial component of our operating expenses, we have implemented a comprehensive fuel management system which allows us to store, utilize and track fuel consumption effectively. This system employs (i) sensors fitted to our underground diesel storage tanks; (ii) sensors fitted to bowsers used for dispensing diesel and (iii) radio-frequency identification tags (“**RFID Tag**”) attached to our diesel-operated machines with automatic dispensing from the fuel bowser. These sensors also serve as a check on potential pilferage. For instance, our diesel bowsers will only dispense diesel into a machine if it recognizes the accompanying RFID Tag fixed on the machine. Further, if there is more than a stipulated gap between the nozzle of the bowser and the diesel tank of the machine, the bowser will not dispense any diesel.

Our approach to monitoring fuel consumption allows us to analyze consumption patterns of various machinery with precision. This data-driven strategy enables us to manage our resources effectively and make more informed decisions regarding equipment maintenance and replacement. By leveraging the data collected from our fuel management system, we can monitor the efficiency of our equipment. Machines that exceed threshold values for fuel consumption are promptly addressed or replaced, further enhancing our operational sustainability.

The integration of fuel-efficient systems into our mining operations reflects our dedication to environmental responsibility and cost-effective operations.

EMPLOYEES

As at March 31, 2024, we had a total of 1,232 personnel, comprising 409 permanent employees, 791 contract workers and 32 consultants. The following table sets forth the break-down of our personnel:

Department	Number of Personnel
Commercial	6
Dispatch	10
Electrical	21
Finance and Accounts	27

Department	Number of Personnel
R&D and Exploration	9
Human Resources and Administration	47
Information Technology	4
Liaisons	5
Management	7
Sales and Marketing	14
Marking	13
Mechanical	107
Mining	77
Production	45
Purchases and stores	17
Consultants	32
Contract Workers	791
Total	1,232

While mining is typically a labor intensive process, given that we have mechanized our operations and are implementing various process improvements such as electric dressing stations, we have been able to consistently reduce the manpower requirements for our operations.

INSURANCE

Our operations are subject to various hazards inherent to the mining industry, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We generally maintain comprehensive insurance covering our assets, workmen and operations at levels that we believe to be appropriate, including a contractors all risk policy, commercial general liability, workmen's compensation insurance, group medical insurance and fire insurance.

INTELLECTUAL PROPERTY

As on the date of this Draft Red Herring Prospectus, our Company has obtained the following intellectual property related registrations:

Particulars	Issuing Authority	Registered/Applied for/ Unregistered	Trademark Number/ Application Number	Registrant / Applicant	Date of registration/application	Period of Validity	Relevant act/rules/regulations under which license has been obtained
Trademark for the word 'Midwest' as produced below: MIDWEST	Trade Mark Registry, Government of India	Registered	5407489	Midwest Granite Private Limited	April 13, 2022	April 13, 2032	Class 19 (Building, Materials, not of metal) under Trade Marks Act, 1999
		Applied	6639430	Midwest Limited	September 24, 2024	-	Class 37 (Mining Extraction, Mining Extraction Services, Mining For Precious Stones, Mining For Diamonds) under Trade Marks Act, 1999
		Applied	6639431	Midwest Limited	September 24, 2024	-	Class 19 (Building, Materials, not of metal) under Trade Marks Act, 1999
		Applied	6639430	Midwest Limited	September 24, 2024	-	Class 37 (Mining Extraction, Mining Extraction Services, Mining For Precious

Particulars	Issuing Authority	Registered/Applicd for/ Unregistered	Trademark Number/ Application Number	Registrant / Applicant	Date of registration/applicatio n	Period of Validit y	Relevant act/rules/regulation s under which license has been obtained
							Stones, Mining For Diamonds) under Trade Marks Act, 1999

For risks associated with our intellectual property, see “*Risk Factors—Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation*” on page 63.

CORPORATE SOCIAL RESPONSIBILITY



Medical equipment supplied to hospitals



Development of school infrastructure

Our Board has constituted a corporate social responsibility and environmental, social and governance committee (“CSR & ESG Committee”) and we have adopted a corporate social responsibility (“CSR”) policy, pursuant to which we have undertaken, and continue to undertake, various CSR initiatives in order to positively contribute to the communities in which we participate. Our CSR activities are primarily focused on the villages located at the periphery of our Mines. We invest in (i) the creation of infrastructure facilities for schools such as construction of classrooms, toilets, payment of fees for students, distribution of uniforms, stationery and bicycles, (ii) installation of water tanks and solar street lights, (iii) construction of community halls; (iv) donation of equipment to village hospitals, among other initiatives and (v) support to farmers.

During Fiscals 2024, 2023 and 2022, our expenditure on corporate social responsibility aggregated to ₹20.34 million, ₹7.94 million and ₹16.05 million, respectively, and accounted for 0.44%, 0.18% and 0.36% of our total expenses, respectively.

PROPERTIES

Our registered Office is located at 8-2-684/3/25 & 26, Road No.12, Banjara Hills, Hyderabad 500 032, Telangana, India. We occupy these premises on a leasehold basis with a lease tenure of one year. Also see “*Risk Factors—Our Registered Office is located on premises not owned by us and has been leased to us. Any non-renewal of the lease may lead to disruptions and affect our business operations.*” on page 53.

Other than the Mines described in “*Description of our Business—Natural Stone Segment—Reserves and Resources*” and “*Description of our Business—International Operations—Coal Assets*” on pages 241 and 254, respectively, we also occupy (i) a guest house in Hyderabad, Telangana, (ii) a solar plant in Arpanapally, Telangana, (iii) 5 stock yards

(4 in Andhra Pradesh and 1 in Odisha), (iv) 2 Granite processing plants in Andhra Pradesh and (v) 1 Diamond Wire Manufacturing Facility in Hyderabad, Telangana, all located in India. Further, we occupy various properties at the locations of our Mines on a leasehold or leave-and-license basis. Set out below are the details of the properties owned by, and leased to, us:

Particulars	Location	Owned/ Leased	Validity of Lease	Acquired from Related Party (Yes/ No)
Granite Processing Plant	Chimakurthy, Andhra Pradesh, India	Leased	Until February 2, 2025	No
Granite Processing Plant	Ongole SEZ, Andhra Pradesh, India	Owned	33 years	No
Diamond Wire Manufacturing Facility	Hyderabad, Telangana, India	Owned	Not applicable	No
Quartz Processing Plant	Prakasam District, Andhra Pradesh, India	Leased	33 years	No
Guest House	Hyderabad, Telangana, India	Owned	Not applicable	No
Existing Solar Installation	Arpanapally, Telangana	Leased	99 years	No
Stock yard	Nedermetla, Andhra Pradesh	Owned	Not applicable	No
Stock yard	Ramayyapatnam, Andhra Pradesh	Owned	Not applicable	No
Stock yard	Saidapuram, Andhra Pradesh	Owned	Not applicable	No
Stock yard	Visakhapatnam, Andhra Pradesh	Owned	Not applicable	No
Stock yard	Sunki, Odisha	Owned	Not applicable	No

KEY REGULATIONS AND POLICIES

The following is an indicative summary of certain relevant industry specific laws, regulations and policies in India which are applicable to our business and operations. The information available in this section has been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, which are subject to amendments or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions. Changing laws, rules and regulations and legal uncertainties, adverse application or interpretation of corporate and tax laws, may adversely affect our business, prospects and results of operations.

Under the provisions of various Central Government and State Government statutes and legislations, we are required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For details of such licenses and registration required to be obtained by our Company and our Material Subsidiary, see "Government and Other Approvals" beginning on page 453.

A. Laws in relation to our business

The mining industry is governed by the Ministry of Mines, Government of India, which is responsible for survey and exploration of all minerals, other than natural gases, petroleum and atomic minerals. The Indian Bureau of Mines, a subordinate office under the Department of Mines, Ministry of Mines, Government of India, is engaged in the promotion of scientific development of mineral resources of the country, conservation of minerals, protection of environment in mines, other than coal, petroleum and natural gas, atomic minerals and minor minerals.

We are primarily regulated by the Mines and Minerals (Development and Regulations) Act, 1957, as amended, the Mineral Conservation and Development Rules, 2017, as amended and the Mineral Concession Rules, 1960, as amended and other State Government legislations, with respect to the mining rights and the operations of mines in India. These laws have been amended from time to time to reflect the principles of the mineral policy of the Government.

National Mineral Policy, 2019 (the "Mineral Policy 2019")

The National Mineral Policy, 2019 was approved by the Union Cabinet in February 2019. The Mineral Policy 2019 aims to have an effective, meaningful and implementable policy that brings in transparency, better regulation and enforcement, balanced social and economic growth as well as sustainable mining practices. The Mineral Policy 2019 focuses on promoting domestic industry, reducing import dependency and contributing to the 'Make in India' initiative. The Mineral Policy 2019 aims to ensure, among other things, environmentally sustainable mining, with stakeholders' participation; devolution of benefits of mining to mining-affected persons and areas; maintaining high levels of trust among all stakeholders; implementing a conducive regulatory environment for ease of doing business in the sector; and simpler, transparent, and time-bound procedures for obtaining clearances for mining. In addition, India has also adopted the United Nations Framework Classification of Mineral Reserves / Resources to report mineral resources, status of exploration and feasibility of extractions.

Central Legislations

Mines and Minerals (Development and Regulations) Act, 1957, as amended (the "MMDR Act")

Management of mineral resources fall under the control of both Central and State Governments, pursuant to entry 54 of Union List and entry 23 of State List, respectively, of the Seventh Schedule of the Constitution of India. The MMDR Act regulates the mining sector in India and aims for the development and regulation of mines and minerals. The MMDR Act classifies mining-related activities into: (i) reconnaissance, which involves a preliminary survey to determine mineral resources; (ii) prospecting, which includes exploring, locating, or proving mineral deposits; and (iii) mining, the commercial activity of extraction of minerals. The MMDR Act has categorized, among other things, building stones (which includes granite), gravel, ordinary clay, ordinary sand other than sand used for prescribed purposes, as '*minor minerals*'. The power to make rules with respect to minor minerals is delegated to the State Governments.

Granite Conservation and Development Rules, 1999, as amended (the “GCD Rules”)

The GCD Rules apply to the prospecting and quarrying of Granite and were notified under Section 18 of the MMDR Act to conserve Granite resources and prescribe a uniform framework for systematic and scientific exploitation of granite in India. It regulates, *inter alia*, the grant of prospecting licenses by State Governments, the duration for which prospecting licenses and mining leases can be granted and the procedure to be followed in this regard and the minimum and maximum area for grant of mining leases. The GCD Rules also include provisions for mitigating the environmental impact of Granite mining and the conservation of Granite resources. The GCD Rules stipulate that no lease can be granted or renewed by the State Government unless the applicant has submitted a mining plan for the development of the Granite deposit in the area concerned, duly approved by the State Government or any person authorized in this behalf by that Government, and sets out the procedure for submission and approval of such a mining plan. Further, in order for a lease to be granted by the respective state government, the area for which a lease is applied for should have been prospected earlier for Granite, or the existence of Granite in such area should be established. The GCD Rules also allow the relevant State Governments to impose penalties through (i) imprisonment for a term which may extend to one year, (ii) a fine of up to ₹5,000 with an additional fine which may extend to five hundred rupees for every day during which such contravention continues after conviction for the first such contravention, or both (i) and (ii).

The Mineral Concession Rules, 1960, as amended (the “MCR”)

The MCR were framed under Section 13 of the MMDR Act for regulating the grant of reconnaissance permits, prospecting licenses and mining leases in respect of minerals and for purposes connected therewith. The MCR provides for, among other things, (i) the procedure for obtaining a reconnaissance permit, a prospecting license or a mining lease and the terms on which, and the conditions subject to which, such may be granted or renewed; (ii) the manner of computation of royalty separately in respect of land in which the minerals vest with the Government and land in which the minerals vest in a person other than the Government; and (iii) fixing and collection of fees for reconnaissance permits, prospecting licenses or mining leases, surface rent, security deposit, fines, other fees or charges and the time within which and the manner in which the dead rent or royalty would be payable.

The Metalliferous Mines Regulations, 1961, as amended (the “MMR”)

The MMR were framed under section 57 of the Mines Act. The MMR applies to every mine other than a coal or an oil mine. The MMR includes provisions for, *inter alia*, (i) submission of notice of opening, (ii) filing of quarterly and annual returns; (iii) notice of abandoned or discontinuance; (iv) notice of accident; and (v) notice of disease. The MMR lays down duties and responsibilities of, amongst others, person employed in mines, officials, managers, assistant managers or underground managers and blasters. In addition, the MMR also includes provisions for, *inter alia*, the mine plans and sections, transportation of men and materials, precautions against dangers from fire, dust, gas and water, mine ventilation, lightening and safety lamps in mines and use of explosives and shotfiring in mines.

State Legislations

Andhra Pradesh Minor Mineral Concession Rules, 1966, as amended (the “APMMC Rules”)

The APMMC Rules are framed under Section 15(1) of the Mines and Minerals (Development and Regulations) Act, 1957 and lay down provisions for regulating the grant of mining leases in respect of minor minerals in Andhra Pradesh. Under the APMMC Rules, a prospecting license for granite, marble and other minerals could be granted for a maximum period of two years and quarry leases for granite, marble and other minerals could be granted to a preferred bidder selected through the Andhra Pradesh Minor Mineral Auction Rules, 2022, as amended.

In order to ensure systematic and scientific development of minor mineral deposits, the quarry operations are required to be undertaken in accordance with a mining plan duly approved by the Deputy Director of Mines and Geology (“**Deputy Director**”). Upon grant of a lease, the Deputy Director is mandated to issue a letter of intent, along with a

copy of the surveyed sketch reflecting the area for which the mining plan has to be prepared. Upon receipt of communication from the Deputy Director, the Bidder is required to submit a mining plan duly approved by the Deputy Director, along with an environmental clearance and a consent for establishment.

Telangana State Minor Mineral Concession Rules, 1966, as amended (the “TSMMC Rules”)

The TSMMC Rules are framed under Section 15(1) of the Mines and Minerals (Development and Regulations) Act, 1957 and lay down provisions for regulating the grant of mining leases in respect of minor minerals in Telangana. The TSMMC Rules specify the procedure for granting quarry leases to prospective applicants. Upon receipt of proposals from applicants for grant of a quarry lease, the Deputy Director is required to issue notice to the applicant for submission of a scrutinized self-attested quarry plan or feasibility report, along with an environmental clearance and a consent for establishment.

Other Applicable Legislations

The Environment Protection Act, 1986, as amended (the “EP Act”) and Environment Protection Rules, 1986, as amended (the “EP Rules”)

The EP Act has been enacted with the objective of protecting and improving the environment and for matters connected therewith. Under the EP Act, no person carrying on any industry, operation or process shall discharge or emit, or permit to be discharged or emitted, any environmental pollutant in excess of the prescribed limits. Further, the EP Rules specify the standards for emissions, and discharge of environmental pollutants. The Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution.

The EP Rules prescribe the standards for emission or discharge of environmental pollutants from industries, operations or processes, for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

Environmental Impact Assessment Notification, 2006 (the “EIA Notification”)

The Ministry of Environment, and Forest (now the Ministry of Environment, Forest and Climate Change), Government of India under Section 3(2)(v)(1) of the EP Act read with Rule 5(3)(d) of the EP Rules, issued the EIA Notification on September 14, 2006. In accordance with EIA Notification, construction of new projects or activities or the expansion or modernization of existing projects or certain other activities listed in the schedule to the EIA Notification entailing capacity addition, change in process or technology require prior environmental clearance from the Central Government or by the State Level Environment Impact Assessment Authority, as the case may be. Under the EIA Notification, mining and extraction of natural resources are categorized in the list of projects or activities requiring prior environmental clearance.

The Water (Prevention and Control of Pollution) Act, 1974, as amended (the “Water Act”)

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for the establishment of one Central Pollution Control Board, as well as state pollution control boards, to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application. We are required to obtain consents to establish and operate for our existing, new and altered discharge of sewage, trade effluents and outlets under Section 25s and 26 of the Water Act.

Air (Prevention and Control of Pollution) Act, 1981, as amended (the “Air Act”)

The Air Act aims to prevent, control, and abate air pollution, and stipulates that no person shall, without prior consent

of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. Further, no person can discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards specified by the relevant state pollution control board. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. We are required to obtain consents to establish and operate for existing, new and altered discharge of sewage, trade effluents and outlets from our facilities under Section 21 of the Air Act.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, as amended (the “Hazardous Waste Rules”)

The Hazardous Waste Rules regulate the management, treatment, storage, and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier of a facility generating hazardous waste must obtain authorisation from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board. We are required to obtain consents to operate for existing, new and any altered discharge of sewage, trade effluents and outlets under Rule 6 of Hazardous Waste Rules.

The Public Liability Insurance Act, 1991, as amended (the “PLI Act”)

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the PLI Act has been enumerated by the Central Government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The PLI Act mandates the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

The Explosives Act, 1884 (the “Explosives Act”) and the Explosives Rules, 2008 (the “Explosives Rules”)

The Explosives Act is a comprehensive law which regulates by licensing the manufacturing, possession, sale, transportation, export and import of explosives. According to the definition of ‘explosives’ under the Explosives Act, any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with the Explosives Act to regulate or prohibit, except under and in accordance with the conditions of a licence granted as provided by the Explosives Rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act. In furtherance to the purpose of the Explosives Act, the Central Government has notified the Explosive Rules in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980, as amended (the “Forest Conservation Act”) and Van (Sanrakshan Evam Samvardhan) Rules, 2023, as amended (the “Forest Conservation Rules”)

The Forest Conservation Act was enacted to help conserve the country’s forests. In accordance with the Forest Conservation Act, in cases where forest lands are involved, the mining lease can be executed only after obtaining the forest clearances in accordance with the Forest Act. The Forest Act provides that no State Government or any other authority shall authorize, without the prior approval of the Central Government, any forest land or any portion thereof to be used for any non-forest purpose where ‘non-forest’ purpose refers to the breaking up or clearing of any forest land or portion thereof for:

- (i) the cultivation of tea, coffee, spices, rubber, palms, oil-bearing plants, horticultural crops or medicinal plants; or

- (ii) any purpose other than reafforestation but does not include any work relating or ancillary to conservation, development and management of forests and wildlife.

Further, in accordance with the Forest Conservation Rules, activities including, de-reservation of forest land and use of forest land for non-forest purposes can only be undertaken after prior approval of the Central Government, which is granted in two stages, namely, (i) in-principle approval and (ii) final approval.

Wild Life (Protection) Act, 1972, as amended (“Wild Life Act”) and the Wild Life (Protection) Rules, 1995, as amended (“Wild Life Rules”)

The Wild Life Act along with the Wild Life Rules provide for the conservation, protection and management of wildlife and the matters connected therewith or the ancillary or incidental thereto with the view to ensure the ecological and environmental security of the country. Further, in accordance with the Wild Life Rules, a State Government may declare any area other than a reserve forest or the territorial waters as sanctuary. Other than certain specified persons, no person is allowed to enter a sanctuary.

The Factories Act, 1948, as amended (the “Factories Act”)

The term ‘factory’, as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act requires the ‘occupier’ of a factory to ensure the health, safety, and welfare of all workers in the factory premises. Further, the ‘occupier’ of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training, and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

Fire prevention laws

The State legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India, which includes fire prevention and firefighting services. The Andhra Pradesh Fire Service Act, 1999 and the Telangana Fire Service Act, 1999 along with the relevant rules, which are applicable to our mines, processing units and manufacturing plant established across Andhra Pradesh and Telangana, respectively, include provisions in relation to fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance.

The Electricity Act, 2003, as amended (the “Electricity Act”)

The Electricity Act is the central legislation which consolidated the laws relating to generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to development of electricity industry, promoting competition therein, protecting interest of consumers and supply of electricity to all areas, rationalisation of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, constitution of central electricity authority, regulatory commissions and establishment of an appellate tribunal. As per provisions of the Electricity Act, electricity generating companies are required to establish, operate, and maintain generating stations, sub-stations, tie-lines and dedicated transmission lines. Under the Electricity Act, the State Electricity Regulatory Commissions (“SERCs”) are required to promote co-generation and generation of electricity from renewable sources of energy.

Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022, as amended

Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022 were notified by the Ministry of Power, Government of India, on June 6, 2022. These rules aim to promote the generation, purchase, and consumption of green energy, including energy from waste-to-energy plants, through open access. It provides in detail for renewable purchase obligation (“RPO”), green energy open access, nodal agencies, procedure for the grant of green energy open access, banking and charges on open access. It also provides for tariff for green energy which shall be determined by the appropriate commission. The State Commissions may introduce the concept of rating of the consumer of the distribution licensee, based on the percent of green energy purchased by such consumer.

The Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022, as amended (the “REC Regulations”)

The Central Electricity Regulatory Commission (the “CERC”) notified the REC Regulations on May 9, 2022. The REC Regulations aim at the development of market for power from renewable energy sources by issuance of transferable and saleable credit certificates (renewable energy certificates or the “RECs”). Under the REC Regulations, renewable energy generating stations, captive generating stations, open access consumers and distribution licensees can issue RECs and the certificates remain valid till they are redeemed for an indefinite period.

The CERC has nominated the National Load Dispatch Centre as the central agency to perform the functions, including, amongst other things, registration of eligible entities, issuance of certificates, maintaining and settling accounts in respect of certificates, acting as a repository of transactions in certificates and such other functions incidental to the implementation of REC mechanism as may be assigned by the CERC.

Net Metering Regulations

These regulations have been formulated by various states to promote the generation of electricity from renewable energy sources in respect of the grid connected solar rooftop photovoltaic systems. These regulations regulate the supply of excess electricity from an eligible consumer allowing the consumer to export the excess quantum of electricity produced from his premises to the distribution licensee. Under these regulations, the eligible consumer can avail the benefit of the excess quantum supplied to be carried forward to the next billing cycle as credited units of electricity.

B. Laws relating to intellectual property

The Trademarks Act, 1999 (“**Trademarks Act**”) and Trademark Rules, 2017 (“**Trademarks Rules**”), the Copyright Act, 1957 (“**Copyright Act**”), and the Patents Act, 1970 (“**Patents Act**”), are the three main statutes governing intellectual property protection in India.

The Trademarks Act provides for the registration of trademarks, which are signs that distinguish the goods or services of one person from those of others. Registered trademark owners have exclusive rights to use their trademarks in relation to the goods or services for which they are registered. It also provides for infringement, falsifying and falsely applying for trademarks.

C. Laws relating to Employment

The Mines Act, 1952, as amended (“Mines Act”)

The Mines Act, along with the rules and regulations therein, seeks to regulate the working condition in mines by providing for measures to be taken for the safety of the workers employed. The Mines Act has been enacted with the objective of providing for the health, safety and welfare of workers employed in the mines against industrial and occupational hazards. The enactment provides duties, guidelines and standards that are to be maintained during mining operations and management of mines; hours and limitation of employment; leave with wages of mine workers. It empowers the Central Government to appoint qualified persons as inspectors and chief inspectors of mines who shall have the power to inspect and examine any part of the mine at any time, in order to ascertain whether the provisions of the Mines Act, and the rules and regulations therein, are being followed. General disobedience of orders or non-compliance of provisions of the Mines Act may result in both criminal and civil penalties.

The Mines Act is administered through the Directorate General of Mines Safety, Ministry of Labour and Employment, Government of India, with the objective of reduction in risk of occupational diseases and casualty to persons employed in mines, is the regulatory agency for safety in mines and oversees compliance with the Mines Act and the rules and regulations thereunder.

The Mines Rules, 1955 (the “Mines Rules”)

The Mine Rules, which were notified pursuant to the Mines Act, provides for, inter alia, detailed guidelines regarding Committees, Court of Inquiry constituted under the Mines Act, requirements for initial and periodical medical examinations of persons employed or to be employed in mines, constitute workmen’s inspector and safety committee, provide health and sanitation standards, provisions related to first aid and medical appliances, employment of persons, leave with wages and overtime and welfare amenities.

The Mines Rescue Rules, 1985 (“MR Rules”)

The Government of India notified the MR Rules, under the Mines Act, in order to empower the chief inspector (established by the Mines Act, 1952) to permit or require the owner of a below ground mine or a group of below-ground mines to establish and maintain rescue station(s) which shall: (a) provide both initial and refresher training in rescue and recovery work; (b) provide support in case of major accidents or long lasting rescue and recovery operations; and (c) carryout the functions of rescue room in respect of these below ground mines where there is no rescue room. A rescue room has the facility for the storage, assembly, testing and adjustments of rescue equipment and for their speedy transport to mines.

Our operations are subject to compliance with certain additional labour and employment laws in India. These include, but are not limited to, the following:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employee’s Compensation Act, 1923;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees’ State Insurance Act, 1948;
- Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- Equal Remuneration Act, 1976;
- Industrial Disputes Act, 1947;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Child Labour (Prohibition and Regulation) Act, 1986;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Maternity Benefit Act, 1961;
- Trade Unions Act, 1926;
- The Shops and Establishments acts of various states;
- Occupational Safety, Health and Working Conditions Code, 2020⁽¹⁾;
- Code on Social Security, 2020⁽²⁾;
- Industrial Relations Code, 2020⁽³⁾; and
- Code on Wages, 2019⁽⁴⁾.

(1) *The Occupational Safety, Health and Working Conditions Code, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force on such date as may be notified in the official gazette by the Central Government and different dates may be appointed for different provisions of the Occupational Safety, Health and Working Conditions Code, 2020. Once effective, it will subsume, inter alia, the Factories Act, 1948, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Contract Labour (Regulation & Abolition) Act, 1970.*

- (2) *The Government of India enacted 'The Code on Social Security, 2020' which received the assent of the President of India. The provisions of this code will be brought into force on a date to be notified by the Central Government, with certain of the provisions thereunder notified already. The code proposes to subsume, inter alia, the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The Ministry of Labour and Employment, Government of India has notified the draft rules relating to Employee's Compensation under the Code on Social Security, 2020 on June 3, 2021, inviting objections and suggestions, if any, from the stakeholders. Further, draft rules under the Code on Social Security, 2020 were notified on November 13, 2020. The draft rules propose to subsume, inter alia, the Employees' State Insurance (Central) Rules, 1950 and the Payment of Gratuity (Central) Rules, 1972. Pursuant to notifications dated May 3, 2023, certain provisions of the Code on Social Security, 2020 have been brought into force.*
- (3) *The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020, and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.*
- (4) *The Government of India enacted 'The Code on Wages, 2019' which received the assent of the President of India. The code proposes to subsume the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Payment of Wages Act, 1936. The provisions of this code will be brought into force on a date to be notified by the Central Government, with certain of the provisions thereunder notified already. In pursuance of the code, the Code on Wages (Central Advisory Board) Rules, 2021 have been notified, which prescribe, inter alia, the constitution and functions of the Central Advisory Board set up under the Code on Wages, 2019.*

D. Foreign Ownership of Indian Securities

Foreign Investment in India

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Rules**”) and the FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“**FDI Policy**”), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019, which regulates mode of payment and remittance of sale proceeds, among others.

The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company. The FDI Policy and the FEMA Rules include restrictions on pricing, issue, transfer, valuation of shares and sources of funding for such investments, and require prior notice to or approval of the Government of India in certain cases.

E. Other laws

In addition to the above, we are required to comply with direct and indirect tax-related legislations, property laws, and other applicable laws, in the ordinary course of our day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated on December 11, 1981 at Hyderabad in the erstwhile state of Andhra Pradesh, India as 'Midwest Granite Private Limited', a private limited company under the Companies Act, 1956 and was granted a certificate of incorporation by the Registrar of Companies, Andhra Pradesh at Hyderabad. Subsequently, pursuant to a Board resolution dated March 28, 2024 and a resolution passed at an extraordinary general meeting dated May 7, 2024, the name of our Company was changed to 'Midwest Private Limited' to reflect the widened scope of our business activities and a fresh certificate of incorporation dated July 2, 2024 was issued by the Registrar of Companies, Central Processing Centre. Our Company was then converted into a public limited company under the Companies Act, 2013, pursuant to a Board resolution dated July 15, 2024 and a resolution passed at an extraordinary general meeting dated July 15, 2024 and consequently, the name of our Company was changed to 'Midwest Limited' and a fresh certificate of incorporation dated August 28, 2024 was issued by the Registrar of Companies, Central Processing Centre.

Changes in Registered Office

The Registered and Corporate Office of our Company is currently situated at H. No. 8-2-684/3/25&26, Road No. 12, Banjara Hills, Hyderabad 500 034, Telangana, India.

There has been no change in the registered office of our Company since its incorporation other than as set out below:

Date of change of registered office	Details of change of registered office	Reasons for change
August 5, 1986	Change in registered office from 8-3-977/6, Srinagar Colony, Hyderabad 500 873, Andhra Pradesh to Indira Sadan, 8-3-976/90, Shalivahana Nagar, Hyderabad 500 873, Andhra Pradesh	Administrative efficiency
April 15, 1991	Change in registered office from Plot No. 90, Shalivahana Nagar, Hyderabad 500 873, Andhra Pradesh, to Plot No. 33, Dwarakamai Apartments, Dwarkapuri Colony, Hindi Nagar, Punjagutta, Hyderabad 500 034, Andhra Pradesh.	Administrative efficiency
November 4, 1998	Change in registered office from Plot No. 33, Dwarakamai Apartments, Dwarkapuri Colony, Hindi Nagar, Punjagutta, Hyderabad 500 034, Andhra Pradesh, to No. 6-3-802, 1 st Floor, Zainab Commercial Complex, Ameerpet, Hyderabad 500 016, Andhra Pradesh.	Administrative efficiency
July 10, 2007	Change in registered office from No. 6-3-802, 1 st Floor, Zainab Commercial Complex, Ameerpet, Hyderabad 500 016, Andhra Pradesh, India to 8-2-684/3/25&26, Road No. 12, Banjara Hills, Hyderabad 500 034, Andhra Pradesh.	Administrative efficiency

Main Objects of our Company

The main objects of our Company contained in the Memorandum of Association are as disclosed below.

1. *"To carry on the business as manufacturers, excavators of quarries, mines, dealers, distributors, merchants, exporters, importers, stockists and agents of all kinds of Granite Stones raw finished and semi finished including random slabs - polished or flamed tiles, panels flamed or polished and monuments and all kinds of stones and stone products that may be directly or indirectly derived there from or may be discovered in relation there to and to acquire the quarries and mines of Granite Stones and stones of all kinds either on lease or purchase from the Government, Quasi Governments, Individuals, firms or Companies and quarry the same directly or through contractors and to manufacture materials from waste quarry materials for roads and buildings.*
2. *To acquire any manufacturing unit manufacturing processing, developing or otherwise deal with Granite Stones and Stones of all kinds for running such units on company's account or for leasing out in the manner*

most beneficial to the interests of the Company and to carry on the business as manufacturers, dealers, distributors, merchants, exporters, importers, stockist and agents of all kinds of cutting and polishing agents and chemicals for the processing finishing of Granite stone and other mine and mineral products.

3. *To carry on the business of prospecting, exploring, opening and working Mines, drill and sink shafts or wells and to pump, refine, raise, dig and quarry for coal, Iron Ore, Gold, Rare Earths, manganese, earth, limestone, aluminum, titanium, mica, apalite, chrome, copper, gypsum, tin, zinc, bauxite and tungsten and other ores and minerals and process the same and to acquire quarries and mines of coal, iron ore, Lime Stone, Gold, Rare Earths, Industrial Minerals, either on lease or purchase from the Government, Quasi Governments, individuals, firms or companies and quarry the same directly or through contractors and to manufacture materials from waste quarry materials.*
4. *To carry on the business of and to undertake design, development, manufacture , import, export and/or deal in all kinds of machinery including machinery for Coal, Iron ore, Gold , Rare Earths and natural stone industry and to act as contractors, engineers, surveyors, consultants or advisors in the field and to acquire design or technical know-how and to do the jobs or turnkey projects or otherwise including design and performance testing and to enter into, provide / obtain consultancy on turnkey basis, to have tie-up with any person in or outside India including a firm, company or any organization and to crush, win, get, quarry, metal, calcine, extract, recover, procure, refine , amalgamate, process and prepare for market- ore, metal, mineral and mineral substances of all kinds, whether from the earth, earth-beds , outer-space, river or sea and to carry on any other metallurgical operations*
5. *To carry on any lawful business in India or abroad”*

The objects clause as contained in the Memorandum of Association enables our Company to carry on the business presently being carried out and proposed to be carried on by our Company.

Amendments to the Memorandum of Association in last 10 years

The amendments to the Memorandum of Association of our Company in the 10 years immediately preceding the date of this Draft Red Herring Prospectus are as detailed below.

Date of Amendment/Share holders' Resolution	Nature of Amendment
November 29, 2014	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized capital from ₹20,00,000 divided into 200,000 equity shares of face value ₹100 each into ₹80,700,000 divided into 807,000 equity shares of face value ₹100 each by virtue of the scheme of amalgamation passed by the High Court of Judicature at Hyderabad for the state of Andhra Pradesh and the state of Telangana by an order dated October 21, 2014 with effect from November 29, 2014
August 21, 2021	<p>Clause II of the Memorandum of Association was amended to reflect the change in name of the state of Andhra Pradesh to Telangana. The altered clause is set out below:</p> <p><u>“II. The Registered Office of the Company will be situated in the State of Telangana.”</u></p> <p>In order to align with the provisions of the Companies Act, 2013 and to replace objects 1-4, with new objects 1-5, our main objects set out in Clause III (A) of the Memorandum of Association were restated as follows:</p> <p><i>“1. To carry on the business as manufacturers, excavators of quarries, mines, dealers, distributors, merchants, exporters, importers, stockists and agents of all kinds of Granite Stones raw finished and semi finished including random slabs - polished or flamed tiles, panels flamed or polished and monuments and all kinds of stones and stone products that may be directly or indirectly derived there from or may be discovered in relation there to and to acquire the quarries and mines of Granite Stones and stones of all kinds either on lease or purchase from the Government, Quasi Governments, Individuals, firms or Companies and quarry the same directly or through contractors and to manufacture materials from waste quarry materials for roads and buildings.</i></p> <p><i>2. To acquire any manufacturing unit manufacturing processing, developing or otherwise deal with Granite Stones and Stones of all kinds for running such units on company's account or for leasing out</i></p>

Date of Amendment/Share holders' Resolution	Nature of Amendment
	<p><i>in the manner most beneficial to the interests of the Company and to carry on the business as manufacturers, dealers, distributors, merchants, exporters, importers, stockist and agents of all kinds of cutting and polishing agents and chemicals for the processing finishing of Granite stone and other mine and mineral products.</i></p> <p><i>3. To carry on the business of prospecting, exploring, opening and working Mines, drill and sink shafts or wells and to pump, refine, raise, dig and quarry for coal, Iron Ore, Gold, Rare Earths, manganese, earth, limestone, aluminum, titanium, mica, apalite, chrome, copper, gypsum, tin, zinc, bauxite and tungsten and other ores and minerals and process the same and to acquire quarries and mines of coal, iron ore, Lime Stone, Gold, Rare Earths, Industrial Minerals, either on lease or purchase from the Government, Quasi Governments, individuals, firms or companies and quarry the same directly or through contractors and to manufacture materials from waste quarry materials.</i></p> <p><i>4. To carry on the business of and to undertake design, development, manufacture, import, export and/or deal in all kinds of machinery including machinery for Coal, Iron ore, Gold, Rare Earths and natural stone industry and to act as contractors, engineers, surveyors, consultants or advisors in the field and to acquire design or technical know-how and to do the jobs or turnkey projects or otherwise including design and performance testing and to enter into, provide / obtain consultancy on turnkey basis, to have tie-up with any person in or outside India including a firm, company or any organization and to crush, win, get, quarry, metal, calcine, extract, recover, procure, refine, amalgamate, process and prepare for market- ore, metal, mineral and mineral substances of all kinds, whether from the earth, earth-beds, outer-space, river or sea and to carry on any other metallurgical operations</i></p> <p><i>5. To carry on any lawful business in India or abroad."</i></p> <p>In order to align with the provisions of the Companies Act, 2013, our incidental or ancillary objects set out in Clause III(B) of the Memorandum of Association were restated as follows:</p> <p><i>"1. To enter into partnership or into any arrangements for sharing profits, co-operation, amalgamation, union of interests, joint venture, reciprocal concession with any Govt. authority, persons, firms or Company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorized to carry on or engage in, or any business or transaction which may seem capable of being carried on or conducted as directly or indirectly to benefit the Company and to lend surplus money to, guarantee the contracts of, or otherwise assist any such person, firm or company and to take or otherwise acquire and hold shares or securities of any person, firm or Company and to sell, hold, re-issue with or without guarantee, or otherwise deal with the same.</i></p> <p><i>2. To amalgamate or merge/demerge or enter into any kind of agreement/ arrangement with any other Company having objects altogether or in part similar to those of this Company.</i></p> <p><i>3. To enter into agreements and/or contracts with any individuals, firms, companies or other organizations for technical, financial or any other assistance for carrying out all or any of the main objects of the Company.</i></p> <p><i>4. To establish and maintain any agencies in India or any part of the world for the conduct of business of the company or for the sale of any materials or things for time being at disposal of the Company for sale.</i></p> <p><i>5. To apply for purchase or otherwise acquire and protect, prolong and renew trade names, designs, secret, process, patent rights, "BREVETS D INVENTION licences, protections and concessions which may appear likely to be advantageous or useful to the company and to spend money in experimenting and testing and improving, to improve any patents, inventions or rights which the Company may acquire or propose to acquire or develop,</i></p> <p><i>6. To enter into any arrangement with Government or State authority, Municipal, Local or otherwise that may seem conducive to the Company's objects or any of them and to obtain from any such</i></p>

Date of Amendment/Share holders' Resolution	Nature of Amendment
	<p><i>Government or State or Authority, the rights, privileges and concession which may seem conducive to the Company's objects or any of them.</i></p> <p><i>7. To undertake and carry on any business, transaction or operation commonly undertaken or carried on by promoters of Companies, concessionaries, contractors for public and other works for merchants.</i></p> <p><i>8. To purchase or otherwise acquire and undertake the whole or any part of the business, property rights, and liabilities of any person, firm or company, carrying on any business, which this Company is authorized to carry on or possessed or rights, suitable for any of the purposes of the Company, and to purchase, acquire, apply for hold, sell and deal in shares, stock, debentures, or debentures stock of any such person firm or Company, and to conduct, make or carry into effect any arrangement in regard to the winding up of the business up of any such person, firm or Company.</i></p> <p><i>9. To construct, acquire, establish, provide maintain and administer, factories, estates, buildings, water reservoirs, shed pumping installations, generating installations, pipelines garages storage and accommodation of descriptions in connection with the business of the Company.</i></p> <p><i>10. To apply for tender, purchase or otherwise acquire, contracts, subcontracts, licenses and concessions, for all or any of them and to undertake, execute, carryout, dispose of or otherwise turn to account the same, and to subject all or any contracts from time to time and upon such terms and conditions as may be thought expedient in relation to business of the Company and for this purpose the Board of Directors are empowered to issue Authorizations, power of Attorney to its Directors, employees or any other persons as it may deem fit on behalf of the Company.</i></p> <p><i>11. To buy, lease or otherwise acquire lands, buildings and other immovable property and movable property and to sell, lease, mortgage or hypothecate or otherwise dispose of all or any of the property and assets of the company on such terms and conditions as the Company may think fit.</i></p> <p><i>12. To remunerate or make donations to (by cash or other assets, or by the allotment of fully 'or' partly paid shares, or by a call or option on shares, debentures, debenture stock or securities of this or any other company, or in any other manner) whether out of the Company's capital, profits or otherwise to any person or firm or company for services rendered or to be rendered in introducing any property or business to the Company or placing or assisting to place or guaranteeing the subscription of any shares, debentures, debenture stock of other securities of the Company or for any other reasons which the Company may think proper.</i></p> <p><i>13. To undertake and execute any trusts, the undertaking where of may seem desirable either gratuitously or otherwise.</i></p> <p><i>14. To open any kind of account(s) in any Bank, and to make, draw, accept, endorse, discount, execute and issue checks, bills of exchange, promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments or securities connected with business of the Company.</i></p> <p><i>15. To lend or deposit monies belonging to or entrusted to at disposal of the Company to such person or company and in particular to customers and other having dealings with the company with or without security, upon terms as may be thought proper and to guarantee the performance of contracts by such person or company, but not to do the business of banking as defined In the Banking Regulations Act. 1949.</i></p> <p><i>16. To make advances upon or for the purchase of materials, goods, machinery, stores and other articles required for the purpose of the company.</i></p> <p><i>17. To borrow raise money with or without security or to receive money on deposit at interest, or otherwise, in such manner as the Company may think fit and in particular by the issue of debentures or debenture stock perpetual or otherwise, including debentures or debenture stock convertible into shares of this or any other company and in security of any such money so borrowed raised or received to</i></p>

Date of Amendment/Share holders' Resolution	Nature of Amendment
	<p><i>mortgage, pledge or charge the whole or any part of the Property, assets or revenue of the company present or future including its uncalled capital and to purchase, redeem or pay off any securities.</i></p> <p>18. <i>To establish and support or aid in establishment of associations, institutions, funds, trust and conveniences calculated to benefit the employees/ex-employees of the Company or the dependents or relatives of such persons and to grant pensions, gratuity, bonus, payment towards insurance or other payments, or by creating from time to time, subscribing or contributing towards place of instruction or recreation, hospital and dispensaries, medical and other attendance and other assistance as the company shall think fit.</i></p> <p>19. <i>To provide corporate guarantee or security and mortgage of company properties to banks, financial institutions etc., on behalf of other companies, firms or persons in which directors are interested and performance guarantee of any contract or obligation of any person (s) or Company and to give all kinds of indemnities and the payment and repayment of money's or dividends and interest of premia payable on any stocks, shares or securities of any body corporate(s), firm(s) or person(s).</i></p> <p>20. <i>To procure the registration or recognition of the Company in or under the laws of any place outside India and to establish and regulate agencies in any country, state or place for the purpose of Company's business and to apply or join in making an application to any Government, quasi-judicial authority or any court of law for any acts of parliaments, laws, decrees, orders, rights and privileges that may seem conducive to the Company's objects and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.</i></p> <p>21. <i>To create any depreciation fund, reserve fund, sinking fund or any other special fund for preparing, improving extending or maintaining any of the property of the Company, or for any other purpose conducive to the interest of the Company.</i></p> <p>22. <i>To subscribe or guarantee surplus money for any charitable, benevolent, public or general or useful object or for any exhibitions.</i></p> <p>23. <i>In the event of winding up, to distribute among the members of the Company, in cash/bank transfer or in kind any property of the Company, and in particular any shares, debenture, securities of other Company's belonging to this Company or of which this Company may have the power of disposing, but so as not to prejudice the provisions of Section 320 of the Companies Act, 2013.</i></p> <p>24. <i>To train or pay for the training in India or abroad of any of the Company's officers or Employees or any other candidate in the interest of or for the furtherance of the Company's objects.</i></p> <p>25. <i>To arrange, manage, promote, motivate, subsidize and organize training programmes for the employees, trainees and apprentices at all levels as may be conducive to the interest of the Company.</i></p> <p>26. <i>To enter all sorts of internal or foreign collaboration, technical assistance, financial or commercial arrangement.</i></p> <p>27. <i>To apply for, purchase, or otherwise acquire, any patents, trademarks, invention, licenses, concessions, and the like conferring any exclusive or non-exclusive or limited rights to use, or any secret or other information as to by invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired.</i></p> <p>28. <i>To refer all questions, disputes or differences arising between the Company and any other person whosoever (other than a Director of the Company) in connection with or in respect of any matter relating to the business or affairs of the Company to arbitration in such manner and upon such terms as the Company and such other person may mutually agree upon in each case, and such reference to arbitration may be in accordance with the provisions of the Indian Arbitration Act or the rules and</i></p>

Date of Amendment/Share holders' Resolution	Nature of Amendment
	<p><i>regulations of the International Center for alternative Dispute Resolution relating to arbitration or otherwise.</i></p> <p><i>29. To promote any other Company for the purpose of acquiring all or any property thereof or for any purpose which may seem directly or indirectly to benefit this Company or whatsoever.</i></p> <p><i>30. To insure all or any properties, assets, undertakings, contracts, guarantees or obligations of the Company of whatsoever nature and kind against any risk whatsoever.</i></p> <p><i>31. To do all or any of the above things either as principles, agents, contractors, trustees or otherwise and either alone or in conjunction with others and by or through agents, sub-contractors, trustees or otherwise.</i></p> <p><i>32. To do all such other things, as are incidental to, or conducive to the attainment of the above main objects or any of them.”</i></p>
November 29, 2022	Clause V of the Memorandum of Association was amended to reflect the increase of the authorized share capital from ₹80,700,000 divided into 807,000 equity shares of face value ₹100 each into ₹125,700,000 divided into 1,257,000 equity shares of face value ₹100 each by virtue of the confirmation order of scheme of amalgamation dated November 29, 2022 between our Company and its wholly owned subsidiaries, i.e., RDT Diamond Tools Private Limited and Midwest Mining Private Limited issued by the Regional Director, South East Region, Hyderabad.
May 7, 2024	Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from Midwest Granite Private Limited to Midwest Private Limited.
June 11, 2024	Clause V of the Memorandum of Association was amended to reflect the sub-division of our Authorized Share Capital from ₹125,700,000 divided into 1,257,000 equity shares of face value ₹100 each into ₹125,700,000 divided into 25,140,000 Equity Shares of face value ₹5 each.
July 9, 2024	Clause V of the Memorandum of Association was amended to reflect the increase of our Authorized Share Capital from ₹125,700,000 divided into 25,140,000 Equity Shares of face value ₹5 each to ₹250,00,000 divided into 50,000,000 Equity Shares of face value ₹5 each.
July 15, 2024	Clause I of the Memorandum of Association was amended to reflect the change in name of our Company from Midwest Private Limited to Midwest Limited pursuant to conversion into a public limited company.

Major Events

The table below sets forth some of the major events in the history of our Company:

Calendar Year	Event
1981	Incorporated under the name of ‘Midwest Granite Private Limited’ and commenced business operations
1988	Received a quarry lease for an Absolute Black Granite Mine in Arpanapally in the erstwhile state of Andhra Pradesh (now Telangana)
1994	Received a quarry lease for our first Black Galaxy Granite Mine in Chimakurthy in Andhra Pradesh
2002	Incorporated our Subsidiary ‘Southasia Granite and Marble (Private) Limited’ and commenced raw granite stone processing in Sri Lanka
2003	Incorporated our Subsidiary ‘Reliance Diamond Tools (Private) Limited’ and commenced manufacturing of Diamond tools in Sri Lanka for export
2007	<ul style="list-style-type: none"> • Incorporated our Material Subsidiary, Andhra Pradesh Granite (Midwest) Private Limited together with the Government of Andhra Pradesh for mining of Black Galaxy Granite • Won a global tender floated by the Government of Andhra Pradesh for a 48 acre block of Black Galaxy Granite • Recognition as an ‘Export House’ by the Ministry of Commerce, Government of India from April 1, 2007 to March 31, 2009
2009	Recognition as a ‘Star Export House’ by the Ministry of Commerce, Government of India from April 1, 2009 to March 31, 2014
2015	Received a quarry lease for a Black Granite Mine located in Kodad, Telangana

Calendar Year	Event
2017	Received a quarry lease for a Black Granite Mine located in Theegalaveni, Telangana
	Our Company qualified for empanelment by the National Mineral Exploration Trust, Ministry of Mines, Government of India, as an exploration entity
	Incorporation of our Subsidiary, Midwest Neostone Private Limited, to carry out our operations for Quartz and silica
2021	<ul style="list-style-type: none"> Completed shifting our Diamond Wire mining tools manufacturing operations from Sri Lanka to Hyderabad, Telangana, India Established our first captive solar plant in Telangana
2023	Established operations in Sri Lanka, through incorporation of our subsidiaries, Midwest Heavy Sands Private Limited and Trinco Mineral Sands Private Limited for mining of mineral sand
	Our Material Subsidiary, Andhra Pradesh Granite (Midwest) Private Limited, was upgraded to a ‘Three Star Export House’ by the Ministry of Commerce, Government of India
2024	Upgraded to a ‘Three Star Export House’ by the Ministry of Commerce, Government of India

Key Awards, Accreditations and Recognitions

The table below sets forth certain key awards, accreditations, certifications and recognitions received by our Company:

Particulars	Award/Certification/Recognition
Fiscal 2009	“Export Promotion Award” from Vishakhapatnam Special Economic Zone for the best export performance amongst 100% EOUs in granite sector in Andhra Pradesh
Fiscal 2010	“Export Excellence Award” from Vishakhapatnam Special Economic Zone for the best export performance amongst 100% EOUs in granite sector in Andhra Pradesh
Fiscal 2011	“Best Export Performance Award” from Vishakhapatnam Special Economic Zone in the category of Export Awards for EOUs in Andhra Pradesh, Chhattisgarh, Yanam
Fiscal 2012	“Best Export Performance Award” from Vishakhapatnam Special Economic Zone in the category of Export Awards for EOUs in Andhra Pradesh, Chhattisgarh, Yanam
Fiscal 2013	“Commendable Export Performance Award” from Vishakhapatnam Special Economic Zone in the category of Export Awards for EOUs in Andhra Pradesh, Chhattisgarh, Yanam
Calendar year 2012	“First Prize” in the category of Mine Inspection – A+ for Appointment of Qualified Personnel & Maintenance of Plants from Prakasam & Guntur Granite Mines at the 15 th Mines Safety Week Celebration 2012
Calendar year 2012	“Longstanding Customer Award” from Export Credit Guarantee Corporation of India Limited, Hyderabad branch
Calendar year 2014	“First Prize” in the category of Maintenance of Quarry Roads and Footpaths from Prakasam & Guntur Granite Mines at the 16 th Safety Week Celebrations, 2014
Calendar year 2017	“First Prize” in the category of Registers and Records and Maintenance of Plans from Prakasam & Guntur Granite Mines at the 18 th Safety Week Celebrations, 2017
Calendar year 2017	“Overall First Prize” from Prakasam & Guntur Granite Mines at the 18 th Safety Week Celebrations, 2017
Calendar year 2019	“First Prize” in the category of Publicity and Propaganda from Prakasam & Guntur Granite Mines, at the 19 th Safety Week Celebrations, 2019
Calendar year 2022	“First Prize” in the category of Appointment of Qualified Personnel from Prakasam & Guntur Granite Mines, under the Directorate General of Mines Safety at the 20 th Mines Safety Week Observance, 2022
Calendar year 2022	“Overall Second Prize” from Prakasam & Guntur Granite Mines, under the Directorate General of Mines Safety at the 20 th Mines Safety Week Observance, 2022
Calendar year 2023	Our Material Subsidiary, APGM, received the Overall First Prize from Prakasam, Bapatla & Palnadu Districts Granite Mines at the 21 st Mines Safety Week Celebrations – 2023 for its Mines in Chimakurthy, Andhra Pradesh.
Calendar year 2024	“Certificate of Recognition” as a Three Star Export House in accordance with Foreign Trade Policy, 2023, from Ministry of Commerce and Industry, Government of India

Other details regarding our Company

Significant financial and strategic partners

Our Company does not have any significant financial and strategic partners as of the date of this Draft Red Herring Prospectus.

Defaults or Rescheduling of Borrowings from Financial Institutions/Banks

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Time and Cost Overruns

Our Company has not experienced any instance of time and cost overruns in respect of our business operations, as of the date of this Draft Red Herring Prospectus, except in the ordinary course of business.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets and capacity/facility creation or location of plants, to the extent applicable, see “*Our Business*” and “*Our Business—Description of our Business*” beginning on pages 224 and 240, respectively.

Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years

Except as disclosed below, our Company has not made any material acquisitions or divestments of any business/undertaking, and has not undertaken any merger, amalgamation or any revaluation of assets in the 10 years preceding the date of this Draft Red Herring Prospectus:

Scheme of amalgamation of Ind Natali Granite Private Limited, Opusasia Technologies Private Limited, Reliance Granite Private Limited, Subhiksha Agro Farms Private Limited, Victorian Granites Private Limited, Yarra Agro Estates Private Limited with our Company and their respective shareholders

By way of an order dated October 21, 2014, the High Court of Judicature at Hyderabad for the state of Telangana and for the state of Andhra Pradesh (“**High Court**”) sanctioned a scheme of amalgamation of Ind Natali Granite Private Limited, Opusasia Technologies Private Limited, Reliance Granite Private Limited, Subhiksha Agro Farms Private Limited, Victorian Granites Private Limited, Yarra Agro Estates Private Limited (collectively, the “**Transferor Companies**”) with our Company and their respective shareholders under Sections 391 and 394 of the Companies Act, 1956 (“**2014 Amalgamation Scheme**,” and such amalgamation, “**Amalgamation**”).

Prior to the 2014 Amalgamation Scheme, the Transferor Companies were engaged in the business of granites and agro activities, which are similar to the business of our Company which involves quarrying and extracting granites, along with export of granites and other minerals. The Amalgamation was proposed to, *inter alia*, enable our Company to optimally utilise the infrastructure facilities of the Transferor Companies, and rationalise and integrate the business activities of the companies involved in the Amalgamation, thereby reducing expenses and over-head costs in furtherance of economic efficiency.

In accordance with the 2014 Amalgamation Scheme, all the movable assets of the Transferor Companies or assets otherwise capable of transfer, along with all debts and liabilities were transferred to our Company. The appointed date

under the 2014 Amalgamation Scheme was April 1, 2013, and it became effective on November 29, 2014, being the date of filing of the High Court order with the RoC.

Based on the valuation report dated March 27, 2014 issued by PVRK Nageswara Rao & Co., Chartered Accountants (the “**Valuation Report**”), the fair value per share for each of the Transferor Companies and our Company for computation of share exchange ratio were as follows:

S.No.	Company	Fair Value per Share (in ₹)
1.	Our Company	7,512
2.	Ind Natali Granite Private Limited (“ Ind Natali Granite ”)	75
3.	Opusasia Technologies Private Limited (“ Opusasia Technologies ”)	0
4.	Reliance Granite Private Limited (“ Reliance Granite ”)	3
5.	Subhiksha Agro Farms Private Limited (“ Subhiksha ”)	135
6.	Victorian Granites Private Limited (“ Victorian Granites ”)	309
7.	Yarra Agro Estates Private Limited (“ Yarra Agro ”)	1

In terms of the 2014 Amalgamation Scheme and the Valuation Report obtained, the share allotment was as follows:

- (i) In case of Ind Natali Granite, our Company issued 50 fully paid-up equity shares of ₹100 each to each shareholder of Ind Natali Granite in proportion of the shares held by such shareholder in Ind Natali Granite.
- (ii) In case of Reliance Granite, our Company issued 492 fully paid-up equity shares of ₹100 each to each shareholder of Reliance Granite in proportion of the shares held by such shareholder in Reliance Granite.
- (iii) In case of Subhiksha, our Company issued 182 fully paid-up equity shares of ₹100 each to each shareholder of Subhiksha in proportion of the shares held by such shareholder in Subhiksha.
- (iv) In case of Victorian Granites, our Company issued 3,458 fully paid-up equity shares of ₹100 each to each shareholder of Victorian Granites in proportion of the shares held by such shareholder in Victorian Granites.

In accordance with the terms of the 2014 Amalgamation Scheme, our Company did not issue any equity shares to the shareholders of Opusasia Technologies and Yarra Agro. Pursuant to the 2014 Amalgamation Scheme, 10,920 equity shares of our Company held by Reliance Granite and Victorian Granites were cancelled.

For details of issuance of equity shares pursuant to the 2014 Amalgamation Scheme, see “*Capital Structure—Share Capital history of our Company*” on page 88. The 2014 Amalgamation Scheme and the Valuation Report have been included in “*Material Contracts and Documents for Inspection*” on page 516.

Scheme of amalgamation of RDT Diamond Tools Private Limited (“RDT”) and Midwest Mining Private Limited (“MMPL”) into our Company

By way of an order dated November 29, 2022, the Regional Director (South East Region), Hyderabad, approved a scheme of amalgamation of RDT and MMPL (“**Transferor Companies**”) into our Company pursuant to the provisions of Section 233 of the Companies Act, 2013 (“**2022 Amalgamation Scheme**,” and such amalgamation, the “**Amalgamation**”).

Prior to the 2022 Amalgamation Scheme, the Transferor Companies were our wholly owned subsidiaries, engaged in the business of manufacturing diamond coated cutting tools and mining activities, which are similar to the business of our Company which involves quarrying and extracting granites, along with export of granites and other minerals. Considering that the companies involved were engaged in similar lines of business activities, the Amalgamation was proposed to expand our customer base and market share, along with enabling our Company to utilise the infrastructure and human resources of the Transferor Companies by integrating and rationalising business activities, thereby

reducing our expenses and improving overall productivity and our financial performance to maximise overall shareholder value and improve the competitive position of the amalgamated entity.

Under the 2022 Amalgamation Scheme, given that both the Transferor Companies were, at the time, wholly owned subsidiaries of our Company, there was no issuance of any equity shares as part of the Amalgamation since the entire share capital of the Transferor Companies was held by our Company. Accordingly, the paid-up share capital of the Transferor Companies was cancelled, and no equity shares were required to be issued and as such, no valuation report was required to be obtained. Pursuant to the Amalgamation, all assets and liabilities (including contingent liabilities), permits, quarry and mining leases, rights, entitlements and registrations for carrying on business operations and other mining licenses including approvals from various authorities (including municipal or statutory bodies) relating to RDT and MMPL were transferred to our Company. The appointed date under the 2022 Amalgamation Scheme was April 1, 2021, and it became effective on November 29, 2022.

Divestment of Midwest Gold Limited through the Share purchase agreement dated June 10, 2024 between our Company and Mr. Kollareddy Rama Raghava Reddy

Our Company entered into a share purchase agreement dated June 10, 2024 with Mr. Kollareddy Rama Raghava Reddy, pursuant to which Mr. Kollareddy Rama Raghava Reddy agreed to purchase 2,309,500 equity shares, constituting 70.63% of the paid-up equity share capital of our erstwhile subsidiary, Midwest Gold Limited (“**Midwest Gold**”), and such transaction, the “**Midwest Gold Divestment**”), being the entire shareholding held by our Company in Midwest Gold, for a purchase consideration of ₹52.54 million. Midwest Gold is listed on the equity segment of BSE Limited. In connection with the Midwest Gold Divestment, a valuation report was obtained from Mr. V. Gangadhara Rao N, Registered Valuer, partner of M/s. NSVR & Associates, Chartered Accountants on June 1, 2024, according to which a fair value of Midwest Gold Limited was arrived at ₹22.75 per share, which translated to a total consideration of ₹52.54 million for the purchase of the 2,309,500 equity shares of Midwest Gold held by our Company.

As certified by Majeti & Co., Chartered Accountants, by their certificate dated September 30, 2024, the Midwest Gold Divestment is not material in accordance with Item 11(I)(B)(iii) of Schedule VI of the SEBI ICDR Regulations.

Material Agreements

Except as disclosed below, there are no arrangements or agreements, deeds of assignment, acquisition agreements, shareholders’ agreements, inter se agreements, any agreements between our Company, our Promoters and Shareholders, agreements of like nature or agreements comprising any clauses/ covenants in relation to the securities of our Company which are material to our Company, and which are required to be disclosed, or the non-disclosure of which may have a bearing on the investment decision of prospective investors in the Offer. Further, there are no clauses/ covenants that are adverse or prejudicial to the interest of the minority and public shareholders of our Company, or which may have a bearing on any investment decision.

Joint venture agreement between our Company and Andhra Pradesh Mineral Development Corporation Limited dated June 4, 2007, as amended by the supplementary agreement dated February 15, 2014

Our Company, along with our then consortium partner, Savema S.P.A., Italy, entered into a joint venture agreement dated June 4, 2007 with Andhra Pradesh Mineral Development Corporation Limited (the “**APMDC**” and such agreement, the “**Joint Venture Agreement**”) pursuant to which a special purpose vehicle was incorporated under the name “Andhra Pradesh Granite (Midwest) Private Limited” (the “**Joint Venture Company**”) to undertake research and development aimed at enhancement of product quality, scope of application as well as development of techniques and processes to be employed in mining and processing of Black Galaxy Granite. In terms of the Joint Venture Agreement, APMDC was allotted 11% of the share capital in the Joint Venture Company as consideration for sub-leasing the mining rights to extract Black Galaxy Granite in the lease area (“**Quarry Lease Area**”) to the Joint Venture Company. Under the terms of the Joint Venture Agreement, APMDC will continue to hold 11% of the share capital in the Joint Venture Company throughout the existence of the Joint Venture Company, while the remaining 89% will be held by our Company. Under the terms of the Joint Venture Agreement, our Company is required to pay APMDC a stipulated minimum royalty on an annual basis.

Under the terms of the Joint Venture Agreement, we were required to establish an exported oriented Granite processing facility with a stipulated minimum annual capacity and ensure that a certain percentage of the raw blocks mined in the Quarry Lease Area are processed at such facility. By the supplementary agreement dated February 15, 2014, the requirement that a stipulated quantity of raw Granite extracted from the Quarry Lease Area be sent to the processing facility was modified, and sale of raw Granite blocks directly from the Mines without processing was permitted, provided the minimum revenue commitments to APMDC are satisfied.

Share Purchase Agreement dated September 27, 2024 among Kollareddy Ranganayakamma (the “Seller”), our Company and SVADHA India Emerging Opportunities Scheme 1 (“Purchaser” and such agreement, the “SPA”)

Pursuant to the SPA, on September 28, 2024, the Purchaser purchased 1,408,851 Equity Shares of face value ₹5 of our Company from the Seller for an aggregate consideration of ₹1,000.00 million.

As on the date of this DRHP, the Purchaser has no special rights in relation to our Company.

Under the terms of the SPA, in the event that the Equity Shares of our Company are not listed on the BSE or NSE on or before March 31, 2026, then the Purchaser will be entitled to certain customary minority protections rights that are available to a minority financial investor including customary exit rights, information and inspection rights and consent rights for minority protection matters. Further, in accordance with the SPA, in the event that the Equity Shares are not listed on the BSE or NSE on or before September 30, 2027 (the “**Extended Date**”) then, on or before the expiry of 12 months of the Extended Date, the Seller shall provide a complete exit to the Purchaser from our Company at a price equivalent to the fair market value of such Equity Shares.

In any event, all rights described above shall automatically fall away without any further action required from the Seller, the Purchaser or our Company, and shall not be effective, upon listing of the Equity Shares on BSE or NSE.

Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has the following subsidiaries:

I. Subsidiaries incorporated in India

1. Midwest Neostone Private Limited (“MNPL”)

Corporate Information

MNPL was incorporated on January 17, 2017 under the Companies Act, 2013 and is authorized under the provisions of its memorandum of association to engage in the business of, *inter alia*, manufacturing of technical porcelain and ceramic products, to identify, explore, mine, process, beneficiate, upgrade, prepare raw materials required for manufacture of sintered technical porcelain large format slabs such as Kaolin, Silica sand, Quartz, Talc, Soda Feldspar, Potash Feldspar, Calcined Alumina, ball clay, wallastonite, pyrophyllite, zirconium, zinc oxide.

Capital Structure

The authorized share capital of MNPL is ₹100,000,000 divided into 100,00,000 equity shares of ₹10 each. The issued, subscribed and paid-up share capital of MNPL is ₹87,100,000 divided into 8,710,000 equity shares of ₹10 each.

Shareholding Pattern

MNPL is a wholly owned subsidiary of our Company. The shareholding pattern of MNPL as on the date of this DRHP is as follows:

S. No.	Name of the shareholder	No. of equity shares of face value ₹10 each	Percentage of total shareholding (%)
1.	Midwest Limited	8,709,980	100.00
2.	Kukreti Soumya*	10	Negligible
3.	Kollareddy Ramachandra*	10	Negligible
	Total	8,710,000	100.00

*Held on behalf of our Company, which is the beneficial owner of these shares.

2. Andhra Pradesh Granite (Midwest) Private Limited (“APGM”)

Corporate Information

APGM was incorporated on June 11, 2007 under the Companies Act, 1956 and is authorized under the provisions of its memorandum of association to engage in the business of, *inter alia*, mining and quarrying of granite, natural stones.

Capital Structure

The authorized share capital of APGM is ₹100,00,000 divided into 100,00,000 equity shares of ₹10 each. The issued, subscribed and paid-up share capital of APGM is ₹100,00,000 divided into 100,00,000 equity shares of ₹10 each.

Shareholding Pattern

S. No.	Name of the shareholder	No. of equity shares of face value ₹10 each	Percentage of total shareholding (%)
1.	Midwest Limited	8,899,990	88.99
2.	Andhra Pradesh Mineral Development Corporation	1,100,000	11.01
3.	Kollareddy Rama Raghava Reddy	10	Negligible
	Total	10,000,000	100.00

3. AP Midwest Galaxy Private Limited (“AP Galaxy”)

Corporate Information

AP Galaxy was incorporated on December 12, 2022 under the Companies Act, 2013 and is authorized under the provisions of its memorandum of association to engage in the business of, *inter alia*, prospecting, exploring and processing granites, natural stones and excavating mines and quarries.

Capital Structure

The authorized share capital of AP Galaxy is ₹50,00,000 divided into 5,000,000 equity shares of ₹10 each. The issued, subscribed and paid-up share capital of AP Galaxy is ₹1,500,000 divided into 150,000 equity shares of ₹10 each.

Shareholding Pattern

S. No.	Name of the shareholder	No. of equity shares of face value ₹10 each	Percentage of total shareholding (%)
1.	Midwest Limited	149,990	99.99
2.	Kollareddy Ramachandra	10	0.01
	Total	150,000	100.00

4. BEML Midwest Limited (“BEML Midwest”)

BEML Midwest was incorporated on April 18, 2007 under the Companies Act, 1956 and was authorized under the provisions of its memorandum of association to engage in the business of, *inter alia*, prospecting, exploring and

processing granites, natural stones and excavating mines and quarries. BEML Midwest is currently under liquidation pursuant to the order of the NCLT dated October 20, 2023.

Capital Structure

The authorized share capital of BEML Midwest Limited is ₹1,000,000,000 divided into 100,000,000 equity shares of ₹10 each. The issued, subscribed and paid-up share capital is ₹1,20,500,000 divided into 12,050,000 equity shares of ₹10 each.

Shareholding Pattern

S. No.	Name of the shareholder	No. of equity shares of face value ₹10 each	Percentage of total shareholding (%)
1.	Midwest Limited	6,617,100	54.91%
2.	Bharat Earth Movers Limited	5,422,495	45.00%
3.	Panthagada Pavana Murthy	1	Negligible
4.	Viswanath Srinath	1	Negligible
5.	Bharat Earth Movers Limited (jointly with V.Rs.Natarajan)	1	Negligible
6.	Bharat Earth Movers Limited (jointly with M. Poongavanam)	1	Negligible
7.	Bharat Earth Movers Limited (jointly with Gautam Sen)	1	Negligible
8.	Malireddy Ajababu	100	Negligible
9.	Kollareddy Ramachandra	100	Negligible
10.	Kollareddy Raghava Reddy	100	Negligible
11.	Midwest Limited Jointly with Kollareddy Ranganayakamma	100	Negligible
12.	P.T.Sumber Mitra Jaya	10,000	0.08%
Total		12,050,000	100.00

In addition to the above, our Company has included the following entities or concerns as ‘subsidiaries’ in the Restated Consolidated Financial Statements:

1. Deccan Silica LLP
2. NDR Mining Co (Partnership Firm)
3. Maitreya Minerals (Partnership Firm)
4. Baahula Minerals (Partnership Firm)

II. Subsidiaries incorporated outside India

1. Midwest Heavy Sands Private Limited (“Midwest Heavy Sands”)

Corporate Information

Midwest Heavy Sands was incorporated as a private company under the Companies Act no. 7 of 2007 on November 9, 2022, with the Registrar General of Companies at Colombo Sri Lanka, and is authorized under the provisions of its articles of association to engage in the business of, *inter alia*, carrying out exploration of non-renewable national resources in soils of Sri Lanka.

Capital Structure

The issued, subscribed and paid-up share capital is LKR 115,941,800 divided into 11,594,180 ordinary shares of LKR10 each

Shareholding Pattern

The following table sets forth the details of the shareholding of Midwest Heavy Sands:

Sr. No.	Name of the shareholder	Number of Ordinary shares of face value LKR 10 each	Percentage of total ordinary share capital holding (%)
1.	Kollareddy Ramachandra	195,345	1.68
2.	Kukreti Soumya	195,345	1.68
3.	Midwest Limited	11,203,490	96.64
Total		11,594,180	100.00

2. Trinco Mineral Sands Private Limited ("Trinco Minerals")

Corporate Information

Trinco Minerals was incorporated on June 30, 2023 in Sri Lanka as a private company with limited liability under Companies Act No. 7 of 2007, with its company number being P V 00279311. It is authorized under the provisions of its articles of association to engage in the business of, *inter alia*, exploration of non-renewable national resources in the soils of Sri Lanka.

Capital Structure

The issued, subscribed and paid-up share capital is LKR 99,255,530 divided into 9,925,553 ordinary shares of LKR10 each.

Shareholding Pattern

S. No.	Name of the shareholder	Number of Ordinary shares of face value LKR 10 each	Percentage of total ordinary share capital holding (%)
1.	Kollareddy Ramachandra	102,794	1.04
2.	Kukreti Soumya	102,794	1.04
3.	Midwest Limited	9,719,965	97.93
Total		9,925,553	100.00

3. Midwest Holdings Limited ("Midwest Holdings")

Corporate Information

Midwest Holdings was incorporated as a private company under the Companies Act, 2006 on February 6, 2008, with the Registrar of Companies at Isle of Man. Its registered office is situated Millennium House, Victoria Road, Douglas, IM2, 4rw, Isle of Man. Midwest Holdings is engaged in the business of investment.

Capital Structure

The issued, subscribed and paid-up share capital is GBP 1,879,514 divided into 1,879,514 ordinary shares of GBP 1 each and USD 4,793,911 divided into 4,793,911 preference shares of USD 1 each.

Shareholding Pattern

S. No	Name	No. of Equity/Ordinary Shares of GBP 1 each	No. of Preference Shares of USD 1 each	% of Total Ordinary Capital	% of Total Preference Capital
1	Midwest Limited	1,879,514	4,793,911	100.00	100.00
			Total	100.00	100.00

4. Reliance Diamond Tools Private Limited

Corporate Information

Reliance Diamond Tools Private Limited was incorporated as a private company under the Companies Act, 2007 on March 22, 2011, with the Registrar General of Companies at Colombo, Sri Lanka. The company number is P V 20947. Its registered office is situated at Biyagama Export Processing Zone, Biyagama, Malwana, Sri Lanka. It's main object is to manufacture Diamond tools for export.

Capital Structure

The issued, subscribed and paid-up share capital is LKR 23,500,020 divided into LKR 2,350,002 ordinary shares of LKR10 each.

Shareholding Pattern

The following table sets forth the details of the shareholding of Reliance Diamond Tools Private Limited:

S. No.	Name of the shareholder	Number of Ordinary shares of face value LKR 10 each	Percentage of total ordinary share capital holding (%)
1.	Midwest Limited	2,350,000	100.00
2.	Mohamed Assan Najeeb Kizar	2	Negligible
Total		2,350,002	100.00

III. Step-down subsidiaries

1. Maven Holdings Limited

Corporate Information

Maven Holdings Limited was incorporated as a private company under section 24 of the Companies Act, 2001 on November 30, 2011, with the Registrar of Companies Port Louis, Mauritius vides company registration number: 106641 having its registered office situated at C/o Juris Tax Ltd. Level 3, Ebene House, Hotel Avenue, 33 Cybercity, Ebene, Republic of Mauritius. Maven Holdings Limited is engaged in the business of carrying investment activities as permitted under the provisions of Financial Services Act, 2007 and to any conditions of its global business licence.

Capital Structure

The issued, subscribed and paid-up share capital is USD 103,500 divided into 103,500 ordinary shares of USD 1 each.

Shareholding Pattern

The following table sets forth the details of the shareholding of Maven Holdings Limited:

S. No.	Name of the shareholder	Number of Ordinary shares of face value USD 1 each	Percentage of total ordinary share capital holding (%)
1.	Deepak Kukreti	1,000	0.97
2.	Midwest Holdings Limited	94,050	90.87
3.	Global Resource and Logistics Pte. Limited	8,450	8.16
Total		103,500	100.00

2. Midwest Africa LDA

Corporate Information

Midwest Africa LDA was incorporated on March 30, 2007 under the laws of Republic of Mozambique, with company registration number being 100017881. Midwest Africa LDA has its registered office at Mozambique, Maputo City,Urban District 1, Bairro Central , Av. 25 de Setembro, 1230, 3rd Floor, Block 5, R/C.. Midwest Africa LDA is

primarily engaged in the business of (i) prospecting, exploration and exploitation of mineral resources, including petroleum and natural gas; (ii) production of energy, using mineral resources, such as coal, petroleum and natural gas; (iii) the provision of services in the mining sector; and (iv) import, export and commercialization of mineral products, including natural gas; and, as authorized by its constitutive documents or articles of association.

Capital Structure

The total capital of Midwest Africa LDA is 2,550,000 MZN and its paid-up capital is 2,550,000 MZN.

Shareholding Pattern

S. No.	Name of the shareholder	Share capital (in MZN)	Percentage of total ordinary share capital holding (%)
1.	Maven Holdings Limited	2,500,000	98.04
2.	Midwest Holdings Limited	50,000	1.96
	Total	2,550,000	100.00

3. Midwest Koriba LDA

Corporate Information

Midwest Koriba LDA was incorporated as a company under the laws of Mozambique on August 03, 2012, vide Legal entity number: 100281422 having its registered office at Mozambique, Maputo City URBAN DISTRICT 1 Central, Av. 25 de Setembro, 1230, 3rd Floor, Block 5, Time Square. Midwest Koriba LDA is engaged in the business of (i) prospecting, research, exploration and industrial processing of mineral resources, including oil and natural gas; (ii) energy production using mineral resources such as coal, natural gas, oil and others; (iii) provision of services in the mining sector; (iv) marketing, with import and export, of mineral products, as well as natural resources; and (v) import of goods and equipment necessary for your activity as specified in the certificate of incorporation.

Capital Structure

The total capital of Midwest Koriba LDA is 25,000 Mozambiquan Metical (“MNZ”) and the paid-up capital is 25,000 MZN.

Shareholding Pattern

The following table sets forth the details of the shareholding of Midwest Koriba LDA:

S. No.	Name	Member Respective Quotas (Contribution)	% of Total shares
1	Maven Holdings Limited	24,500 MZN	98.00
2	Midwest Holdings Limited	500 MZN	2.00
	Total	25,000 MZN	100.00

4. Southasia Granite and Marble Private Limited

Corporate Information

Southasia Granite and Marble Private Limited was incorporated as a private company under the Companies Act, 2007 on December 3, 2008, with the Registrar General of Companies at Colombo Sri Lanka. Its company number is P V 9963. The registered office is situated Biyagama Export Processing Zone, Biyagama, Malwana, Sri Lanka. Southasia Granite and Marble Private Limited is engaged in the business of importing raw granite stones, processors, assemblers, cutters, polishers and finishes of such stones and exporters of finished granite stones in blocks, as authorized under the objects clause of its memorandum of association.

Capital Structure

The issued, subscribed and paid-up share capital is LKR 42,870,020 divided into 4,287,002 ordinary shares of LKR 10 each.

Shareholding Pattern

S. No.	Name of the shareholder	Number of Ordinary shares of face value LKR 10 each	Percentage of total ordinary share capital holding (%)
1.	Reliance Diamond Tools Private Limited	4,287,000	100.00
2.	Mohamed Assan Najeeb Kizar	2	Negligible
	Total	4,287,002	100.00

Joint Ventures

As on the date of this Draft Red herring Prospectus, our Company has the following Joint Ventures.

South Coast Infrastructure Development Company of Andhra Pradesh Limited (“South Coast Infrastructure”)

Corporate Information

South Coast Infrastructure was incorporated as a private limited company under the Companies Act, 1956 on January 08, 2007, with the Registrar of Companies, Hyderabad. South Coast Infrastructure got converted into a public limited company under the name South Coast Infrastructure Development Company of Andhra Pradesh Limited on November 27, 2009 and a fresh certificate of incorporation was issued by the Registrar of Companies, Hyderabad. Its corporate identification number is U45200TG2007PLC052299, and its registered office is situated at 8-2-684/3/25&26, Road No. 12 Banjara Hills, Hyderabad, Telangana, India, 500034. South Coast Infrastructure is engaged in the business to develop, undertake, operate, and to maintain deep sea ports, dry docks, infra projects of road, railways port, waterways, power, telecommunication, gas, oil, cement, steel etc., as authorized under the objects clause of its memorandum of association.

Capital Structure

The authorized share capital of South Coast Infrastructure is ₹5,00,000 divided into 50,000 equity shares of ₹10 each and its issued, subscribed and paid up share capital is ₹5,00,000 divided into 50,000 equity shares of ₹10 each.

Shareholding Pattern

Sr. No.	Name of the shareholder	Number of equity shares of face value of ₹10 each	Percentage of total equity holding (%)
1.	Midwest Limited	24,997	50.00
2.	Midwest Limited and Kollareddy Ranganayakamma*	01	Negligible
3	Midwest Limited and Kollareddy Rama Raghava Reddy*	01	Negligible
4	Midwest Limited and Kollareddy Ramachandra*	01	Negligible
5	IL&FS Trust Company Limited – IL&FS IIDC Fund	24,997	50.00
6	IL&FS Trust Company Limited – IL&FS IIDC Fund & Amit Dhamija*	01	Negligible

Sr. No.	Name of the shareholder	Number of equity shares of face value of ₹10 each	Percentage of total equity holding (%)
7	IL&FS Trust Company Limited – IL&FS IIDC Fund & Srinivas Banda*	01	Negligible
8	IL&FS Trust Company Limited - IL&FS IIDC Fund & Paritosh Gupta*	01	Negligible
Total		50,000	100.00

*Held jointly

S.C.R. Agro Tech Private Limited

Corporate Information

S.C.R. Agro Tech Private Limited was incorporated as a private limited company under the Companies Act, 1956 on July 10, 2006, with the Registrar of Companies, Telangana at Hyderabad. Its registered office is situated at 8-2-684/3/25&26, Road No. 12, Banjara Hills, Hyderabad, Telangana, India, 500034. S.C.R. Agro Tech Private Limited is engaged in the business of food processing comprising agriculture, horticulture, plantation, animal husbandry and fisheries milk and milk products, spices plantation, etc., as authorized under the objects clause of its memorandum of association.

Capital Structure

The authorized share capital of S.C.R. Agro Tech Private Limited is ₹500,000 divided into 50,000 equity shares of ₹10 each and its issued, subscribed and paid-up capital is ₹100,000 divided into 10,000 equity shares of ₹10 each.

Shareholding Pattern

Sr. No.	Name of the shareholder	Number of Equity Shares of face value of ₹10 each	Percentage of total Equity Shareholding (%)
1.	South Coast Infrastructure Development Company Of Andhra Pradesh Limited	9,999	100.00
2.	Rajesh Babu*	1	Negligible
Total		10,000	100.00

* Beneficially held for South Coast Infrastructure Development Company Of Andhra Pradesh Limited.

Confirmations

There are no conflict of interests between the suppliers of our Company (crucial for operations of the Company) and our Subsidiaries or their respective directors.

There are no conflict of interests between the third party service providers of our Company (crucial for operations of the Company) and our Subsidiaries or their respective directors.

There are no conflict of interests between the lessors of immovable properties of our Company (crucial for operations of the Company) and our Subsidiaries or their respective directors.

There are no amounts of accumulated profits or losses of our Subsidiaries that are not accounted for by our Company.

Agreements with Key Managerial Personnel, Senior Management, Directors, Promoters, or any other employee

Our Company has not entered into any agreements with Key Managerial Personnel, Senior Management, Directors, Promoters, or any other employee with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Details of Guarantees given to Third Parties by the Promoter Selling Shareholder

The details of guarantees provided by the Promoter Selling Shareholder, Kollareddy Rama Raghava Reddy, have been provided below:

Name of Bank	Amount of the guarantee as on August 31, 2024 ₹ in Million)	Reason	Obligations of the Company	Individual/entity in whose favour the guarantee has been provided	Period	Financial implications in event of default	Security available	Consideration
Kotak Mahindra Bank Limited	53.11	Personal guarantee – equipment loans	To repay all its liability towards the facility enjoyed by the Company when due and adhere to all the terms and conditions specified in the documentation or agreements with the respective bank or financial institution	Andhra Pradesh Granite (Midwest) Private Limited	During the validity of the loan	In case of default, the guarantor is responsible to pay.	Equipment purchased out of loan	Nil
Kotak Mahindra Bank Limited	39.44	Personal guarantee – working capital		Andhra Pradesh Granite (Midwest) Private Limited			Refer note 1	Nil
HDFC Bank Limited	257.23	Personal guarantee – business loans and working capital		Our Company			Refer note 2	Nil
South Indian Bank	30.44	Personal guarantee – working capital		Our Company			Refer note 3	Nil
HDFC Bank Limited	474.09	Personal guarantee		Midwest Neostone Private Limited			Plant and machinery made from term loan along with building	Nil

Note 1:

- (i) Extension of first and exclusive of on existing and future current assets and unencumbered movable fixed assets of the Andhra Pradesh Granite (Midwest) Private Limited; and
- (ii) Collateral Security: extension of first and exclusive charge on Flat No. 2&3, Flat No. F-02 & F-03 firsts MCPL No 8-2-696/697. Sy.No. 129/D2 & D3 part Shaikpet Village Rd.No.12 Banjara Hills, Hyderabad-500034 owned by our Company.

Note 2:

- (i) First charge in favour of the Bank by way of Hypothecation of the company's entire stocks of Raw Materials, WIP, Semi finished and finished goods, consumable stores spares including book debts, bill whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank and specified in CAM.
- (ii) First pari passu charge on entire current assets of the company present and future. First pari passu charge on unencumbered fixed assets with all the banks present and future.
- (iii) Equitable Mortgage of Plot No. 25 A, Sr No 41 and 42 Krishna Sagara Vill Attibele Hobli Anekal Taluk, Attibele Industrial Area.

Note 3:

Primary security: Land admeasuring 10861.11 sq yards (9081.20 sq mtrs) situated in D- Block of industrial Development Area, in Sy No. 48 part of Chinagantyada village, Gajuwaka Mandal, Visakhapatnam, Andhra Pradesh-530012 in the name of Midwest Limited

OUR MANAGEMENT

Board of Directors

In accordance with the Companies Act and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As of the date of this Draft Red Herring Prospectus, our Board comprises 6 Directors, of which three are Whole-time Directors and 3 are Independent Directors (including our Chairman and one independent woman director).

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

Name, DIN, Designation, Address, Occupation, Period of Directorship, Term and Date of Birth	Age (years)	Other Directorships
<p>Name: Mr. Rana Som</p> <p>DIN: 00352904</p> <p>Designation: Chairman and Independent Director</p> <p>Address: 14, Sarat Chatterjee Avenue, Tallygunge, Kolkata, 700029</p> <p>Occupation: Professional</p> <p>Term: 5 years</p> <p>Period of directorship: Director since September 19, 2024</p> <p>Date of birth: January 1, 1952</p>	72	<p>Indian Companies:</p> <ul style="list-style-type: none"> • Bengal Birbhum Coalfields Limited • GTFS Multi Services Limited • Jagaran Microfin Private Limited • Mark AB Capital Investment India Private Limited • Newland Business Solutions Private Limited • Sumedha Fiscal Services Limited • Sun Risk Management and Insurance Broking Services Private Limited • Triveni Meat Products Private Limited <p>Foreign Companies: Nil</p>
<p>Name: Mr. Kollareddy Ramachandra</p> <p>DIN: 00060086</p> <p>Designation: Whole-time Director and Chief Executive Officer</p> <p>Address: Villa 54, NSL Orion Villas, near Raidurgam Police Station, Gachibowli, K.V. Rangareddy, Telangana - 500 032</p> <p>Occupation: Business</p> <p>Current term: 5 years from September 27, 2024</p> <p>Period of directorship: Director since April 1, 2004</p> <p>Date of birth: August 29, 1980</p>	44	<p>Indian Companies</p> <ul style="list-style-type: none"> • Andhra Pradesh Granite (Midwest) Private Limited • AP Midwest Galaxy Private Limited • Gigawatt X Mobility Private Limited • Highoctane Technologies Private Limited • Midwest Advanced Materials Private Limited • Midwest Beyonder India Private Limited • Midwest Energy Devices Private Limited • Midwest Energy Private Limited • Midwest Neostone Private Limited • Midwest Quartz Private Limited • S.C.R. Agro Tech Private Limited • South Coast Infrastructure Development Company of Andhra Pradesh Limited <p>Foreign Companies</p> <ul style="list-style-type: none"> • Energy Materials Private Limited • Midwest Africa, LDA • Midwest Koriba LDA • Midwest Holdings Limited • Midwest Heavy Sands Private Limited

Name, DIN, Designation, Address, Occupation, Period of Directorship, Term and Date of Birth	Age (years)	Other Directorships
		<ul style="list-style-type: none"> Southasia Granite and Marble Private Limited Trinco Mineral Sands Private Limited
<p>Name: Mrs. Kukreti Soumya</p> <p>DIN: 01760289</p> <p>Designation: Whole-time Director</p> <p>Address: Villa 1038 Mallikharjuna Krinss, SY No 282P and 283P, near future kids school, Pullaguda village, Pullaguda, K.V. Rangareddy, Telangana 500 089</p> <p>Occupation: Business</p> <p>Current term: 5 years from September 27, 2024; liable to retire by rotation.</p> <p>Period of directorship: Director since November 1, 2012</p> <p>Date of birth: August 20, 1982</p>	42	<p>Indian Companies</p> <ul style="list-style-type: none"> DRK (IND) Trading Private Limited Garhwal Green Energy Private Limited M&M Plasma Systems Private Limited Midwest Advanced Materials Private Limited Midwest Beyonder India Private Limited Midwest Energy Devices Private Limited Midwest Energy Private Limited Midwest Neostone Private Limited Sani Cool Planet Initiatives Private Limited <p>Foreign Companies</p> <ul style="list-style-type: none"> Energy Materials Private Limited Midwest Heavy Sands Private Limited Reliance Diamond Tools Private Limited Southasia Granite and Marble Private Limited Trinco Mineral Sands Private Limited
<p>Name: Mrs. Uma Priyadarshini Kollareddy</p> <p>DIN: 02736184</p> <p>Designation: Whole-time Director</p> <p>Address: Villa 54, NSL Orion Villas, Raidurgam, near Raidurgam Police Station, Gachibowli, K.V. Rangareddy, Telangana 500 032</p> <p>Occupation: Business</p> <p>Current term: 5 years from September 27, 2024, liable to retire by rotation</p> <p>Period of directorship: Director since December 1, 2022</p> <p>Date of birth: January 29, 1985</p>	39	<p>Indian Companies</p> <ul style="list-style-type: none"> Gigawatt X Mobility Private Limited Hightoctane Technologies Private Limited Awaze Limited <p>Foreign Companies</p> <p>Nil</p>
<p>Name: Mr. Duvva Pavan Kumar</p> <p>DIN: 01282226</p> <p>Designation: Independent Director</p> <p>Address: P No.2, Survey No. 12, Khanamet Village, Madhapur, Serilingampally, Shaikpet, Hyderabad, Telangana - 500081</p> <p>Occupation: Professional</p> <p>Term: 5 years</p>	44	<p>Indian Companies:</p> <ul style="list-style-type: none"> Atri Educational Academy Private Limited B Kid Edutainment Private Limited Confederation of Medium Industries in India Mihi Meadows Private Limited <p>Foreign Companies:</p> <p>Nil</p>

Name, DIN, Designation, Address, Occupation, Period of Directorship, Term and Date of Birth	Age (years)	Other Directorships
<p>Period of directorship: Director since September 19, 2024</p> <p>Date of birth: March 7, 1980</p> <p>Name: Ms. Smita Amol Lahoti DIN: 08764528</p> <p>Designation: Independent Director</p> <p>Address: Flat No. 801, 8th Floor, 6 Prabhat C.T.S. No. 37/1, Prabhat Road, Erandwana on Plot No. 33/1, Pune City, Deccan Gymkhana, Pune, Maharashtra – 411004</p> <p>Occupation: Professional</p> <p>Term: 5 years</p> <p>Period of directorship: Director since September 19, 2024</p> <p>Date of birth: January 20, 1978</p>	46	<p>Indian Companies:</p> <ul style="list-style-type: none"> • ZF Steering Gear (India) Limited <p>Foreign Companies:</p> <p>Nil</p>

Brief Biographies of our Directors

Mr. Rana Som is the Chairman and Independent Director of our Company. He holds a bachelor's degree in arts (economics) from the University of Calcutta and has passed the examination for a master's degree in arts (economics) from the University of Calcutta. He also holds a post-graduate diploma in personnel management from the National Institute of Personnel Management. Prior to joining our Company, Mr. Rana Som was associated with Hindustan Copper Limited, NMDC Limited (as its chairman-cum-managing director), ArcelorMittal Nippon Steel India and Essar Steel Minnesota LLC.

Mr. Kollareddy Ramachandra is the Whole-time Director and Chief Executive Officer of our Company. He has been a Director since April 1, 2004. He has more than two decades of experience in the mining industry and leads the execution for our Company on various fronts including liaising with government authorities, identifying cost reduction measures, resource optimization strategies, developing marketing strategies and customer management. During his tenure, the profit after tax of our Company has increased by 49.50% between Fiscals 2022 and 2024. He has completed an advanced diploma course in computer science and engineering from Priyadarshini College of Computer Sciences. He has also served as an director on the Board of NSPIRA Management Services Private Limited (Narayana Group of educational institutions).

Mrs. Kukreti Soumya is Whole-time Director of our Company. She has been a Director since November 1, 2012. She holds a bachelor's degree in commerce from Osmania University. She has been with our Company since 2012 and has over 12 years of experience in the mining industry. She develops and executes technology/research initiatives in our Company. She was also instrumental in establishing our then diamond tools manufacturing operations in Sri Lanka, and facilitating its backward integration with our mining operations.

Mrs. Uma Priyadarshini Kollareddy is a Whole-time Director of our Company. She has been a Director since December 1, 2022. She began her career as an investment banker in the credit syndication group of Banc of America Securities LLC, in its fixed income derivatives, structuring and trading division in New York in 2006. She joined our Company in 2009 and has been handling business strategy and management, joint venture negotiations, team building and deal structuring. She also spearheads our fund-raising initiatives to raise capital to fund our Company's diversification efforts. She currently serves on the Investment Committee of T-Hub, the Government of Telangana's Startup Fund, and as an independent director on the board of directors of Awaze Limited. She was also a speaker at the MIT Global Startup Workshop 2016. She holds a bachelor's degree in Electronics and Communications Engineering from the Jawaharlal Nehru Technological University, Hyderabad, a master's degree of science in financial engineering from the Columbia School of Engineering and Applied Sciences and a masters in business administration from the Columbia Business School.

Mr. Duvva Pavan Kumar is an Independent Director of our Company. He has been a director since September 19, 2024. He holds a bachelor's degree in law from NALSAR University of Law, Hyderabad, where he was awarded two gold medals as the 'best all round student in the final year' and the 'best student in corporate law'. He has over 20 years of experience in the legal industry. He has been a practising advocate for 21 years and has been associated with Amarchand, Mangaldas & Suresh A Shroff & Co., Mumbai and Trilegal after which he founded The Law Chambers in 2017.

Ms. Smita Amol Lahoti is an Independent Director of our Company. She has been a director since September 19, 2024. She holds a bachelor's degree in commerce from University of Pune and a master's degree in commerce from University of Pune, where she stood first in order of merit and secured, among others, the 'Institute of Chartered Accountants of India' prize, the 'Late Shri Mohan Moreshwar Walkalkar' prize and the 'Anant Rangnath Kanade Memorial' prize for the highest marks in advanced accountancy'. She is a fellow of the Institute of Chartered Accountants of India and has been a practising chartered accountant since 2004. She has been associated as a partner at M/s. Muttha & Lahoti, Chartered Accountants since 2005, and has an experience of over 25 years in accounting.

Relationship between our Directors and Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Directors are related to each other or to any of our Key Managerial Personnel or Senior Management.

Name	Relationship
Mr. Kollareddy Ramachandra	Mr. Kollareddy Rama Raghava Reddy (Father)
	Mrs. Kukreti Soumya (Sister)
	Mrs. Uma Priyadarshini Kollareddy (Spouse)
Mrs. Kukreti Soumya	Mr. Kollareddy Rama Raghava Reddy (Father)
	Mr. Kollareddy Ramachandra (Brother)
	Mrs. Uma Priyadarshini Kollareddy (Sister-in-law)
Mrs. Uma Priyadarshini Kollareddy	Mr. Kollareddy Rama Raghava Reddy (Father-in-law)
	Mr. Kollareddy Ramachandra (Spouse)
	Mrs. Kukreti Soumya (Sister-in-law)

Arrangements or understanding with major shareholders, customers, suppliers or others

None of our Directors have been presently appointed or selected as a director or member of senior management pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Service Contracts with Directors

Except the statutory benefits upon termination of their employment in our Company or superannuation, none of the Directors are entitled to any other benefit upon retirement or termination of employment or superannuation. There are no service contracts entered into with any Directors, which provide for benefits upon retirement or termination of employment.

Borrowing Powers of our Board of Directors

Pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act 2013 and in accordance with our Articles of Association and pursuant to a special resolution dated September 19, 2024 passed by the Shareholders, our Board has been authorized to borrow any sum or sums of money from time to time whether in Indian rupees or foreign currency (including external commercial borrowings in foreign denominated currencies from any foreign source/countries as prescribed by guidelines, if any in this respect), from any one or more Company's banker and/or from any one or more persons, firms, bodies corporate, financial institutions, banks or other acceptable source whether by way of advances, deposits, loans, non-convertible debentures, bonds or otherwise and whether unsecured or secured notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate paid-up capital of the Company and its free reserves, that is to say, the reserves not set apart for any specific purpose but, so however, that the total amount up to which the moneys may be borrowed by the Board and outstanding shall not exceed the sum of ₹5,000.00 million at any one time.

Terms of appointment of Directors

1. Appointment details of our Chairman and Independent Director

Mr. Rana Som was appointed as the Chairman and an Independent Director of our Company pursuant to a Board resolution dated September 19, 2024 and Shareholders' resolution dated September 19, 2024. He has been a Director since September 19, 2024. He was not paid any remuneration during Fiscal 2024. Pursuant to a resolution of our Board dated September 19, 2024, he is entitled to receive sitting fees of ₹100,000 for attending each meeting of the Board and ₹25,000 for attending each meeting of the Audit Committee.

2. Appointment details of our Whole-time Director and Chief Executive Officer

Mr. Kollareddy Ramachandra is the Whole-time Director and Chief Executive Officer of our Company. He was appointed as the Whole-time Director and Chief Executive Officer of our Company pursuant to a Board resolution dated September 27, 2024 and Shareholders' resolution dated September 27, 2024. He was paid: (i) a remuneration of ₹6.13 million by our Company during Fiscal 2024; and (ii) remuneration of ₹6.38 million (including contingent or deferred compensation accrued for the year) along with a commission of ₹62.68 million by Andhra Pradesh Granite (Midwest) Private Limited during Fiscal 2024.

With effect from September 27, 2024, Mr. Kollareddy Ramachandra is not entitled to any remuneration from our Company. However, he receives remuneration from APGM, our Material Subsidiary, in his capacity as the managing director of APGM.

Details of the remuneration that Mr. Kollareddy Ramachandra is entitled to receive from APGM, and the other terms of his appointment, are enumerated below:

Particulars	Amount
Fixed Remuneration	₹3.21 million per annum
Remuneration based on Net Profits	Up to 10% of the net profit of APGM, as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated in the Companies Act, 2013 and other applicable law

In addition to the fixed remuneration and remuneration based on Net Profits, Mr. Kollareddy Ramachandra is entitled to the following allowances and perquisites:

1. Contribution to National Pension Scheme at 10% of the basic salary
2. Contribution to provident fund, superannuation fund or annuity fund.
3. Reimbursement of telephone and mobile phone expenses
4. Reimbursement of vehicle maintenance expenses
5. Encashment of unavailed leave in accordance with the rules of APGM
6. Gratuity in accordance with the rules of APGM

7. Membership in two clubs
8. Reimbursement of medical expense to self and family
9. Reimbursement of expenses incurred by him on account of business of APGM
10. Increment from time to time as the board of directors of APGM may determine.

Appointment details of our Whole-time Directors

A. Kukreti Soumya

Mrs. Kukreti Soumya is a Whole-time Director of our Company. She was last appointed as a Whole-time Director of our Company pursuant to a Board resolution dated September 27, 2024 and Shareholders' resolution dated September 27, 2024. She was paid a remuneration of ₹11.45 million during Fiscal 2024.

Details of the remuneration that Mrs. Kukreti Soumya is entitled to, and the other terms of her appointment are enumerated below:

Particulars	Amount
Fixed Remuneration	₹35 million per annum
Remuneration based on Net Profits	3% of the net profit of the Company, as may be determined by the Board of Directors of the Company, subject to the overall ceilings stipulated in the Companies Act, 2013 and other applicable law

In addition to the fixed remuneration and remuneration based on Net Profits, Mrs. Kukreti Soumya is entitled to the following allowances and perquisites:

1. Leave Travel Allowance/ Concession for anywhere in India/Abroad for self and family.
2. Mediclaim Insurance Cover for self and family as per the policies of the Company.
3. Personal Accident Insurance & Term Insurance as per the policies of the Company.
4. Contribution to provident fund, superannuation fund or annuity fund.
5. Gratuity.
6. Encashment of leave as per Company's rules.
7. Bonus as per the policies of the Company
8. Annual merit-based increment as per the policies of the Company
9. Rent free furnished accommodation or house rent allowance in lieu thereof

Mrs. Kukreti Soumya is also entitled to other official facilities for the purpose of business of our Company, in addition to remuneration, which does not form part of the remuneration:

1. provision of a company car for official use
2. provision of telephones (landline and mobile) for official use
3. club fees: membership fees in any two clubs.

B. Uma Priyadarshini Kollareddy

Mrs. Uma Priyadarshini Kollareddy is a Whole-time Director of our Company. She was last appointed as a Whole-time Director of our Company pursuant to a Board resolution dated September 27, 2024 and Shareholders' resolution dated September 27, 2024. The terms of remuneration were approved with effect from September 27, 2024. She was paid a remuneration of ₹14.84 million during Fiscal 2024.

Details of the remuneration that Mrs. Uma Priyadarshini Kollareddy is entitled to, and the other terms of her appointment are enumerated below:

Particulars	Amount
Fixed Remuneration	₹35 million per annum
Remuneration based on Net Profits	3% of the net profit of the Company, as may be determined by the

Particulars	Amount
	Board of Directors of the Company, subject to the overall ceilings stipulated in the Companies Act, 2013 and other applicable law

In addition to the fixed remuneration and remuneration based on Net Profits, Mrs. Uma Priyadarshini Kollareddy is entitled to the following allowances and perquisites:

1. Leave Travel Allowance/ Concession for anywhere in India/Abroad for self and family.
2. Mediclaim Insurance Cover for self and family as per the policies of the Company.
3. Personal Accident Insurance & Term Insurance as per the policies of the Company.
4. Contribution to provident fund, superannuation fund or annuity fund.
5. Gratuity.
6. Encashment of leave as per Company's rules.
7. Bonus as per the policies of the Company
8. Annual merit-based increment as per the policies of the Company
9. Rent free furnished accommodation or house rent allowance in lieu thereof

Mrs. Uma Priyadarshini Kollareddy is also entitled to other official facilities for the purpose of business of our Company, in addition to remuneration, which does not form part of the remuneration:

1. provision of a company car for official use
2. provision of telephones (landline and mobile) for official use
3. club fees: membership fees in any two clubs.

3. Remuneration details for our Independent Directors

Pursuant to resolution dated September 19, 2024 passed by our Board, each Independent Director is entitled to receive sitting fees of ₹100,000 for attending each meeting of the Board and ₹25,000 for attending each meeting of the audit committee of the Board. Our Company did not have any Independent Directors in Fiscal 2024 and as such, no sitting fees have been paid to the Independent Directors in Fiscal 2024.

Remuneration from Subsidiaries or Associate

Except as disclosed below, none of our Directors have been paid any remuneration by our Subsidiaries or any associate, including contingent or deferred compensation accrued for the year during Fiscal 2024.

S. No.	Name of Director	Name of Subsidiary	Total remuneration (in ₹ million)
1.	Kollareddy Ramachandra	Andhra Pradesh Granite (Midwest) Private Limited	6.68

Contingent and deferred compensation payable to our Directors

Except as disclosed in this section under “—*Terms of appointment of Directors*” on page 296, there is no contingent or deferred compensation payable by our Company or Subsidiaries, as the case may be to our Directors.

Bonus or profit-sharing plan for Directors

Other than as described in “—*Terms of Appointment of Directors*” above, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Shareholding of our Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

Details of our Directors who hold Equity Shares in our Company as on the date of this Draft Red Herring Prospectus are as follows:

Name	Number of Equity Shares	Percentage of pre-Offer share capital (in %)
Mr. Kollareddy Ramachandra	1,690,621	5.00
Mrs. Uma Priyadarshini Kollareddy	338,124	1.00
Mrs. Kukreti Soumya	1,690,621	5.00

Interest of our Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, bonus and reimbursement of expenses, if any, payable to them.

Certain Directors may be deemed to be interested to the extent of Equity Shares, held by them in our Company and its Subsidiaries, and any dividend and other distributions payable in respect of such Equity Shares.

Interest in promotion or formation of our Company and its Subsidiaries

Except for Kollareddy Ramachandra, Kukreti Soumya and Uma Priyadarshini Kollareddy who are among the Promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company or its Subsidiaries as of the date of this Draft Red Herring Prospectus.

Interest in property

Except as stated in “*Other Financial Information—Related Party Transactions*” on page 398, none of our Directors are interested in any property acquired by our Company or proposed to be acquired by it.

Other than as disclosed in “*Other Financial Information—Related Party Transactions*” and “*Financial Information—Restated Consolidated Financial Statements*” on pages 398 and 321, respectively, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Directors are directly or indirectly interested and no payments have been made to our Directors in respect of the contracts, agreements or arrangements which are proposed to be made with our Directors other than in the normal course of business.

Confirmations

None of our Directors have been identified as a Wilful Defaulter or Fraudulent Borrower.

None of our Directors are prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors are not, and have not, during the five years preceding the date of this Draft Red Herring Prospectus, been on the board of any listed company whose shares have been or were suspended from being traded on any stock exchange(s) during their tenure as a director of such company.

None of our Directors have been or are directors on the board of any listed companies which have been or were delisted from any stock exchange(s) during their tenure as a director of such company.

None of our Directors are interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce him/her to become, or to help him/her qualify as a Director, or otherwise for services rendered by him/her or by the firm or company in which he/she is interested, in connection with the promotion or formation of our Company.

There are no conflict of interests between the suppliers of raw materials of our Company (crucial for operations of the Company) and our Directors, Key Managerial Personnel and members of Senior Management.

There are no conflict of interests between the third party service providers of our Company (crucial for operations of the Company) and our Directors and Key Managerial Personnel.

There are no conflict of interests between the lessors of immovable properties of our Company (crucial for operations of the Company) and our Directors, Key Managerial Personnel and members of Senior Management.

Changes in our Board of Directors during last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are as follows:

Name of Director	Date of Change	Designation (at the time of appointment/cessation)	Reason
Kollareddy Ramachandra	September 27, 2024	Whole-time Director and Chief Executive Officer	Appointment
Kukreti Soumya	September 27, 2024	Whole-time Director	Appointment
Uma Priyadarshini Kollareddy	September 27, 2024	Whole-time Director	Appointment
Rana Som	September 19, 2024	Independent Director	Appointment
Duvva Pavan Kumar	September 19, 2024	Independent Director	Appointment
Smita Amol Lahoti	September 19, 2024	Independent Director	Appointment
Kollareddy Ranganayakamma	September 19, 2024	Executive Director	Cessation
Guntaka Ravindra Reddy	September 19, 2024	Non-Executive Director	Cessation
Uma Priyadarshini Kollareddy	December 1, 2022	Whole-time Director	Appointment

Note:

⁽¹⁾ This table does not include changes such as regularization of appointments.

Corporate Governance

In addition to the Companies Act, 2013, the provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the audit committee, nomination and remuneration committee, stakeholder's relationship committee, and risk management committee by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations.

As on the date of filing of this Draft Red Herring Prospectus, our Company has six Directors comprising three Whole-time Directors and three Independent Directors, one of whom is an independent woman director.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements under SEBI Listing Regulations and the Companies Act, 2013, to the extent applicable. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas.

Committees of our Board

In addition to the committees of our Board described below, our Board has constituted (i) a corporate social responsibility and environmental, social & governance committee in accordance with the Companies Act; (ii) an IPO Committee; and may constitute committees for various functions from time to time in terms of the SEBI Listing Regulations and the provisions of the Companies Act.

Audit Committee

The members of our Audit Committee are:

- a. Smita Amol Lahoti (Independent Director) – Chairperson;
- b. Rana Som (Independent Director) – Member; and
- c. Kollareddy Ramachandra (Whole-time Director and Chief Executive Officer) – Member.

Our Audit Committee was constituted by our Board, and the terms of reference were approved by our Board pursuant to resolutions dated September 19, 2024.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as disclosed below:

- (a) overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) recommending to the Board the appointment, re-appointment, removal and replacement, remuneration and the terms of appointment of the auditors of the Company, including fixing the audit fees;
- (c) reviewing and monitoring the statutory auditors independence and performance, and effectiveness of audit process;
- (d) approving payments to the statutory auditors for any other services rendered by statutory auditors;
- (e) reviewing, with the management, the annual financial statements and the auditors report thereon before submission to the Board for approval, with particular reference to:
 - (i) matters required to be stated in the Directors' responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by management;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions; and
 - (vii) qualifications and modified opinions in the draft audit report.
- (f) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (g) scrutinizing of inter-corporate loans and investments;
- (h) undertaking or supervising valuation of undertakings or assets of the Company, wherever it is necessary;
- (i) evaluation of internal financial controls and risk management systems, the Company's cash, debt, debt covenants and other financial readiness measures;
- (j) formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (k) approving transactions of the Company with related parties, or any subsequent modification thereof and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
- (l) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company

pursuant to each of the omnibus approvals given;

- (m) reviewing along with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.;
- (n) establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- (o) reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- (p) reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (q) discussing with internal auditors any significant findings and follow up thereon;
- (r) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (s) discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (t) looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (u) approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- (v) reviewing the functioning of the whistle blower mechanism;
- (w) ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;
- (x) formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;
- (y) reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- (z) considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
- (aa) investigating any activity within its terms of reference, seeking information from any employee, obtaining outside legal or other professional advice and securing attendance of outsiders with relevant expertise, if it considers necessary;
- (bb) reviewing compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time at least once in a financial year and verify that systems for internal control are adequate and are operating effectively;
- (cc) Reviewing:
 - (i) Any show cause, demand, prosecution and penalty notices against the Company or its Directors which are materially important including any correspondence with regulators or government agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies;

- (ii) Any material default in financial obligations by the Company;
- (iii) Any significant or important matters affecting the business of the Company.
- (dd) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act or other applicable law

The Audit Committee shall have powers, including the following:

- (a) to investigate any activity within its terms of reference;
- (b) to seek information from any employees;
- (c) to obtain outside legal or other professional advice;
- (d) to secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (e) to have such powers as may be prescribed under the Companies Act and the SEBI Listing Regulations.

The Audit Committee shall mandatorily review the following information:

- (a) management's discussion and analysis of financial condition and result of operations;
- (b) management letters/letters of internal control weaknesses issued by the statutory auditors;
- (c) internal audit reports relating to internal control weaknesses;
- (d) the appointment, removal and terms of remuneration of the chief internal auditor;
- (e) the examination of the financial statements and the auditors' report thereon; and
- (f) statement of deviations, including:
 - (i) quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.
- (g) the financial statements, in particular, the investments made by any unlisted subsidiary.

The Audit Committee is required to meet at least four times in a year with a maximum interval of 120 days between two meetings in accordance with the SEBI Listing Regulations. The Audit Committee has the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by our Board for such purpose.

Nomination and Remuneration Committee

The members of our Nomination and Remuneration Committee are:

- a. Duvva Pavan Kumar (Independent Director) – Chairperson;
- b. Rana Som (Independent Director) – Member; and
- c. Smita Amol Lahoti (Independent Director) – Member

The Nomination and Remuneration Committee was constituted by our Board, and the terms of reference were approved by our Board pursuant to resolutions dated September 19, 2024.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013, and Regulation 19 of the SEBI Listing Regulations and other applicable law and its terms of reference include the following:

- (a) identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairperson of the Board and the Chief Executive Officer;
- (b) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board, a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- (c) while formulating the above policy, ensuring that:
 - (i) the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (d) formulating criteria for evaluation of performance of independent directors and the Board;
- (e) evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director, for every appointment of an independent director. Ensuring that the person recommended to the Board for appointment as an independent director has the capabilities identified in such description. Further, for the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
 - (i) use the services of an external agencies, if required;
 - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (iii) consider the time commitments of the candidates;
- (f) devising a policy on diversity of the Board;
- (g) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance and specifying the manner for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and reviewing its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (h) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (i) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of the Company;
- (j) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
- (k) recommending to the Board, all remuneration, in whatever form, payable to senior management;
- (l) performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;

- (m) administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) including the following:
 - (i) determining the eligibility criteria and selection of employees to participate under the ESOP Scheme;
 - (ii) determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
 - (iii) date of grant;
 - (iv) determining the exercise price of the option under the ESOP Scheme;
 - (v) the conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
 - (vi) the exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - (vii) the specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
 - (viii) the right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
 - (ix) re-pricing of the options which are not exercised, whether or not they have been vested if stock option are rendered unattractive due to fall in the market price of the equity shares;
 - (x) the grant, vesting and exercise of option in case of employees who are on long leave;
 - (xi) the vesting and exercise of option in case of grantee who has been transferred or whose services have been seconded to any other entity within the group at the instance of the Company;
 - (xii) allowing exercise of unvested options on such terms and conditions as it may deem fit;
 - (xiii) the procedure for cashless exercise of options;
 - (xiv) forfeiture/ cancellation of options granted;
 - (xv) arranging to get the shares issued under the ESOP Scheme listed on the stock exchanges on which the equity shares of the Company are listed or maybe listed in future.
 - (xvi) formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
 - a. the number and the price of the option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
 - b. for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
 - c. the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (n) construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (o) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- (p) analyzing, monitoring and reviewing various human resource and compensation matters;
- (q) reviewing and approving compensation strategy from time to time in the context of the then current Indian

- market in accordance with applicable laws;
- (r) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
 - (s) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act, or other applicable law.

Stakeholders' Relationship Committee

The members of our Stakeholders' Relationship Committee are:

- a. Rana Som (Independent Director) – Chairperson;
- b. Kukreti Soumya (Whole-time Director) – Member; and
- c. Uma Priyadarshini Kollareddy (Whole-time Director) – Member.

The Stakeholders' Relationship Committee was constituted and the terms of reference of the Stakeholders' Relationship Committee were approved by our Board pursuant to a resolution dated September 19, 2024.

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI Listing Regulations and other applicable law and its terms of reference include the following:

- (a) redressal of grievances of the shareholders, debenture holders and other security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- (b) reviewing measures taken for effective exercise of voting rights by the shareholders;
- (c) investigating complaints relating to allotment of shares, approving transfer or transmission of shares, debentures or any other securities; reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent and recommending measures for overall improvement in the quality of investor services;
- (d) reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- (e) formulating procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- (f) approving, registering, refusing to register transfer or transmission of shares and other securities;
- (g) giving effect to dematerialisation of shares and re-materialisation of shares, sub-dividing, consolidating and/or replacing any share or other securities certificate(s) of the Company, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (h) issuing duplicate share or other security(ies) certificate(s) *in lieu* of the original share/security(ies) certificate(s) of the Company; and
- (i) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing

Regulations and the Companies Act or other applicable law.

Risk Management Committee

The members of the Risk Management Committee are:

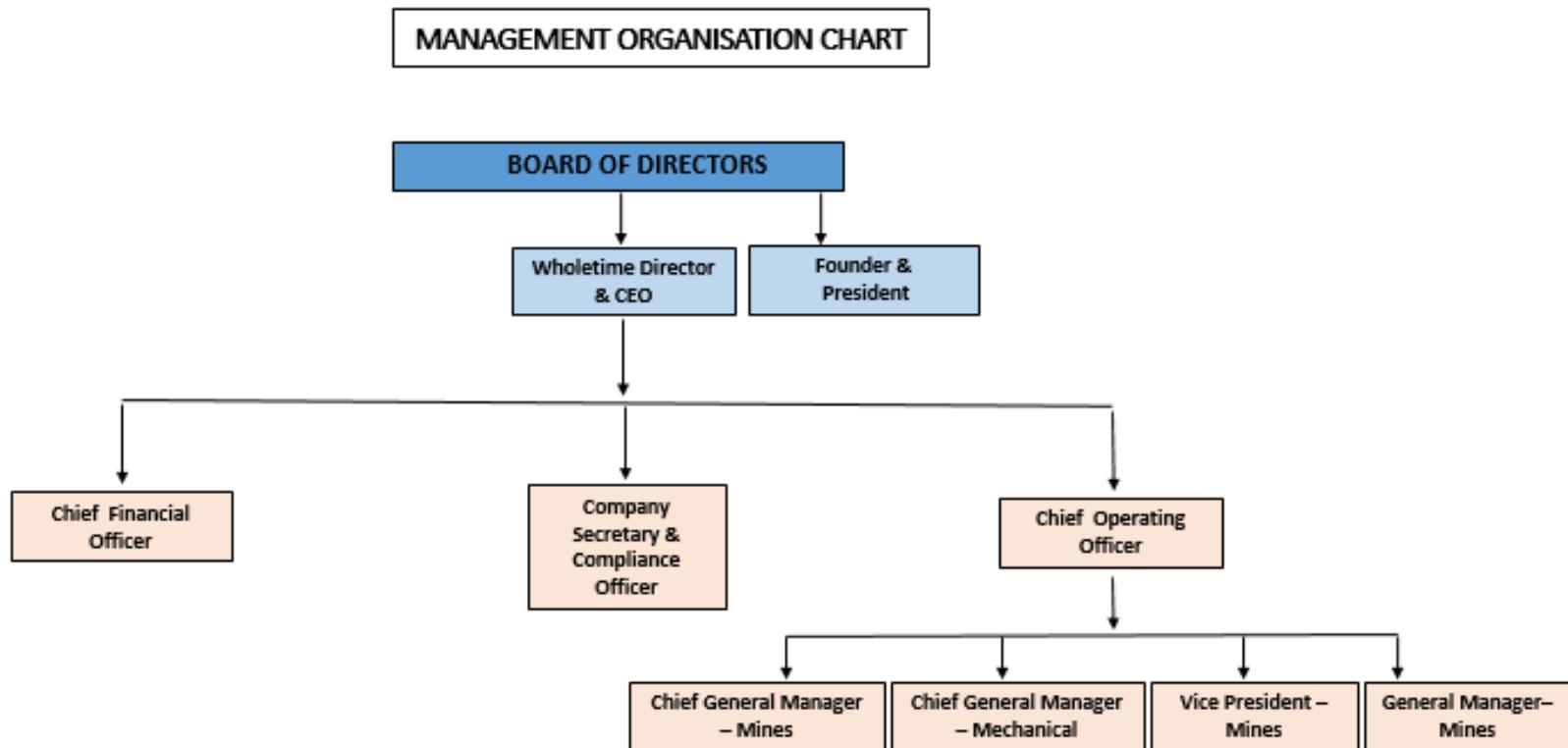
- a. Duvva Pavan Kumar (Independent Director) – Chairperson;
- b. Kollareddy Ramachandra (Whole-time Director and Chief Executive Officer) – Member;
- c. Rana Som (Independent Director) – Member; and
- d. Smita Amol Lahoti (Independent Director) – Member.

The Risk Management Committee was constituted by our Board, and the terms of reference were approved by our Board pursuant to resolutions dated September 19, 2024. The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference include the following:

- (a) To formulate a detailed risk management policy which shall include:
 - (i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the risk management committee;
 - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks; and
 - (iii) Business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the risk management policy of the Company, including evaluating the adequacy of risk management systems;
- (d) To periodically review the risk management policy of the Company, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) To set out risk assessment and minimization procedures and the procedures to inform the Board of the same;
- (g) To frame, implement, review and monitor the risk management policy for the Company and such other functions, including cyber security;
- (h) To review the status of the compliance, regulatory reviews and business practice reviews;
- (i) To review and recommend the Company's potential risk involved in any new business plans and processes;
- (j) To review the appointment, removal and terms of remuneration of the chief risk officer, if any; and
- (k) To perform such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board.

MANAGEMENT ORGANISATION STRUCTURE



Key Managerial Personnel of our Company

In addition to our Whole-time Director and Chief Executive Officer, Mr. Kollareddy Ramachandra and our Whole-time Directors, Mrs. Kukreti Soumya and Mrs. Uma Priyadarshini Kollareddy whose details are provided in “—*Brief Biographies of our Directors*” on page 294, the details of our other Key Managerial Personnel as of the date of this Draft Red Herring Prospectus are set out below:

Mr. Dilip Kumar Chalasani is the Chief Financial Officer of our Company and has been associated with our Company since 2024. He was appointed as the Chief Financial Officer of our Company on May 15, 2024. He is responsible for developing finance organisational strategies by contribution financial and accounting information and establishes finance operational strategies by evaluating trends in the Company. He is a fellow member of the Institute of Chartered Accountants of India with more than two decades of experience and was granted certificate on ‘International Financial Reporting Standards’ by Institute of Chartered Accountants of India. Prior to joining our Company, he worked with Power Mech Projects Limited and Aster Infratek Private Limited. In Fiscal 2024, he was paid a total remuneration of approximately ₹0.44 million.

Mr. Rohit Tibrewal is the Company Secretary and Compliance Officer of our Company. He was appointed as Company Secretary on January 29, 2024 and was appointed as the Compliance Officer of our Company on September 19, 2024. He is responsible for secretarial and legal compliance and corporate governance at our Company. He is an associate member of the Institute of Company Secretaries of India. He holds a bachelor’s degree in commerce from the Government City College, Hyderabad, Osmania University. He has been with our Company since January 2024. Prior to joining our Company, he worked with Karvy Insurance Repository Private Limited, Power Mech Projects Limited and Tanla Platforms Limited. In Fiscal 2024, he was paid a total remuneration of approximately ₹0.49 million.

Senior Management of our Company

In addition to Mr. Dilip Kumar Chalasani, the Chief Financial Officer of our Company and Mr. Rohit Tibrewal, the Company Secretary and Compliance Officer of our Company whose details are provided in “—*Key Managerial Personnel of our Company*” on page 309, the details of other members of our Senior Management in terms of SEBI ICDR Regulations, as on the date of this Draft Red Herring Prospectus are set out below:

Mr. Kollareddy Rama Raghava Reddy is the Founder and President of our Company. For a complete profile of Mr. Kollareddy Rama Raghava Reddy, *i.e.*, his age, date of birth, residential address, educational qualifications, professional experience, positions/posts held in the past, see “*Our Promoters and Promoter Group*” beginning on page 312. In Fiscal 2024, he was paid a compensation of approximately ₹8.83 million by our Company.

Mr. Mallikarjuna Rao Kommana is the Chief Operating Officer (Mines) of our Company and has been associated with our Company since 2018. In his current role, he heads all mining operations carried out at the natural stone mines of our Company and our international activities, including exploration, extraction, production, safety, environmental compliance and strategic planning for our mining operations. He has been awarded a diploma of licentiate in mining engineering from the State Board of Technical Education and Training, Government of Andhra Pradesh. He was granted ‘Manager’s First Class Certificate of Competency to manage a coal mine’ under the Mines Act, 1952. Prior to joining our Company, he was associated with Singareni Collieries Company Limited, Maytas Infra Limited, Lanco Infratech Limited and Dangote Industries Limited. In Fiscal 2024, he was paid a compensation of approximately ₹6.68 million by our Company.

Mr. Peddibhotia Venkata Shiva Prasad is the Chief General Manager (Mechanical) of our Company and has been associated with our Company since 2018. In his current role, he is responsible for equipment maintenance at all our sites and overseas teams of mechanical managers at each site and also oversees equipment maintenance activities. He has completed academic requirements for a diploma in Automobile Engineering from Andhra Polytechnic, Kakinada. Prior to joining our Company, he was associated with Sri Krishna Motor & Engineering Works, Apple Granites Limited, Deccan Cements Limited, Gold Fields, Vijaya Traders, MFAR Constructions Private Limited, Auto Pradeep, B. Seshagiri Rao & Sons Industries Private Limited, MGB Motor and Auto Agencies Private Limited, Goldfields and Maytas Infra Limited. In Fiscal 2024, he was paid a compensation of approximately ₹2.34 million by our Company.

Mr. Ayinavilli Srinivas is the General Manager (Mines) of our Company and has been associated with our Company since 2006. In his current role, he acts as the mine manager for our Mines in Kodad, Telangana and monitors mining operations and statutory compliance, including environmental compliance at such facilities. He has completed a diploma course in mining engineering from Government Polytechnic Narsipatam. He was granted ‘First Class Manager’s Certificate of Competency’ to manage metalliferous mines having opencast workings only under the Mines Act, 1952, ‘Manager’s

Second Class Certificate of Competency' to manage metalliferous mines having opencast workings only under the Mines Act, 1952 and a certificate for completing the re-examination for medallion in first aid from St. John Ambulance (India) Indian Red Cross Society. He is also a member of Mining Engineers Association of India. Prior to joining our Company, he was associated with Suryaveni Constructions Private Limited, Trans world Granet India Private Limited, Umapavalli Limestone Mines and Suravana Cements Limited. In Fiscal 2024, he was paid a compensation of approximately ₹2.20 million by our Company.

Mr. Aluvala Sivasankar is the Senior Vice President (Mines) of our Subsidiary, APGM. In his current role, he is responsible for executing the mining operations of APGM and is in charge of operations and allied activities at APGM. He was granted 'Manager's First Class Certificate of Competency' to manage metalliferous mines having opencast workings only under the Mines Act, 1952. He also holds a certificate for a 'Post Graduate Programme in Management for Senior Executives' granted by the Indian School of Business. He has also been granted a diploma of membership to be elected to the Institute of Engineers, India. Prior to joining our Company, he was associated with Hindustan Zinc Limited, The Associated Cement Companies Limited (Kistna Cement Works), The Andhra Cement Company Limited (Durga Cement Works), Tamil Nadu Minerals Limited and Premium Granites Limited. In Fiscal 2024, he was not paid any compensation by our Company.

Mr. Kummetha Damodara Reddy is the Chief General Manager (Mines) of our Subsidiary, Andhra Pradesh Granite (Midwest) Private Limited and has been associated with our Company since 2006. In his current role, he acts as the mine manager at Mines operated by APGM and is responsible for regulatory compliance, occupational safety and executing production targets for such Mines. He has completed a diploma course in Mining Engineering from Y.S. Raja Reddy Polytechnic Pulivendla. He was granted 'First Class Manager's Certificate of Competency' to manage metalliferous mines having opencast workings only under the Mines Act, 1952. Prior to joining our Company, he was associated with Tungabhadra Minerals Limited, Nagri Mining Limited and Rajashree Cements (a unit of Grasim Industries Limited). In Fiscal 2024, he was paid a compensation of approximately ₹4.31 million by our Company.

Status of Key Managerial Personnel and Senior Management

Except for Kummetha Damodar Reddy and Aluvala Sivasankar who are employees of APGM, our Subsidiary, all our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management in our Company

Except as provided under "*Our Management—Shareholding of our Directors in our Company*" on page 298, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company.

Interest of Key Managerial Personnel and Senior Management of our Company

Our Key Managerial Personnel and Senior Management are interested in our Company to the extent of the remuneration or benefits to which they are entitled to as part their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. For details see "*—Interest of our Directors*" on page 299.

Further, some of our Key Managerial Personnel are interested to the extent of Equity Shares held by them. For details, see "*—Shareholding of Key Managerial Personnel and Senior Management in our Company*" on page 310.

Bonus or Profit-Sharing Plans of the Key Managerial Personnel and Senior Management

Other than as described in "*—Terms of Appointment of Directors*" above, none of our Key Managerial Personnel or Senior Management are entitled to any bonus (excluding performance linked incentive which is part of their remuneration) or profit-sharing plans of our Company.

Relationship among Key Managerial Personnel and Senior Management

Except as disclosed in "*—Relationship between our Directors and Key Managerial Personnel and Senior Management*" on page 295, none of our Key Managerial Personnel and Senior Management are related to each other.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management

There is no contingent or deferred compensation accrued for Fiscal 2024 and payable to our Key Managerial Personnel

and Senior Management.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Key Managerial Personnel and Senior Management have been appointed as a Key Managerial Personnel and Senior Management, respectively

None of our Key Managerial Personnel and Senior Management have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service contracts with Key Managerial Personnel and Senior Management

Except for statutory benefits upon termination of their employment in our Company or retirement, no Key Managerial Personnel and Senior Management has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in Key Managerial Personnel and Senior Management

For details on changes in our Key Managerial Personnel who are also Directors, see “—*Changes in our Board of Directors during last three years*” on page 300. The changes in other Key Managerial Personnel and Senior Management in the preceding three years are as follows:

Name	Designation	Date of Change	Reason
Mr. Rohit Tibrewal	Company Secretary and Compliance Officer	January 29, 2024	Appointment
Mr. Dilip Kumar Chalasani	Chief Financial Officer	May 15, 2024	Appointment
Mr. Aluvala Shivasankar	Senior Vice President – Mining Operations	April 26, 2024	Appointment

Payment or benefit to Key Managerial Personnel and Senior Management

Except the compensation paid by our Company to Mr. Kollareddy Rama Raghava Reddy in the transactions disclosed below, no non-salary amount or benefit has been paid or given to any Key Managerial Personnel or Senior Management, within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment, for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders.

Transaction Date	Transferor	Transferee	Particulars of Land	Amount paid by the Company (in ₹ million)
August 28, 2023*	Mr. Kollareddy Rama Raghava Reddy	Midwest Limited	29.33 acres of land in Theegalaveni village, Gudur Mandal, Mahboobabad District, Telangana.	140.00
January 31, 2024*	Mr. Kollareddy Rama Raghava Reddy	Midwest Limited	7 acres and 20 guntas of land in Theegalaveni village, Gudur Mandal, Mahboobabad District, Telangana.	42.00

*The agreements of sale dated August 28, 2023 and January 31, 2024 have been executed between our Company and Kollareddy Rama Raghava Reddy, however, sale deeds in this regard are yet to be executed. See “Our Company has entered into transactions with one of our Promoters for the acquisition of land and we cannot assure you that such transactions will not adversely affect our financial condition and results of operations” on page 54.

Employee Stock Option Scheme

As of the date of this Draft Red Herring Prospectus, the Company does not have an employee stock option scheme.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

Mr. Kollareddy Rama Raghava Reddy, Mr. Kollareddy Ramachandra, Mrs. Kukreti Soumya and Mrs. Uma Priyadarshini Kollareddy are the Promoters of our Company. The Promoters collectively hold an aggregate of 28,598,670 Equity Shares, aggregating to 84.58% of the pre-Offer issued, subscribed and paid-up share capital of our Company. For further details, see “*Capital Structure—Details of Build-up, Contribution and Lock-in of Promoters’ Shareholding and Lock-in of other Equity Shares*” on page 99.

	<p>Mr. Kollareddy Rama Raghava Reddy</p> <p>Mr. Kollareddy Rama Raghava Reddy, born on April 28, 1953, aged 71 years, is our Founder and one of the Promoters of our Company. He is a resident of Villa 54, NSL Orion Villas, Gachibowli, Near Raidurgam Police Station, Hyderabad, Telangana 500032. He holds a bachelor of science degree from A.P. Agricultural University, Rajendranagar, Hyderabad. Other than the entities forming part of the Promoter Group, he is not involved in any other venture. He has been associated with our Company since its incorporation.</p> <p>His permanent account number is AEMPK0325E.</p>
	<p>Mr. Kollareddy Ramachandra</p> <p>Mr. Kollareddy Ramachandra is one of the Promoters of our Company and is also the Whole-time Director and Chief Executive Officer of our Company. For a complete profile of Mr. Kollareddy Ramachandra, <i>i.e.</i>, his age, date of birth, residential address, educational qualifications, professional experience, positions/posts held in the past, other directorships held and special achievements, business and financial activities, see “<i>Our Management</i>” beginning on page 292.</p> <p>His permanent account number is AJPPK2049D.</p> <p>Other than as disclosed in “<i>—Promoter Group</i>” and “<i>Our Management</i>” beginning on pages 312 and 292, respectively, Mr. Kollareddy Ramachandra is not involved in any other venture.</p>
	<p>Mrs. Kukreti Soumya</p> <p>Kukreti Soumya is one of the Promoters of our Company and is also a Whole-time Director on our Board. For a complete profile of Kukreti Soumya, <i>i.e.</i>, her age, date of birth, residential address, educational qualifications, professional experience, positions/posts held in the past, other directorships and special achievements, see “<i>Our Management</i>” on page 292.</p> <p>Her permanent account number is ANOPK0568Q.</p> <p>Other than as disclosed in “<i>—Promoter Group</i>” and “<i>Our Management</i>” on pages 314 and 292, respectively, Kukreti Soumya is not involved in any other venture.</p>

	<p>Mrs. Uma Priyadarshini Kollareddy</p> <p>Mrs. Uma Priyadarshini Kollareddy is one of the Promoters of our Company and is also a Whole-time Director on our Board. For a complete profile of Mrs. Uma Priyadarshini Kollareddy, <u>i.e.</u>, her age, date of birth, residential address, educational qualifications, professional experience, positions/posts held in the past, other directorships and special achievements, see “<i>Our Management</i>” on page 292.</p> <p>Her permanent account number is BKIPK7634K.</p> <p>Other than as disclosed in “—<i>Promoter Group</i>” and “<i>Our Management</i>” beginning on pages 314 and 292, respectively, Mrs. Uma Priyadarshini Kollareddy is not involved in any other venture.</p>
---	--

Our Company confirms that the permanent account number, bank account number, passport number, Aadhaar card number and driving license number of the Promoters have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Change in Control of our Company

There has been no change in the management or control of our Company in the last five years preceding the date of the Draft Red Herring Prospectus. However, pursuant to a resolution dated September 19, 2024 adopted by the Board of Directors, Kollareddy Rama Raghava Reddy, Kollareddy Ramachandra, Kukreti Soumya and Uma Priyadarshini Kollareddy have been identified as Promoters with effect from September 19, 2024.

Companies with which the Promoters have Disassociated in the Last Three Years

The Promoters have not disassociated themselves from any company in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Interest of Promoters in promotion of our Company

The Promoters are interested in our Company to the extent (i) that they have promoted our Company, (ii) of the Equity Shares, if any, held by them in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them, (iii) that they are appointed as Directors on the Board of the Company and the remuneration, sitting fees or reimbursement of expenses payable by our Company to them (iv) of any transactions or business arrangements undertaken by our Company with the Promoters, or their relatives or entities in which the Promoters hold shares or entities in which the Promoters are members of the board of directors or firms in which relatives of the Promoters hold interest]. For details regarding the shareholding of the Promoters and the Promoter Group in our Company, see “*Capital Structure—Details of Build-up, Contribution and Lock-in of Promoters’ Shareholding and Lock-in of other Equity Shares*” on page 99. For details of remuneration payable to the Promoters and Promoter Group, see “*Our Management—Terms of Appointment of Directors*” on page 296.

Interest of Promoters in property of our Company

Except as stated below and in “*Other Financial Information—Related Party Transactions*” on page 398, none of the Promoters have any interest in any property acquired within the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Date	Transferor	Transferee	Particulars of Land	Acquisition Cost (in ₹ million)
August 28, 2023*	Kollareddy Rama Raghava Reddy	Company	29.33 acres of land in Theegalaveni village,	140.00

Date	Transferor	Transferee	Particulars of Land	Acquisition Cost (in ₹ million)
			Gudur Mandal, Mahboobabad District, Telangana.	
January 31, 2024*	Kollareddy Raghava Reddy	Rama Company	7 acres and 20 guntas of land in Theegalaveni village, Gudur Mandal, Mahboobabad District, Telangana.	42.00

* The agreements of sale dated August 28, 2023 and January 31, 2024 have been executed between the Company and Kollareddy Raghava Reddy, however, sale deeds in this regard are yet to be executed. For further details, please see “Risk Factors—Our Company has entered into transactions with one of our Promoters for the acquisition of land and we cannot assure you that such transactions will not adversely affect our financial condition and results of operations” on page 54.

Business Interests

None of the Promoters are interested as a member of a firm or company, and no sum has been paid or agreed to be paid to the Promoters or to such firm or company in cash or shares or otherwise by any person either to induce them to become, or to qualify them as a director, or otherwise for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Except as disclosed in “—Interest of Promoters in property of our Company” above, none of the Promoters have any interest in any transaction in acquisition of land, construction of building and supply of machinery.

For details of related party transactions entered into by our Company with our Promoters during the financial year immediately preceding the date of this Draft Red Herring Prospectus, see “Restated Consolidated Financial Statements—Related Party Disclosures” on page 380.

Material guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Draft Red Herring Prospectus.

Promoter Group

The natural persons who form part of the Promoter Group are set forth below:

S. No.	Name of the Individual	Relationship
<i>Mr. Kollareddy Rama Raghava Reddy</i>		
1.	Duggirala Rajeswaramma	Mother-in-law
2.	Kollareddy Ramachandra Reddy	Father
3.	Kollareddy Sridhar Reddy	Brother
4.	Guntaka Vijaya Lakshmi	Sister
5.	Nallapareddy Tara Rani	Sister
6.	Kollareddy Ranganayakamma	Spouse
7.	Kollareddy Ramachandra	Son
8.	Kukreti Soumya	Daughter
<i>Mrs. Kukreti Soumya</i>		
1.	Kollareddy Rama Raghava Reddy	Father
2.	Kollareddy Ranganayakamma	Mother
3.	Deepak Kukreti	Husband
4.	Kukreti Deep	Son
5.	Kukreti Diya Rudrakshi	Daughter
6.	Kollareddy Ramachandra	Brother
7.	Kukreti Kamla	Mother-in-law
8.	Sandhya Sharma	Sister-in-law
9.	Vandana Bachheti	Sister-in-law
10.	Sonia Trivedi	Sister-in-law
<i>Mr. Kollareddy Ramachandra</i>		
1.	Kollareddy Rama Raghava Reddy	Father
2.	Kollareddy Ranganayakamma	Mother
3.	Kollareddy Bhuvanyu Raghav	Son

S. No.	Name of the Individual	Relationship
4.	Kollareddy Inaaya	Daughter
5.	Meka Rama Vara Prasad	Father-in-law
6.	Meka Swarupa Rani	Mother-in-law
7.	Uma Priyadarshini Kollareddy	Spouse
8.	Kukreti Soumya	Sister
<i>Mrs. Uma Priyadarshini Kollareddy</i>		
1.	Meka Rama Vara Prasad	Father
2.	Meka Swarupa Rani	Mother
3.	Kollareddy Ramachandra	Spouse
4.	Kollareddy Rama Raghava Reddy	Father-in-law
5.	Kollareddy Ranganayakamma	Mother-in-law
6.	Kollareddy Bhuvanyu Raghav	Son
7.	Kollareddy Inaaya	Daughter

The entities and firms forming part of the Promoter Group (other than our Subsidiaries and Joint Ventures) are set forth below:

Bodies corporate

- (i) Amaya Inc.
- (ii) Deepak Kukreti (HUF);
- (iii) Devendra N Sons Energy Private Limited;
- (iv) DRK (India) Trading Private Limited;
- (v) Energy Materials (Private) Limited;
- (vi) Garhwal Green Energy Private Limited;
- (vii) GCS Solar Energy Private Limited;
- (viii) Gigawatt X Mobility Private Limited;
- (ix) Highoctane Films Private Limited.
- (x) Highoctane Technologies Private Limited;
- (xi) M&M Plasma Systems Private Limited;
- (xii) Midwest Advanced Materials Private Limited;
- (xiii) Midwest Beyonder India Private Limited;
- (xiv) Midwest Energy Devices Private Limited;
- (xv) Midwest Energy Private Limited;
- (xvi) Midwest Gold Limited;
- (xvii) Midwest Quartz Private Limited;
- (xviii) Orange Koi Private Limited;
- (xix) PB Art Productions (Proprietorship Firm);
- (xx) Priyadarshini Pictures (Proprietorship Firm);
- (xxi) Priyadarshini Stone Private Limited;
- (xxii) Rubi Halten LLP;
- (xxiii) Sakhamuri Infratech Private Limited;
- (xxiv) Samatha Metal Industries (Proprietorship Firm);
- (xxv) Sani Cool Planet Initiatives Private Limited
- (xxvi) Solstice Enterprises Private Limited;
- (xxvii) Silicon Energy Ventures Private Limited; and
- (xxviii) Unicorn Minerals FZCO.

In addition, Guntaka Ravindra Reddy, who holds 3,185,000 Equity Shares and is the brother-in-law of Kollareddy Rama Raghava Reddy, is a member of the promoter group as a person whose shareholding is aggregated under the heading “shareholding of the promoter group” in accordance with Regulation 2(1)(pp)(v) of the SEBI ICDR Regulations.

Payment of Benefits to our Promoters or Promoter Group

Other than as disclosed in “*Restated Consolidated Financial Statements—Related Party Disclosures*” on page 380, there has been no payment of benefits to the Promoters or the Promoter Group during the two years immediately preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to the Promoters or any members of the Promoter Group by the Company.

Our Company has not entered into any contract, agreement or arrangements during the two years immediately preceding the date of this Draft Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters or the Promoter Group are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made other than as disclosed in “*History and Certain Corporate Matters—Material Agreements*” and “*Restated Consolidated Financial Statements—Related Party Disclosures*” on pages 282 and 380, respectively.

Confirmations

Our Promoters and members of the Promoter Group have not been debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Promoters are not a promoter of any other Company which is debarred from accessing capital markets by the SEBI.

Our Promoters have not been declared as wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations.

None of our Promoters have been declared as a fugitive economic offender in accordance with Section 12 of the Fugitive Economic Offenders Act, 2018.

There are no conflict of interests between the suppliers of our Company (crucial for operations of the Company) and our Promoters and Promoter Group.

There are no conflict of interests between the third party service providers of our Company (crucial for operations of the Company) and our Promoters and Promoter Group.

There are no conflict of interests between the lessors of immovable properties of our Company (crucial for operations of the Company) and our Promoters and Promoter Group.

OUR GROUP COMPANIES

Pursuant to the resolution passed by our Board at its meeting held on September 27, 2024, our Board has adopted a policy for determination of Group Companies (the “**Group Company Materiality Policy**”) and has noted that in accordance with the SEBI ICDR Regulations, the Group Companies of our Company shall include (i) companies (other than our Subsidiaries) with which there were related party transactions as per the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus; and (ii) such other companies as considered material by the Board, *i.e.*, companies which are part of our Promoter Group and with which there were one or more transactions in the Financial Years 2024, 2023 and 2022 (*i.e.*, during the Financial Years covered in the Restated Consolidated Financial Statements disclosed in this Draft Red Herring Prospectus), which individually or in the aggregate, exceed 10% of the consolidated profit after tax of our Company, as calculated in the Restated Consolidated Financial Statements for the most recent financial year.

Accordingly, in terms of the Group Company Materiality Policy adopted by our Board for determining group companies, as of the date of this Draft Red Herring Prospectus, our Board has identified the following as group companies of our Company (the “**Group Companies**”):

1. South Coast Infrastructure Development Company of Andhra Pradesh Limited;
2. Midwest Advanced Materials Private Limited;
3. Midwest Energy Private Limited;
4. Midwest Gold Limited;
5. Astral Granite Private Limited;
6. Midwest Quartz Private Limited; and
7. Amaya Smart Technologies Private Limited.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our top five Group Companies (based on market capitalization for listed entities and based on turnover for Fiscal 2023 for unlisted entities), *i.e.*, Midwest Gold Limited, South Coast Infrastructure Development Company of Andhra Pradesh Limited, Midwest Advanced Materials Private Limited, Midwest Energy Limited and Midwest Quartz Private Limited, for the previous three Financial Years, extracted from their respective audited financial statements, are required to be hosted on the websites of the respective Group Companies.

Except for Midwest Gold Limited, the Group Companies listed above do not have websites. Accordingly, details of financial information with respect to: (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value in relation to the Group Companies for the previous three financial years as prescribed under the SEBI ICDR Regulations for Midwest Advanced Materials Private Limited, Midwest Energy Private Limited, South Coast Infrastructure Development Company of Andhra Pradesh Limited and Midwest Quartz Private Limited will be made available on the website of the Company, as indicated below (“**Group Company Financial Information**”).

Our Company is providing a link to our websites where the Group Company Financial Information is available solely to comply with the requirements specified under the SEBI ICDR Regulations. The Group Company Financial Information and other information provided on the websites given below does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider to purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

Details of our Group Companies

S. No.	Name	Registered Office Address	Website for Information
1.	South Coast Infrastructure Development Company of Andhra Pradesh Limited	8-2-684/3/25&26, Road No.12, Banjara Hills, Hyderabad, Telangana, India, 500034	www.midwest.in
2.	Midwest Advanced Materials Private Limited	8-2-696 & 697, Flat No.2, Road No.12, Banjara Hills, Hyderabad, Telangana, India, 500034	www.midwest.in
3.	Midwest Energy Private Limited	8-2-696 & 697, Flat No.2, Road No.12, Banjara Hills, Hyderabad, Telangana, India, 500034	www.midwest.in
4.	Midwest Gold Limited	1st Floor, H.No.8-2-684/3/25 & 26 Road No. 12, Banjara Hills, Hyderabad, Telangana, 500034	www.midwestgoldltd.com

S. No.	Name	Registered Office Address	Website for Information
5.	Midwest Quartz Private Limited	4th Floor, D.No.35-065-138, Mangamuru Road, South By pass road, behind Y.S.R. Congress party office, Prakasam, Ongole, Andhra Pradesh, India, 523002	www.midwest.in
6.	Astral Granite Private Limited	Flat No. G1, Sruthinilaya Apartments Srinigar Colony, Yellareddy Guda, Hyderabad, Telangana, India, 500073	-
7.	Amaya Smart Technologies Private Limited	H.No.8-2-684/3/25 & 26 Road No.12, Banjara Hills, Hyderabad, Hyderabad, Telangana, India, 500034	-

Nature and Extent of Interest of Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired.

In transactions for acquisition of land, construction of buildings and supply of machinery

Except as disclosed in “*Restated Consolidated Financial Statements—Related Party Disclosures*” on page 380, none of our Group Companies are interested in any transactions of our Company for the acquisition of land, construction of building or supply of machinery.

Related business transactions with our Group Companies and significance on the financial performance of our Company

Except as disclosed in “*Restated Consolidated Financial Statements—Related Party Disclosures*” on page 380, there are no business transactions with our Group Companies which impact the financial performance of our Company.

Common Pursuits among the Group Companies and our Company and our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no common pursuits between our Group Companies and our Company and our Subsidiaries.

Business and other interests

Except as disclosed in “*Restated Consolidated Financial Statements—Related Party Disclosures*” on page 380, none of our Group Companies have any business or other interest in our Company.

Certain Other Confirmations

Except for Midwest Gold Limited, whose equity shares are listed on BSE Limited, none of the securities of our Group Companies are listed on any stock exchange. None of our Group Companies have listed debt securities. None of our Group Companies have made any public or rights issue in the three immediately preceding years.

There are no conflict of interests between the suppliers of our Company (crucial for operations of the Company) and our Group Companies or their respective directors.

There are no conflict of interests between the third party service providers of our Company (crucial for operations of the Company) and our Group Companies or their respective directors.

There are no conflict of interests between the lessors of immovable properties of our Company (crucial for operations of the Company) and our Group Companies or their respective directors.

Litigation

Our Group Companies are not party to any pending litigations which could have a material impact on our Company.

DIVIDEND POLICY

The dividend policy of our Company was adopted and approved by our Board in their meeting held on September 30, 2024 (“**Dividend Policy**”). The declaration and payment of dividends on the Equity Shares will be recommended by the Board and approved by the Shareholders at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

The dividends declared and paid by the Company on the equity shares of our Company in the last three Fiscals and until the date of this Draft Red Herring Prospectus in accordance with the Restated Consolidated Financial Statements are set forth below:

Particulars	Details of the dividend for the financial year ended			Details of the dividend for the period April 1, 2024 to the date of this DRHP
	March 31, 2022	March 31, 2023	March 31, 2024	
Number of equity shares*	74,313	74,313	966,069	33,812,415
Face value per equity share (in ₹)	100	100	100	5
Amount Dividend (in ₹ million)	Nil	133.76	Nil	Nil
Dividend per equity share (in ₹)	Nil	1,800	Nil	Nil
Rate of dividend (%)	Nil	1,800%	Nil	Nil
Mode of payment of Dividend	Nil	Through Bank	Nil	Nil
Dividend Tax (%)	NA	NA	NA	NA

As certified by Majeti & Co, Chartered Accountants, by way of their certificate dated September 30, 2024.

**Our Company sub-divided its equity shares of face value ₹ 100 into equity shares of face value ₹ 5 on June 11, 2024*

The quantum of dividend, if any, and our ability to pay dividends in the future will depend on a number of factors, including but not limited to, our Company’s profits, expected future capital / expenditure requirements of the Company, organic growth plans, liquidity, our earnings outlook, general financial conditions, general economic conditions, any statutory or contractual obligations and restrictions.

The amount of dividend paid in the past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future on the Equity Shares. For details of risks in relation to our capability to pay dividend, see “*Risk Factors — We cannot assure the payment of dividends on the Equity Shares in the future.*” on page 68.

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL STATEMENTS

(The remainder of this page has intentionally been left blank)

Examination Report of Independent Auditors on the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022 and Restated Consolidated Statement of Profits and Losses (including other comprehensive income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 along with the Statement of Material Accounting Policies and other explanatory information of Midwest Limited

The Board of Directors
Midwest Limited
8-2-684/3/25 & 26,
Road No.12 Banjara Hills,
Hyderabad, Telangana,500032

Dear Sirs/ Madams,

1. We, M S K A & Associates, Chartered Accountants ("we" or "us" or "our" or "Firm"), have examined the Restated Consolidated Financial Information of Midwest Limited (formerly known as Midwest Private Limited prior to that Midwest Granite Private Limited) (the "Company" or the "Holding Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the Group) which comprises of Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, Restated Consolidated Statement of Profits and Losses (including other comprehensive income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022 along with the Statement of Material Accounting Policies and other explanatory information (collectively referred to as the "**Restated Consolidated Financial Information**"), as approved by the Board of Directors of the Company (the "**Board of Directors**") at their meeting held on September 27, 2024 and annexed to this examination report for the purpose of inclusion in the Draft Red Herring Prospectus ("**DRHP**"), prepared by the Company in connection with its proposed Initial Public Offer of equity shares of face value of Rs.5 each ("**IPO**" or "**Offer**"), prepared in terms of the requirements of:
 - a) the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "**Act**");
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended from time to time (the "**Guidance Note**").

Management's Responsibility for the Restated Consolidated Financial Information

2. The Company's Board of Directors are responsible for the preparation of Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("**SEBI**"), BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (collectively, "**the Stock Exchanges**") in connection with the Offer. The Restated Consolidated Financial Information has been prepared by the management of the company in accordance with the basis of preparation stated in Note 2 to Annexure V of the Restated Consolidated Financial Information. The Board of Directors of the Company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of Restated Consolidated Financial Information. The Board of Directors of the Company are also responsible for identifying and ensuring that the Group complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

3. We have examined the Restated Consolidated Financial Information taking into consideration:
 - a) The terms of reference and terms of our engagement agreed with the Company in accordance with our engagement letter dated April 12,2024, in connection with the proposed Offer.
 - b) The Guidance Note also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;

- c) the concepts of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
- d) the requirements of Section 26 of the Act and the SEBI ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Offer.

4. The Restated Consolidated Financial Information have been compiled by the management of the Group from:

- a) the Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2024 which are prepared in accordance with Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended (referred to as “Ind AS”), and other accounting principles generally accepted in India, and have been approved by the Board of Directors at their meeting held on September 27, 2024; and
- b) the Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2023, and March 31, 2022, which were prepared in accordance with the Ind AS and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 30, 2023 and December 23, 2022 respectively.

5. For the purpose of our examination, we have relied on:

- a) Auditors’ report issued by us dated September 27, 2024 on the consolidated financial statements of the Group as at and for the year ended March 31, 2024 (“2024 Audited Consolidated Financial Statements”) as referred in Para 4(a) above.
- b) Auditors’ reports issued by M/S Majeti and Co., Chartered Accountants (“Previous Auditors”) dated September 30, 2023 and December 23, 2022 on the consolidated financial statements of the Group as at and for the years ended March 31, 2023, and March 31, 2022 (“2023/2022 Audited Consolidated Financial Statements”) as referred in Para 4(b) above
- c) Examination report dated September 27, 2024 on the Restated Consolidated Statement of assets and liabilities as at March 31, 2023 and March 31, 2022 and the restated Consolidated Statement of profit and loss (including other comprehensive income), restated Consolidated statement of cash flows, restated Consolidated statement of changes in equity, the Statement of material accounting policies and other explanatory information for each of the years ended March 31, 2023 and March 31, 2022 (“Restated Prior Period Consolidated Financial Information”) has been issued by the Previous Auditors. Our examination report insofar as it relates to the said years is based solely on the report submitted by the Previous Auditors. They have also confirmed that the Restated Prior Period Consolidated Financial Information:
 - i) have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial years as at and for the years ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024 as more fully described in Note 2.1 of Annexure VI to the Restated Consolidated Financial Information.
 - ii) do not require adjustments for the matters giving rise to qualification in the audit report on the financial statements for the year ended March 31, 2023 and March 31, 2022, for reasons stated in Para 6B and 6C below. Further, there are Other Matter paragraphs (refer 5(c) above) which do not require any adjustment to the Restated Prior Period Consolidated Financial information; and
 - iii) Restated Prior Period Consolidated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

6. A. Our audit report referred to in Para 5 (a) above included the following matters which did not require any adjustment in the Restated Consolidated Financial Information:

Report on Other Legal and Regulatory Requirements paragraphs:

Reporting on Audit Trail

- a) Based on our examination, the Holding Company and one of the subsidiary companies audited by us, has used an accounting software for maintaining its books of account during the year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was not enabled in the accounting software throughout the year.
- b) In respect of one subsidiary, the accounting software used by the subsidiary for maintaining its books of account for the year ended March 31, 2024 had a feature of recording audit trail (edit log) facility, but the accounting software's audit trail feature has not been operated throughout the year ended March 31, 2024 as it was enabled only with effect from February 06, 2024. Further, during the course of their audit, they did not come across any instances of the audit trail feature being tampered with after it being enabled, as reported by the other auditors.
- c) In respect of two subsidiaries and one jointly controlled entity, the accounting software used by those subsidiary and jointly controlled entity for maintaining its books of account for the year ended March 31, 2024, had a feature of recording audit trail (edit log) facility, but the accounting software's audit trail feature has not been operated throughout the year ended March 31, 2024, as it was not enabled as reported by the respective other auditors.

Other Matter Paragraphs:

- i) We did not audit the financial statements of 11 subsidiaries, and 1 jointly controlled entity, whose financial statements reflect total assets of Rs.1540.23 Mn as at March 31, 2024, total revenues of Rs.72.36 Mn and net cash flows amounting to Rs.78.09 Mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors as set out in Appendix 1, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, the jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, the jointly controlled entity, is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

- ii) The consolidated financial statements of the Company for the year ended March 31, 2023, were audited by another auditor. They had issued a modified report dated September 30, 2023.

B. Previous Auditors report for the year ended March 31,2023, referred to in Para 5 (b) above included the following matters which did not require any adjustment in the Restated Consolidated financial Information:

Basis for Qualification:

- i) "As explained in Note no.38.3 to the Consolidated Ind AS financial statements, BEML Midwest Limited, a subsidiary, has not been consolidated in the absence of its Ind AS financial statements.

As per the accounting principles, the financial statements of this subsidiary should have been consolidated. The effects on the consolidated Ind AS financial statements of the failure to consolidate this subsidiary company, net of provision for diminution already made in the value of the investment, has not been determined.”

There was complete cessation of activities in BEML Midwest Limited ('the subsidiary entity') since September 2008, and the matters relating to the subsidiary entity were subjudice. In view of the above, the subsidiary had not prepared its accounts and the same could not be consolidated in the Consolidated Ind AS financial statements of Midwest Limited('the Holding Company') for the year ended March 31, 2023. The Subsidiary entity was admitted under the CIRP process vide order dated September 26, 2022, of the Hon'ble NCLT Hyderabad (the NCLT'). Further the NCLT also returned the mismanagement petitions filed by the Holding Company and Bharat Earth Movers Limited (BEML) on each other, in view of the admission to CIRP process. Consequent to the admission under CIRP process, the subsidiary entity ceased to be a subsidiary of the Holding Company w.e.f. September 26, 2022 and the Holding Company ceased to have control over the subsidiary entity. Later, the NCLT also passed an order of liquidation vide its order dated October 20, 2023.

During the financial year ended March 31, 2014, the Holding Company settled the bank loan taken by the subsidiary entity and the guarantee was released by the bank. The Provision for diminution in the value of investments in the subsidiary entity was made by the Holding Company during the financial year ended March 31, 2014. The subsidiary entity being a company limited by shares, the management does not expect any further liability.

As informed to us by Management, the impact of non-consolidation of the subsidiary entity upto September 26, 2022 will not be material and accordingly, does not require any adjustment to the Restated Prior Period Consolidated Financial Information.

Other Matter Paragraphs:

- i) "As explained in Note no. 38 to the Consolidated Ind AS financial statements, the financial statements of Five subsidiaries (including 4 step-down subsidiaries) have been furnished to us by the Management whose financial statements reflect net assets of Rs. 272.63 million as at 31st March 2023, total revenue of Rs.0.25 million and total comprehensive Income (loss) of Rs. 2.61 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group."

(The numbers reported in the previous auditors report were in Rs.Lakhs, and are presented in Rs.millions in this examination report for consistency).

Our Opinion is not modified in respect of this matter."

- ii) "We did not audit the financial statements of Eleven subsidiaries (including three step-down subsidiaries) and one joint ventures, whose financial statements reflect total assets of Rs.1609.14 million and net assets of Rs.228.37 million as at 31st March 2023, total revenues of Rs. 23.10 million and the total comprehensive income (Loss) of Rs. 21.19 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs.0.09 million for the year ended 31st March 2023, as considered in the consolidated Ind AS financial statements, in respect of a joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors as set out in Appendix I whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our Opinion is not modified in respect of this matter."

- iii) "Subsidiary auditors' qualified their report on the following matters:

- i. The subsidiary auditors also qualified matters related to going concern in their respective audit reports. - Refer Note no 42(A) to the Consolidated Ind AS financial statements.

Our Opinion is not modified in respect of this matter."

- iv) "Refer Note no 42(B) w.r.t., ongoing litigation against South Coast Infrastructure Development Company of Andhra Pradesh Ltd. This investment has been accounted under equity method based on the unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our Opinion is not modified in respect of this matter."

- v) "As explained in Note no.38 to the Consolidated Ind AS financial statements, certain subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our Opinion is not modified in respect of this matter."

C. Previous Auditors report for the year ended March 31,2022, referred to in Para 5 (b) above included the following matters which did not require any adjustment in the Restated Consolidated Financial Information

Basis for Qualification Paragraph:

- i. "As explained in Note no.38.3 to the Consolidated Ind AS financial statements, BEML Midwest Limited, a subsidiary, has not been consolidated in the absence of its Ind AS financial statements. As per the accounting principles, the financial statements of this subsidiary should have been consolidated. The effects on the consolidated Ind AS financial statements of the failure to consolidate this subsidiary company, net of provision for diminution already made in the value of the investment, has not been determined."

There was complete cessation of activities in BEML Midwest Limited ('the subsidiary entity') since September 2008, and the matters relating to the subsidiary entity were subjudice. In view of the above, the subsidiary had not prepared its accounts and the same could not be consolidated in the Consolidated Ind AS financial statements of Midwest Limited (the Holding Company') for the year ended March 31, 2022. The Subsidiary entity was admitted under the CIRP process vide order dated September 26, 2022, of the Hon'ble NCLT Hyderabad (the NCLT'). Further the NCLT also returned the mismanagement petitions filed by the Holding Company and Bharat Earth Movers Limited (BEML) on each other, in view of the admission to CIRP process. Consequent to the admission under CIRP process, the subsidiary entity ceased to be a subsidiary of the Holding Company w.e.f. September 26, 2022, and the Holding Company ceased to have control over the subsidiary entity. Later, the NCLT also passed an order of liquidation vide its order dated October 20, 2023.

During the financial year ended March 31, 2014, the Holding Company settled the bank loan taken by the subsidiary entity and the guarantee was released by the bank. The Provision for diminution in the value of investments in the subsidiary entity was made by the Holding Company during the financial year ended March 31, 2014. The subsidiary entity being a company limited by shares, the management does not expect any further liability.

As informed to us by the Management, the impact of non-consolidation of the subsidiary entity for the year ended March 31,2022 will not be material and accordingly, does not require any adjustment to the Restated Prior Period Consolidated Financial Information.

- ii. "As explained in Note no. 38 to the Consolidated Ind AS financial statements, financial statements of Seven subsidiaries (including 5 step-down subsidiaries) have been furnished to us by the Management whose financial statements reflect total assets of Rs. 1673.41 million and net assets of Rs. 254.97 million as at 31st March, 2022, total revenue of Rs.49.42 million and total comprehensive income of Rs. 37.66 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. In our opinion and according to the information and

explanations given to us by the Management, these financial statements are material to the Group.”

These subsidiaries were not required to be audited in their respective jurisdiction. However, the management of the Company have provided special purpose audited consolidated financial statements of these subsidiaries (covering step down subsidiaries) and respective auditor's report thereon dated May 29, 2024, for the purposes of preparation of restated consolidated financial information of the Holding Company for the year ended March 31, 2022 and issuing examination report thereon in connection with filing of DRHP with SEBI. We have considered these special purpose audited consolidated financial statements and respective auditor's report thereon for the purpose of our Examination Report to the Restated Prior Period Consolidated Financial Information for the year ended March 31, 2022 and no adjustments were required to be made to the Restated Prior Period Consolidated Financial Information for the year ended March 31, 2022.

Accordingly, this matter does not require any adjustment to the Restated Consolidated Financial Information.

iii. Subsidiary auditors have qualified their report on the following matters:

- a. “The subsidiary auditors have qualified the audit report about nonattendance of physical verification of stocks due to COVID and FUEL Crisis Lockdown as at the balance sheet date. Inventory amounting to Rs. 21.09 million of South Asia Granite and Marble Private Limited (Srilanka) has been accounted based on the management valuation.”

The subsidiary auditor of South Asia Granite and Marble Private Limited ('step down subsidiary') physically attended the verification performed by the management in the year 2022-23 and no discrepancies were identified. Further, total value of inventory as mentioned above is not material to the Restated Prior Period Consolidated Financial information for the year ended March 31, 2022.

Accordingly, this matter does not require any adjustment to the Restated Consolidated Financial Information.

- b. “The subsidiary auditors also qualified matters related to going concern in their respective audit reports. - Refer Note no 42 (B) to the Consolidated Ind AS financial statements.”

South Asia Granite and Marble Private Limited, the step down subsidiary, sold its assets during the years ended March 31, 2023, and 2024 and settled the loans due amounting to Rs. 47.94 million. Also, the step down subsidiary have profits during the year ended March 31, 2024 and net worth and current asset position is also positive as on that date. Hence, no adjustments were required to be made to the Restated Prior Period Consolidated Financial Information for the year ended March 31, 2022.

Accordingly, this matter does not require any adjustment to the Restated Consolidated Financial Information.

Other Matter Paragraph:

- a. We did not audit the financial statements of Nine subsidiaries (including two step-down subsidiaries) and two joint ventures, whose financial statements reflect total assets of Rs. 575.29 million and net assets of Rs. 109.31 million as at 31st March 2022, total revenues of Rs. 5.96 million and the total comprehensive income (Loss) of Rs. 94.37 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 0.18 million for the year ended 31st March 2022, as considered in the consolidated Ind AS financial statements, in respect of a joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors as set out in Appendix I whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its joint venture and

our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our Opinion is not modified in respect of this matter.

- b. The auditor of South Coast Infrastructure Development Company of Andhra Pradesh Ltd has disclaimed their Audit opinion about Internal Financial Controls Over Financial Reporting under opinion for the ongoing litigations against the company (Refer Note no 42 (D) to the Consolidated Ind AS financial statements). In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our Opinion is not modified in respect of this matter.

- c. As explained in Note no.38 to the Consolidated Ind AS financial statements, certain subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our Opinion is not modified in respect of this matter.

7. Based on the above and according to the information and explanations given to us, and also as per the reliance placed on the examination report submitted by the Previous Auditor for the respective years, we report that:

- i) Restated Consolidated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/reclassifications retrospectively in the financial years as at and for the years March 31, 2023 and March 31, 2022, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024, as more fully described in Annexure VI to the Restated Consolidated Financial Information (Restated Statement of Adjustments to Audited Financial Statements);
- ii) Restated Consolidated Financial Information do not require adjustments for the matters giving rise to qualification in the audit report on the financial statements for the year ended March 31, 2023 and March 31, 2022, for reasons stated in Para 6B and 6C above. There are Other Matter paragraphs (refer 5(a), 5(b) and 5(c) above) which do not require any adjustment to the Restated Consolidated Financial information; and
- iii) Restated Consolidated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

8. We have not audited any financial statements of the Group as at any date or for any period subsequent to March 31, 2024. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as at any date or for any period subsequent to March 31, 2024.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditor's reports issued by us or by the Previous Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
12. Our report is intended solely for the use of the Board of Directors and for inclusion in the DRHP, to be filed with the SEBI and Stock Exchanges as applicable in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person relying on the examination report.

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 24205226BKEAML8200

Date: Hyderabad
Place: September 27, 2024

Appendix I

Details of entities audited by other auditors for the respective years

S. No.	Name of Entity	Relationship	FY 2023-24	FY 2022-23	FY 2021-22
1	Midwest Gold Limited	Subsidiary	Majeti & Co.,	Majeti & Co.,	Majeti & Co.,
2	Andhra Pradesh (Midwest) Granite Private Limited	Subsidiary	M S K A & Associates	Majeti & Co.,	Majeti & Co.,
3	AP Midwest Galaxy Private Limited	Subsidiary	Majeti & Co.,	Majeti & Co.,	Majeti & Co.,
4	Midwest Neo stone Private Limited	Subsidiary	Majeti & Co.,	B. Srinivasa Rao & Co.,	Majeti & Co.,
5	Baahula Minerals	Subsidiary	Majeti & Co.,	B. Srinivasa Rao & Co.,	Murali &Co.,
6	Deccan Silica LLP	Subsidiary	Majeti & Co.,	B. Srinivasa Rao & Co.,	Murali &Co.,
7	Mytreyta Minerals	Subsidiary	Majeti & Co.,	NA	NA
8	NDR Mining	Subsidiary	Majeti & Co.,	Adina & Associates	Adina & Associates
9	Reliance Diamond Tools Private Limited	Subsidiary	Weerasinghe & Co	Weerasinghe & Co	Weerasinghe & Co
10	Midwest Heavy Sands Private Limited	Subsidiary	Weerasinghe & Co	Not existent	Not existent
11	Trinco Minerals Private Limited	Subsidiary	Weerasinghe & Co	Not existent	Not existent
12	South Coast Infrastructure Development Company of Andhra Pradesh Limited	Joint Venture	Adina & Associates	Shah Modi Katudia & Co. LLP	Shah Modi Katudia & Co. LLP
13	Midwest Holdings Limited	Subsidiary	Majeti & Co.,	Unaudited	Unaudited
14	Amaya Smart Private Limited	Subsidiary	NA	B. Srinivasa Rao & Co.,	Murali &Co.,
15	SMW Granites LLP	Joint Venture	NA	B. Srinivasa Rao & Co.,	Murali &Co.,
16	Astral Granites Private Limited	Subsidiary	NA	Adina & Associates.,	M V Narayana Reddy & Co.,
17	Midwest Quartz Private Limited	Subsidiary	NA	Majeti & Co.,	NA
18	Midwest Advanced Materials Private Limited (Formerly known as Midwest Rare Earth Private Limited)	Subsidiary	NA	B. Srinivasa Rao & CO.,	B. Srinivasa Rao & CO.,

	Note	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Assets				
Non-current assets				
Property, plant and equipment	3	2,389.71	2,427.82	2,186.24
Capital work-in-progress	5a	132.73	21.56	96.43
Right-of-use assets	4a	131.27	110.74	116.71
Goodwill	5c	15.48	15.30	18.10
Other intangible assets	3	0.31	0.31	0.31
Intangible assets under development	5b	1,058.85	1,032.23	934.65
Investments accounted for using the equity method	6a	-	6.85	6.81
Financial assets				
(i) Investments	6b	185.73	184.57	106.04
(ii) Other financial assets	7	123.60	120.07	117.07
Deferred tax assets (net)	9	36.07	31.28	40.86
Other non-current assets	8	534.08	293.16	307.74
Total non-current assets		4,607.83	4,243.89	3,930.96
Current assets				
Inventories	10	371.99	574.18	509.86
Financial assets				
(i) Investments	6b	189.32	8.26	-
(ii) Trade receivables	11	1,190.69	962.46	416.41
(iii) Cash and cash equivalents	12a	254.58	110.16	356.10
(iv) Bank balances other than cash and cash equivalents	12b	27.33	23.85	280.98
(v) Loans	13	118.00	110.48	115.79
(vi) Other financial assets	7	94.02	1.42	6.10
Current tax assets (net)	25	-	-	20.35
Other current assets	14	717.46	525.30	400.97
Total current assets		2,963.39	2,316.11	2,106.56
Total assets		7,571.22	6,560.00	6,037.52
Equity and liabilities				
Equity				
Equity share capital	15	96.61	7.43	7.43
Other equity	16a	4,848.55	4,088.84	3,452.88
Equity attributable to owners of the parent		4,945.16	4,096.27	3,460.31
Non-controlling interests	16b	45.57	22.46	62.15
Total equity		4,990.73	4,118.73	3,522.46
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	17	566.44	613.80	537.21
(ia) Lease liabilities	4b	30.08	17.94	17.26
(ii) Other financial liabilities	18	174.29	-	-
Provisions	19	48.37	48.33	46.56
Other non-current liabilities	20	-	2.24	10.30
Total non-current liabilities		819.18	682.31	611.33
Current liabilities				
Financial liabilities				
(i) Borrowings	21	638.39	876.96	423.47
(ia) Lease liabilities	4b	6.55	1.53	-
(ii) Trade payables	22	-	-	-
- Total outstanding dues of micro and small enterprises		30.03	-	-
- Total outstanding dues of creditors other than micro and small enterprises		185.76	205.01	198.35
(iii) Other financial liabilities	23	199.81	183.17	345.91
Other current liabilities	24	648.13	450.67	923.04
Provisions	19	18.33	13.13	12.96
Current tax liabilities (net)	25	34.31	28.49	-
Total current liabilities		1,761.31	1,758.96	1,903.73
Total liabilities		2,580.49	2,441.27	2,515.06
Total equity and liabilities		7,571.22	6,560.00	6,037.52

Note: The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

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

For and on behalf of the Board of Directors of
Midwest Limited (formerly known as Midwest Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Ramchandra Kollareddy
Whole time Director
DIN:00060086

Soumya Kukreti
Whole time Director
DIN:01760289

Ch. Dilip Kumar
Chief Financial Officer

Rohit Tibrewal
Company Secretary
M No: A31385

Place: Hyderabad
Date: 27th September 2024

Place: Hyderabad
Date: 27th September 2024

Place: Hyderabad
Date: 27th September 2024

	Note	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Income				
Revenue from operations	26	5,856.24	5,025.17	5,252.37
Other income	27	177.06	197.16	142.46
Total income		6,033.30	5,222.33	5,394.83
Expenses				
Quarry expenses	32	550.81	635.00	638.16
Seigniorage and cess fees	33	1,045.06	953.61	1,031.58
Cost of materials consumed	28a	72.23	82.92	88.57
Purchases of stock-in-trade		68.65	42.46	45.39
Consumption of stores and spare parts	28c	753.55	909.18	748.12
Changes in inventories of finished goods, stock-in-trade and work-in-progress	28b	184.86	(114.85)	87.76
Employee benefits expense	29	414.99	389.20	549.33
Finance costs	30	91.64	90.61	90.53
Depreciation and amortisation expense	31	221.80	215.43	176.33
Other expenses	34	1,251.66	1,231.83	1,006.14
Total expenses		4,655.25	4,435.39	4,461.91
Profit before share of profit of joint ventures and tax		1,378.05	786.94	932.92
Share of profit of joint ventures accounted using the equity method		-	0.05	0.09
Profit before tax for the year		1,378.05	786.99	933.01
Tax expenses				
Current tax	45	371.43	228.19	266.50
Tax pertaining to earlier years		13.44	6.04	(0.47)
Deferred tax		(10.06)	8.40	(3.95)
Total tax expense		374.81	242.63	262.08
Profit after tax for the year		1,003.24	544.36	670.93
Other comprehensive income/(loss)				
(a) Items that will not be reclassified to profit or loss				
(i) Re-measurement gains/ (losses) on defined benefit plans		(1.58)	4.64	(1.69)
(ii) Income tax relating to above item		0.36	(1.17)	0.43
		(1.22)	3.47	(1.26)
(b) Items that may be reclassified to profit or loss				
(i) Exchange differences in translating the financial statements of foreign operations		8.04	57.39	10.71
(ii) Income tax relating to above items		-	-	-
		8.04	57.39	10.71
Total other comprehensive income for the year		6.82	60.86	9.45
Total comprehensive income for the year		1,010.06	605.22	680.38
Profit for the year attributable to:				
a) Owners of the company		965.29	540.83	637.77
b) Non-controlling interest		37.95	3.53	33.16
Other comprehensive income attributable to:				
a) Owners of the company		6.61	60.62	9.73
b) Non-controlling interest		0.21	0.24	(0.28)
Total comprehensive income attributable to:				
a) Owners of the company		971.90	601.45	647.50
b) Non-controlling interest		38.16	3.77	32.88
Earnings per equity share (Face value of share Rs.5 each)				
- Basic (Rs)		29.67	16.10	19.84
- Diluted (Rs)		29.67	16.10	19.84

Note: The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our report attached

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of

Midwest Limited (formerly known as Midwest Private Limited)

Ananthakrishnan Govindan

Partner

Membership No: 205226

Ramchandra Kollareddy

Whole time Director

DIN:00060086

Soumya Kukreti

Whole time Director

DIN:01760289

Ch. Dilip Kumar

Chief Financial Officer

Rohit Tibrewal

Company Secretary

M No: A31385

Place: Hyderabad

Date: 27th September 2024

Place: Hyderabad

Date: 27th September 2024

Place: Hyderabad

Date: 27th September 2024

A. Equity share capital

	Note	No. of Shares	Amount
As at 31 March 2021		74,313	7.43
Changes in equity shares	15	-	-
Balance as at 01 April 2022		74,313	7.43
Changes in equity share capital during the year	15	-	-
Balance as at 31 March 2023		74,313	7.43
Changes in equity share capital during the year	15	8,91,756	89.18
Balance as at 31 March 2024		9,66,069	96.61

B. Other Equity

	Reserves and Surplus						Other Comprehensive Income (OCI)			Attributable to Equity holders of Company	Non Controlling Interest	Total
	Capital reserve	Forfeited shares	Capital Redemption Reserve	General reserve	Share Application Money pending allotment	Retained earnings	Revaluation Surplus	Foreign currency Translation Reserve	Equity instruments through OCI			
Balance as at 01 April 2021	125.30	0.07	1.80	160.71	4.65	1,817.69	570.80	112.22	-	2,793.24	26.92	2,820.16
Total comprehensive income for the year												
a) Profit for the year	-	-	-	-	-	637.77		10.71	-	648.48	33.16	681.64
b) Other comprehensive income for the year, net of income tax	-	-	-	-	-	-		-	(0.98)	(0.98)	(0.28)	(1.26)
Total (a+b)	-	-	-	-	-	637.77		10.71	(0.98)	647.50	32.88	680.38
Transaction with owners in their capacity as owners												
Adjustment on account of Merger ¹	(2.17)	-	-	-	-	-	-	-	-	(2.17)	-	(2.17)
Share Application Money received during the year ²	-	-	-	-	14.31	-	-	-	-	14.31	-	14.31
Non-controlling interests changes during the year	-	-	-	-	-	-	-	-	-	-	2.35	2.35
Balance as at 31 March 2022	123.13	0.07	1.80	160.71	18.96	2,455.46	570.80	122.93	(0.98)	3,452.88	62.15	3,515.03
Balance as at 01 April 2022	123.13	0.07	1.80	160.71	18.96	2,455.46	570.80	122.93	(0.98)	3,452.88	62.15	3,515.03
Total comprehensive income for the year												
a) Profit for the year	-	-	-	-	-	540.83		-	-	540.83	3.53	544.36
b) Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	57.39	3.22	57.39	60.61	0.24	60.85
Total (a+b)	-	-	-	-	-	540.83	-	57.39	3.22	601.44	3.77	605.21
Transaction with owners in their capacity as owners												
Share Application Money received during the year ²	-	-	-	-	21.34	-	-	-	-	21.34	-	21.34
Transfer of realised gain on sale of land from revaluation surplus ³	-	-	-	-	-	0.45	(0.45)	-	-	-	-	-
Transfer to Capital Reserve on acquisition of Further shares in Subsidiary ⁴	13.18	-	-	-	-	-	-	-	-	13.18	(32.50)	(19.32)
Adjustment on account of acquisition of Subsidiary ⁵	-	-	-	-	-	-	-	-	-	-	0.03	0.03
Interim Dividend paid during the year ⁶	-	-	-	-	-	-	-	-	-	-	(11.00)	(11.00)
Balance as at 31 March 2023	136.31	0.07	1.80	160.71	40.30	2,996.74	570.35	180.32	2.24	4,088.84	22.46	4,111.29
Balance as at 01 April 2023	136.31	0.07	1.80	160.71	40.30	2,996.74	570.35	180.32	2.24	4,088.84	22.46	4,111.29
Dividend paid during the year ⁶	-	-	-	-	-	(133.76)	-	-	-	(133.76)	-	(133.76)
Buy back ⁸	-	-	4.59	-	-	-	-	-	-	4.59	-	4.59
Bonus Shares allotted(refer Note 39(c))	-	-	-	(89.17)	-	-	-	-	-	(89.17)	-	(89.17)
Total comprehensive income for the year												
a) Profit for the year	-	-	-	-	-	965.29		-	-	965.29	37.95	1,003.24
b) Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	8.04	(1.43)	8.04	6.61	0.21	6.82
Total (a+b)	-	-	-	-	-	965.29	-	8.04	(1.43)	971.90	38.16	1,010.06
Transaction with owners in their capacity as owners												
Transfer of realised gain on sale of land from revaluation surplus	-	-	-	-	27.31	(27.31)	-	-	-	-	-	-
Share Application Money received during the year ²	-	-	-	-	6.15	-	-	-	-	6.15	-	6.15
Adjustment on account of acquisition of Subsidiary ⁵	-	-	-	-	-	-	-	-	-	-	1.45	1.45
Dividend paid during the year ⁷	-	-	-	-	-	-	-	-	-	-	(16.50)	(16.50)
Balance as at 31 March 2024	136.31	0.07	6.39	71.54	46.45	3,855.58	543.04	188.36	0.81	4,848.55	45.57	4,894.11

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure III - Restated Consolidated statement of changes in Equity

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

1. The amount is resulted on account of (i) reversal of consolidation capital reserve on the merger of RDT Diamond tools private limited and (ii) cancellation of equity share of merged entity - Midwest Mining Private Limited
2. Share application money received by step-down subsidiary Maven Holdings Limited domiciled in Mauritius
3. Transfer of realised gain on sale of free hold land from revaluation surplus
4. The amount is resulted on acquisition of additional interest in subsidiary Andhra Pradesh Granite (Midwest) Private Limited
5. Adjustment on account of acquisition of N.D.R. Mining. co. in financial year ended 31 March, 2023 and Maitreya Minerals in financial year ended 31 March, 2024
6. Dividend paid by the Andhra Pradesh Granite (Midwest) Private Limited in the respective financial years
7. During the year ended March 31 2024, final dividend paid was recognised for distribution to the equity share holders
8. Buy back of equity share made by the subsidiary Reliance Diamond Tools Private Limited domiciled in Sri Lanka.

Note: The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

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

For and on behalf of the Board of Directors of
Midwest Limited (formerly known as Midwest Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Ramchandra Kollareddy
Whole time Director
DIN:00060086

Soumya Kukreti
Whole time Director
DIN:01760289

Ch. Dilip Kumar
Chief Financial Officer

Rohit Tibrewal
Company Secretary
M No: A31385

Place: Hyderabad
Date: 27th September 2024

Place: Hyderabad
Date: 27th September 2024

Place: Hyderabad
Date: 27th September 2024

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
A. Cash flow from operating activities			
Profit before tax	1,378.05	786.94	932.92
Adjustments for :			
Depreciation and amortisation expense	221.80	215.43	176.33
Finance costs	91.64	90.61	90.53
Profit on sale of property, plant and equipment	(28.86)	(9.77)	(0.74)
Bad debts written off	68.09	43.30	15.69
Net fair value gain on foreign exchange forward contracts	-	4.68	(2.30)
Provision towards / (write-off) credit impaired trade receivables	7.60	(22.87)	30.61
Sundry balances (written back) / written off	4.83	-	(0.63)
Liabilities/provision no longer required written back	(28.10)	(8.19)	(0.27)
Dividend income received from others	(1.01)	(0.79)	(0.05)
Provision for doubt full advances	2.89	-	37.27
Net gain on financial asset measured at FVTPL	(23.09)	8.09	(6.90)
Assets discarded	16.17	0.42	4.75
Interest income	(13.53)	(15.97)	(9.83)
Operating profit before working capital changes	1,696.48	1,091.88	1,267.38
Changes in working capital			
(Increase) / Decrease in trade receivables	(296.32)	(558.37)	55.02
(Increase) / Decrease in inventories	202.19	(64.31)	88.09
(Increase) / Decrease in other financial assets	(96.13)	(3.00)	(21.70)
(Increase) / Decrease in other current assets	(247.75)	(157.04)	(47.15)
Increase / (Decrease) in trade payables	10.78	2.68	20.89
Increase / (Decrease) in other financial liabilities	185.51	(159.72)	(131.30)
Increase / (Decrease) in provision	3.66	1.78	7.95
Increase / (Decrease) in other liabilities	199.70	(472.37)	529.32
Cash generated from operations	1,658.12	(318.47)	1,768.50
Income taxes paid (net of refunds)	(379.05)	(200.99)	(335.38)
Net cash flow/(Used) from/(in) operating activities	A	1,279.07	(519.46)
B. Cash flows from investing activities			
Payments for purchase of property, plant and equipment (including capital advances)	(630.90)	(444.52)	(643.77)
Purchase of right-to-use asset	(19.71)	-	-
Proceeds from disposal of property, plant and equipment	163.42	101.58	83.68
Payment for purchase of investments	(159.57)	(110.85)	(111.90)
Proceeds from sale of investments	7.29	15.98	12.34
Payment of acquisition of shares from non-controlling interests	-	(16.00)	-
Deposits placed having original maturity of more than 3 months, net	(3.48)	257.13	(254.35)
Loans (given) / received to related parties and others	(7.48)	5.33	(84.31)
Dividend received from others	1.01	0.79	0.05
Interest received	13.53	15.97	9.83
Net cash flow used in investing activities	B	(635.89)	(174.59)
C. Cash flow from financing activities			
Proceeds from/(repayment) of long term borrowings (net)	(47.46)	110.03	(9.18)
Proceeds from/(repayment) of Short term borrowings (net)	(238.47)	415.89	(52.47)
Proceeds from/(repayment) of Lease Liability(net)	(4.80)	(1.70)	(1.42)
Share Application Money received	6.15	21.34	14.31
Dividend paid to company's share holders	(133.76)	-	-
Dividend paid to non-controlling interests	(16.50)	(11.00)	-
Interest paid	(63.92)	(86.45)	(88.11)
Net cash flow/(Used) from/(in) financing activities	C	(498.76)	448.11
Net increase/(decrease) in cash and cash equivalents	[A+B+C]	144.42	(245.94)
Cash and cash equivalents at the beginning of the year	110.16	356.10	48.28
Cash and cash equivalents at end of the year(refer Note 12a)	254.58	110.16	356.10

The above statement should be read with Material Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of adjustments to Restated Consolidated Financial Information in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our report attached

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.:105047W

For and on behalf of the Board of Directors of
Midwest Limited (formerly known as Midwest Private Limited)

Ananthakrishnan Govindan

Partner

Membership No: 205226

Ramchandra Kollareddy

Whole time Director

DIN:00060086

Soumya Kukreti

Whole time Director

DIN:01760289

Place: Hyderabad

Date: 27th September 2024

Ch. Dilip Kumar
Chief Financial Officer

Rohit Tibrewal
Company Secretary
M No: A31385

Place: Hyderabad
Date: 27th September 2024

Place: Hyderabad
Date: 27th September 2024

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure V - Material Accounting Policies to the Restated Consolidated Financial Information

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

1. Corporate information

Midwest Limited (Formerly known as Midwest Private Limited, prior to it Midwest Granite Private Limited) ("The Company" or "The Parent" or "The Holding Company") (CIN U14102TG1981PLC003317) together with its subsidiaries and jointly controlled entities (collectively, "the Group") is a public limited company domiciled and incorporated in India under the provisions of Companies Act, 1956 on 11 December 1981. The Company was converted into a public limited company under the Companies Act, 2013 pursuant to a special resolution passed by the Shareholders dated July 15, 2024, and consequently, the name of the Company was changed to 'Midwest Limited' and a fresh certificate of incorporation dated August 28, 2024 was issued by the Registrar of Companies, Central Processing Centre. The Company's registered office is at 8-2-684/3/25 & 26, ROAD NO.12 Banjara Hills, Hyderabad, Telangana, India, 500032.

These restated consolidated financial statements comprise the financial statements of the Company and its subsidiaries and the Group's interest in joint ventures for the year ended 31 March 2024. The Group is engaged in the business of exploration, exploitation, manufacturing, processing and selling of dressed Granite blocks, Slabs and Diamond cutting wires

These restated consolidated financial statements were approved for issue in accordance with a resolution of the directors on 27th September 2024

2. Material accounting policies

2.1. Basis of preparation

A. Statement of Compliance

The Restated Consolidated Financial Information of the Group comprise the Restated Consolidated Statement of Assets and Liabilities as at 31 March 2024, 31 March 2023, and 31 March 2022, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows, the Restated Consolidated Statement of Changes in Equity for the years ended 31 March 2024, 31 March 2023 and 31 March 2022, Material Accounting Policies to Restated Consolidated Financial Information and Statement of Adjustments to the Restated Consolidated Financial Information (hereinafter collectively referred to as "Restated Consolidated Financial Information").

These Restated Consolidated Financial Information have been prepared by the management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") in connection with its proposed Initial Public Offering of equity shares of the Company prepared in terms of the requirements of :

- a) the Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
- b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information have been prepared by the Management of the company and compiled from:

Audited Restated Consolidated IND AS Financial Statements of the Group as at and for the years ended 31 March 2024 ,31 March 2023 and 31 March 2022 prepared in accordance with the Indian Accounting Standards, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended (referred to as "Ind AS"), and other accounting principles generally accepted in India including the requirements of the Act, which has been approved by the Board of Directors at their meeting held on 27 September 2024, 30 September 2023 and 30 December 2022 respectively.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the year ended 31 March, 2024. This Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting held to approve and adopt the Audited Restated Consolidated IND AS Financial Statements

The Restated Consolidated Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:

- a. Adjustments to the profits or losses of the earlier periods and of the period in which the change in the accounting policy has taken place, recomputed to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods, if any;
- b. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the Restated Financial Information of the Group for the year ended 31 March 2024 and the requirements of the ICDR Regulations, if any; and
- c. The resultant impact of tax due to the aforesaid adjustments, if any.
- d. do not require any adjustments for modifications as there is no modification in the underlying audit reports

B. Basis of measurement

These restated consolidated 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 - 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.

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure V - Material Accounting Policies to the Restated Consolidated Financial Information

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

C. Presentation currency and rounding off

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

E. Comparative information and reclassification

The restated consolidated financial statements provide comparative information in respective of the previous periods

2.2.Basis of consolidation

The restated consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024. Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present:

- (i) power over the investee
- (ii) exposure to variable returns from the investee, and
- (iii) the ability of the investor to use its power to affect those variable returns

Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control

De-facto control exists in situations where the Group has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists, the Group considers all relevant facts and circumstances, including:

- (i) The size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights
- (ii) Substantive potential voting rights held by the company and by other parties
- (iii) Other contractual arrangements
- (iv) Historic patterns in voting attendance

The restated consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the restated consolidated statement of profit and loss from the date on which control is obtained. They are deconsolidated from the date on which control ceases

The restated consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the restated consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the restated consolidated financial statements to ensure conformity with the Group's accounting policies

The restated financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so

Consolidation procedure:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the restated consolidated financial statements at the acquisition date

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the restated consolidated financial statements

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

The restated consolidated financial information of the group comprises the financial statements of the parent and other members of the Group as set out below:

Name of Subsidiaries and Joint Ventures	Country of Incorporation	% Ownership interest held by the Group			Principal activities of each subsidiary and Joint Venture
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2022	
In Subsidiaries					
Midwest Gold Ltd.(Refer Note 48(i))	India	70.63%	70.63%	70.63%	Trading Business of Granite Marbles and Gold
Reliance Diamond Tools Private Ltd.	Sri Lanka	100.00%	100.00%	100.00%	Manufacturing of Diamond Tools

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure V - Material Accounting Policies to the Restated Consolidated Financial Information

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

Midwest Holdings Ltd.	Isle of Man	100.00%	100.00%	100.00%	Investment Company
Midwest Heavy Sands Private Ltd.	Sri Lanka	96.63%	-	-	Exploration of non-renewable national resources in the soils of Sri Lanka
Trinco Minerals Private Ltd.	Sri Lanka	97.92%	-	-	Exploration of non-renewable national resources in the soils of Sri Lanka
Andhra Pradesh Granite (Midwest) Private Ltd.	India	89.00%	89.00%	85.00%	Quarrying, manufacturing and processing and selling of Granite
BEML Midwest Ltd. *	India	54.91%	54.91%	54.91%	Mining and Mineral Trading
Amaya Smart Technologies Private Ltd.	India	-	100.00%	100.00%	Manufacturing of Diamond Tools
Midwest Neostone Private Ltd.	India	100.00%	100.00%	100.00%	Manufacture of Non-metallic products
Midwest Quartz Private Ltd.	India	-	100.00%	100.00%	Quarrying and Processing of Quartz
Astral Granite Private Ltd.	India	-	99.95%	99.95%	Quarrying, manufacturing and processing and selling of Granite
AP Midwest Galaxy Private Ltd.	India	100.00%	100.00%	-	Quarrying, manufacturing and processing and selling of Granite
Midwest Advanced Materials Private Ltd.	India	-	100.00%	-	Mineral Exploration
Deccan Silica LLP	India	75.00%	75.00%	75.00%	Production and Trading of Silica products
NDR Mining Co	India	98.00%	98.00%	-	Mining and Mineral Trading
Maitreya Minerals	India	98.00%	-	-	Explore the quarries and mines of silica , sand , natural stones, stones of all kinds, rocks, metals and all kinds of minerals
In Step Down Subsidiaries Company					
South Asia Granite and Marble Private Ltd. (a wholly-owned subsidiary of Reliance Diamond Tools Private Ltd.)	Sri Lanka	100.00%	100.00%	100.00%	Quarrying, manufacturing and processing and selling of Granite slabs
Maven Holdings Ltd (a subsidiary of Midwest Holdings Ltd)	Mauritius	90.87%	90.87%	90.87%	Investment Company
Midwest Africa LDA (a wholly-owned subsidiary of Maven Holdings Ltd)	Mozambique	100.00%	100.00%	100.00%	Mineral Exploration
Midwest Gercoal LDA (a wholly-owned subsidiary of Maven Holdings Ltd)	Mozambique	-	100.00%	100.00%	Mineral Exploration
Midwest Gondana LDA (a wholly-owned subsidiary of Maven Holdings Ltd)	Mozambique	-	100.00%	100.00%	Mineral Exploration
Midwest Koriba LDA (a wholly-owned subsidiary of Maven Holdings Ltd)	Mozambique	100.00%	100.00%	100.00%	Mineral Exploration
Midwest Texara LDA (a wholly-owned subsidiary of Maven Holdings Ltd)	Mozambique	-	100.00%	100.00%	Mineral Exploration
In Joint venture					
South Coast Infrastructure Development Company of Andhra Pradesh Ltd	India	50.00%	50.00%	50.00%	Manufacturing of Building Materials
SMW Granites LLP	India	-	50.00%	50.00%	Manufacture of Granite Slabs
Baahula Minerals (Consolidated based on the controlling parameters)	India	50.00%	50.00%	50.00%	Mineral Exploration
In Step Down Joint venture Company					
S.C.R. Agro Tech Private Ltd (a wholly owned subsidiary of South Coast Infrastructure Development Company of Andhra Pradesh Ltd)	India	50.00%	50.00%	50.00%	Agro Business
* BEML Midwest Limited - Though the company owns 54.91% shareholding it has not been taken into consolidation since its inception due to non availability of accounts. Now the company is under liquidation.					

2.3. 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

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 as follows:

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

(b) Leases

Identifying leases

The Group 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 Group obtains substantially all the economic benefits from use of the asset; and
- c. The Group has the right to direct use of the asset

The Group 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 Group obtains substantially all the economic benefits from use of the asset, the Group 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 Group has the right to direct use of the asset, the Group 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 Group 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 Group applies other applicable Ind ASs rather than Ind AS 116

(c) Intangible assets

Internally generated intangible assets (development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- (i) it is technically feasible to develop the product for it to be sold
- (ii) adequate resources are available to complete the development
- (iii) there is an intention to complete and sell the product
- (iv) the Group is able to sell the product
- (v) sale of the product will generate future economic benefits, and
- (vi) expenditure on the project can be measured reliably

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within the 'depreciation and amortisation expense' in the restated consolidated statement of profit and loss

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the restated consolidated statement of profit and loss as incurred

(d) Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the profit and loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the other comprehensive income and accumulated in equity as capital reserve on the acquisition date

(e) Non-controlling interests

The Group recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests

(f) Joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the group has rights to only the net assets of the joint arrangement
- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements)

The Group accounts for its interests in joint ventures using the equity method

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations. In accordance with Ind AS 111 *Joint Arrangements*, the Group is required to apply all of the principles of Ind AS 103 *Business Combinations* when it acquires an interest in a joint operation that constitutes a business as defined by Ind AS 103

(g) Impairment of non-financial assets (excluding inventories, 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

(h) 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

(i) 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 restated consolidated balance sheet

(j) Financial assets

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

(k) Financial liabilities

The Group 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 Group'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 restated consolidated balance sheet at fair value with changes in fair value recognised in the profit and loss. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group 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 restated consolidated 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

(l) 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

(m) Provisions

The Group 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

(n) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

The majority of the Group'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 group 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 group'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

(o) Foreign currencies

Functional and presentation currency

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

(p) Foreign currencies (continued) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate

(q) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(r) 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

(s) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liability are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.4. Critical accounting estimates and judgements

The Group 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 - Group as lessee

The Group 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 Group has several lease contracts that include extension and termination options. The Group 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 Group 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 Group 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 Group 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 Group 'would have to pay', which requires estimation when no observable rates are available. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates

b. Intangible assets under development

The Group 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 Group 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 Group's historical observed default rates. The Group 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 Group'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 Group is currently involved in a number of legal disputes. The Group 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 Group'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 Group's financial statements require measurement at, and/or disclosure of, fair value. The fair value measurement of the Group'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.

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

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

Part A : Statement of Restatement Adjustments to Audited Consolidated Financial Statements

Reconciliation of total equity as per the audited consolidated financial statements for the year ended 31 March 2024, 31 March 2023 and 31 March 2022 with the total equity as per the Restated Consolidated Financial Information

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Total equity as per the audited consolidated financial statements	4,990.73	4,118.73	3,522.46
Adjustments:	-	-	-
Total equity as per the restated consolidated statement of assets and liabilities	4,990.73	4,118.73	3,522.46

Reconciliation of profit for the year after tax as per the audited consolidated financial statements for the year ended 31 March 2024, 31 March 2023 and 31 March 2022 with the restated profit after tax as per the Restated Consolidated Financial Information

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit for the year (as per the audited consolidated financial statements):	1,003.24	544.36	670.93
Adjustments:	-	-	-
Restated profit for the year as per the restated consolidated statement of profit and loss	1,003.24	544.36	670.93

Part B : Material Regrouping

Appropriate regroupings have been made in the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss and the restated consolidated statements of cash flows, wherever required, by reclassification of the corresponding items of assets, liabilities, income, expenses and cash flows, in order to bring them in line with the accounting policies and classification as per the Restated Consolidated Financial Information of the Group for the year ended 31 March, 2024 prepared in accordance with Schedule III to the Companies Act, 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Particulars	31 March 2023 Reported	31 March 2023 Restated	Change	Nature
Current Liabilities				
Trade Payables	106.49	205.01	98.52	Reclassification
Other Financial Liabilities	283.22	183.17	(100.05)	Reclassification
Lease Liabilities	-	1.53	1.53	Reclassification
Equity				
Other Equity	4,027.68	4,088.84	61.16	Reclassification
Non-Controlling Interest	83.62	22.46	(61.16)	Reclassification

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

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

Particulars	31 March 2022 Reported	31 March 2022 Restated	Change	Nature
Current Liabilities				
Trade Payables	105.84	198.35	92.51	Reclassification
Other Financial Liabilities	438.42	345.91	(92.51)	Reclassification
Equity				
Other Equity	3,419.92	3,452.88	32.96	Reclassification
Non-Controlling Interest	95.11	62.15	(32.96)	Reclassification

Part C Non-adjusting items

Audit qualifications matter paragraph for the respective years, which do not require any adjustments in the restated consolidated Financial Information are as follows:

For the year ended 31 March 2024

Report on Other Legal and Regulatory Requirements paragraphs:

Reporting on Audit Trail

a) Based on our examination, the Holding Company and one of the subsidiary companies audited by us, has used an accounting software for maintaining its books of account during the year ended 31 March 2024, which has a feature of recording audit trail (edit log) facility, except that the audit trail feature was not enabled in the accounting software throughout the year.

b) In respect of one subsidiary, the accounting software used by the subsidiary for maintaining its books of account for the year ended 31 March 2024 had a feature of recording audit trail (edit log) facility, but the accounting software's audit trail feature has not been operated throughout the year ended 31 March 2024 as it was enabled only with effect from 06 February 2024. Further, during the course of their audit, they did not come across any instances of the audit trail feature being tampered with after it being enabled, as reported by the other auditors.

c) In respect of two subsidiaries and one jointly controlled entity, the accounting software used by those subsidiary and jointly controlled entity for maintaining its books of account for the year ended 31 March 2024, had a feature of recording audit trail (edit log) facility, but the accounting software's audit trail feature has not been operated throughout the year ended 31 March 2024, as it was not enabled as reported by the respective other auditors.

For the year ended 31 March 2024

Consolidated Financial Statements - Other Matters

a. We did not audit the financial statements of 11 subsidiaries, and 1 jointly controlled entity, whose financial statements reflect total assets of Rs.1,540.23 Mn as at 31 March 2024, total revenues of Rs.72.36 Mn and net cash flows amounting to Rs.78.09 Mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, the jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, the jointly controlled entity, is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information
(All amounts are Rs. in millions, unless otherwise stated)

b. The consolidated financial statements of the Company for the year ended 31 March 2024, were audited by another auditor. They had modified their report dated 30 September 2023.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

For the year ended 31 March 2023

Consolidated Financial Statements- Basis for Qualification

(a) As explained in Note no.38.3 to the Consolidated Ind AS financial statements, BEML Midwest Limited, a subsidiary, has not been consolidated in the absence of its Ind AS financial statements. As per the accounting principles, the financial statements of this subsidiary should have been consolidated. The effects on the consolidated Ind AS financial statements, of the failure to consolidate this subsidiary company, net of provision for diminution already made in the value of the investment, has not been determined.

There was complete cessation of activities in BEML Midwest Limited ('the subsidiary entity') since September 2008, and the matters relating to the subsidiary entity were subjudice. In view of the above, the subsidiary had not prepared its accounts and the same could not be consolidated in the Consolidated Ind AS financial statements of Midwest Limited ('the Holding Company') for the year ended 31 March 2024. The Subsidiary entity was admitted under the CIRP process vide order dated 26 September 2022, of the Hon'ble NCLT Hyderabad ('the NCLT'). Further the NCLT also returned the mismanagement petitions filed by the Holding Company and Bharat Earth Movers Limited (BEML) on each other, in view of the admission to CIRP process. Consequent to the admission under CIRP process, the subsidiary entity ceased to be a subsidiary of the Holding Company w.e.f. September 26, 2022 and the Holding Company ceased to have control over the subsidiary entity. Later, the NCLT also passed an order of liquidation vide its order dated 20 October 2023.

During the financial year ended 31 March 2014, the Holding Company settled the bank loan taken by the subsidiary entity and the guarantee was released by the bank. The Provision for diminution in the value of investments in the subsidiary entity was made by the Holding Company during the financial year ended 31 March 2014. The subsidiary entity being a company limited by shares, the management does not expect any further liability.

As informed to us by Management, the impact of non-consolidation of the subsidiary entity upto 26 September 2022 will not be material and accordingly, does not require any adjustment to the Restated Prior Period Consolidated Financial Information.

Other matters paragraph for the respective years, which do not require any adjustments in the restated consolidated Financial Information are as follows:

For the year ended 31 March 2023

Consolidated Financial Statements - Other Matters

(a) As explained in Note no. 38 to the Consolidated Ind AS financial statements, the financial statements of Five subsidiaries (including 4 step-down subsidiaries) have been furnished to us by the Management whose financial statements reflect net assets of Rs. 272.63 million as at 31 March 2023, total revenue of Rs.0.25 million and total comprehensive Income (loss) of Rs. 2.61 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion is not modified in respect of the above matters

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

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

(b) We did not audit the financial statements of Eleven subsidiaries (including three step-down subsidiaries) and one joint ventures, whose financial statements reflect total assets of Rs.1,609.14 million and net assets of Rs.228.37 million as at 31st March 2023, total revenues of Rs. 23.10 million and the total comprehensive income (Loss) of Rs. 21.19 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs.0.09 million for the year ended 31st March 2023, as considered in the consolidated Ind AS financial statements, in respect of a joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors as set out in Appendix I whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion is not modified in respect of the above matters

(c) Subsidiary auditors qualified their report on the following matters:

The subsidiary auditors also qualified matters related to going concern in their respective audit reports. - Refer Note no 42 (A) to the Consolidated Ind AS financial statements.

Our opinion is not modified in respect of the above matters

(d) Refer Note no 42(B) w.r.t., ongoing litigation against South Coast Infrastructure Development Company of Andhra Pradesh Ltd. This investment has been accounted under equity method based on the unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion is not modified in respect of the above matters

(e) As explained in Note no.38 to the Consolidated Ind AS financial statements, Certain subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of the above matters

For the year ended 31 March 2022

Consolidated Financial Statements- Basis for Qualification

(a) As explained in Note no.38.3 to the Consolidated Ind AS financial statements, BEML Midwest Limited, a subsidiary, has not been consolidated in the absence of its Ind AS financial statements. As per the accounting principles, the financial statements of this subsidiary should have been consolidated. The effects on the consolidated Ind AS financial statements, of the failure to consolidate this subsidiary company, net of provision for diminution already made in the value of the investment, has not been determined.

There was complete cessation of activities in BEML Midwest Limited ('the subsidiary entity') since September 2008, and the matters relating to the subsidiary entity were subjudice. In view of the above, the subsidiary had not prepared its accounts and the same could not be consolidated in the Consolidated Ind AS financial statements of Midwest Limited ('the Holding Company') for the year ended 31 March 2022. The Subsidiary entity was admitted under the CIRP process vide order dated 26 September 2022, of the Hon'ble NCLT Hyderabad ('the NCLT'). Further the NCLT also returned the mismanagement petitions filed by the Holding Company and Bharat Earth Movers Limited (BEML) on each other, in view of the admission to CIRP process. Consequent to the admission under CIRP process, the subsidiary entity ceased to be a subsidiary of the Holding Company w.e.f. 26 September 2022 and the Holding Company ceased to have control over the subsidiary entity. Later, the NCLT also passed an order of liquidation vide its order dated 20 October 2023.

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information
(All amounts are Rs. in millions, unless otherwise stated)

During the financial year ended 31 March 2014, the Holding Company settled the bank loan taken by the subsidiary entity and the guarantee was released by the bank. The Provision for diminution in the value of investments in the subsidiary entity was made by the Holding Company during the financial year ended 31 March 2014. The subsidiary entity being a company limited by shares, the management does not expect any further liability.

As informed to us by Management, the impact of non-consolidation of the subsidiary entity for the year ended 31 March 2022 will not be material and accordingly, does not require any adjustment to the Restated Prior Period Consolidated Financial Information.

(b) As explained in Note no. 38 to the Consolidated Ind AS financial statements, financial statements of Seven subsidiaries (including 5 step-down subsidiaries) have been furnished to us by the Management whose financial statements reflect total assets of Rs. 1673.41 million and net assets of Rs. 254.97 million as at 31st March, 2022, total revenue of Rs.49.42 million and total comprehensive income of Rs. 37.66 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are material to the Group.

These subsidiaries were not required to be audited in their respective jurisdiction. However, the management of the Company have provided special purpose audited consolidated financial statements of these subsidiaries (covering step down subsidiaries) and respective auditor's report thereon dated 29 May 2024, for the purposes of preparation of restated consolidated financial information of the Holding Company for the year ended 31 March 2022 and issuing examination report thereon in connection with filing of DRHP with SEBI. We have considered these special purpose audited consolidated financial statements and respective auditor's report thereon for the purpose of our Examination Report to the Restated Prior period consolidated financial information for the year ended 31 March 2022 and no adjustments were required to be made to the Restated Prior period consolidated financial information for the year ended 31 March 2022.

(c) Subsidiary auditors qualified their report on the following matters:

- i) The subsidiary auditors have qualified the audit report about non-attendance of physical verification of stocks due to COVID and FUEL Crisis Lockdown as at the balance sheet date. Inventory amounting to Rs. 21.09 million of South Asia Granite and Marble Private Limited (Srilanka) has been accounted based on the management valuation.

The subsidiary auditor of South Asia Granite and Marble Private Limited ('step down subsidiary') physically attended the verification performed by the management in the year 2022-23 and no discrepancies were identified. Further, total value of inventory as mentioned above is not material to the Restated Prior period consolidated financial information for the year ended 31 March 2022.

Accordingly, this matter does not require any adjustment to the Restated Consolidated Financial Information.

- ii) The subsidiary auditors also qualified matters related to going concern in their respective audit reports. - Refer Note no 42 (B) to the Consolidated Ind AS financial statements.

South Asia Granite and Marble Private Limited, the step-down subsidiary, sold its assets during the year ended 31 March 2023 and 2024 and settled the loans due amounting to Rs.47.94 million. Also, the step-down subsidiary have profits during the year ended 31 March 2022 and net worth and current asset position is also positive as on that date. Hence, no adjustments were required to be made to the Restated Prior period consolidated financial information for the year ended 31 March 2022.

Accordingly, this matter does not require any adjustment to the Restated Consolidated Financial Information.

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

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

For the year ended 31 March 2022

Consolidated Financial Statements - Other Matters

(a) We did not audit the financial statements of Nine subsidiaries (including two step-down subsidiaries) and two joint ventures, whose financial statements reflect total assets of Rs. 575.29 million and net assets of Rs. 109.31 million as at 31 March 2022, total revenues of Rs. 5.96 million and the total comprehensive income (Loss) of Rs. 94.37 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs.0.18 million for the year ended 31 March 2022, as considered in the consolidated Ind AS financial statements, in respect of a joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its joint venture and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors. Our opinion is not modified in respect of the above matters

(b) The auditor of South Coast Infrastructure Development Company of Andhra Pradesh Ltd has Disclaimed their Audit opinion about Internal Financial Controls Over Financial Reporting under opinion for the ongoing litigations against the company (Refer Note no 42 (D) to the Consolidated Ind AS financial statements). In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group -

Our opinion is not modified in respect of the above matters

(c) As explained in Note no.38 to the Consolidated Ind AS financial statements, Certain subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of the above matters

Auditor's Comment in Annexure to Auditors' Report, which do not require any corrective adjustments in the Consolidated RestatedFinancial Information

In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2020 ("the CARO 2020 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 as at and for the financial years ended 31 March 2024 and 31 March 2023 respectively. Certain statements/comments included in the CARO in the standalone financial statements of the parent Company, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

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

For the year ended 31 March 2024

Midwest Limited

- (i) (c) According to the information and explanations given to us, the title deeds of 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 the standalone financial statements, are held in the name of the Company, except for the immovable properties acquired during amalgamation in the earlier year. As explained to us, registration of title deeds are in progress in respect of immovable properties acquired during the amalgamation.

Description of Properties	Gross Carrying value* (Rs in Millions)	held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Free hold Land	2.72	Subhiksha Agro Farms pvt ltd	No	From FY 2013-14	For certain properties acquired through amalgamation/ merger, the name change in the name of the Company is pending
	3.93	Yarra Agro Estates pvt ltd	No		
	12.83	Reliance Granite Private ltd	No		
	1.47	Victorian granite Private ltd	No		
	0.18	Ind Natali Granite ltd	No		
	13.44	Opusasia Technologies Private ltd	No		
Total(a)	34.57				

- iii(e) According to the information explanation provided to us, the loans or advances in the nature of loan granted has fallen due during the year. The Company has renewed or extended or granted fresh loans to existing parties. The details of the same are as follows:

Name of the Parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
MR Granites	Rs 55.00 Mn	Rs 29.63 Mn	53.87%

- vii(a) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, services tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at 31 March 2024 outstanding for a period of more than six months from the date they became payable.

Andhra Pradesh Granite (Midwest) Private Limited

- vii(a) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, services tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at 31 March 2024 outstanding for a period of more than six months from the date they became payable.

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information
(All amounts are Rs. in millions, unless otherwise stated)

Midwest Gold Limited

- vii(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, cess, and other material statutory dues, as applicable, except there has been a slight delay in a few cases of Income tax and goods and Service tax, with the appropriate authorities. In respect of Professional Tax during the year, the company has not deposited the sum of Rs. 0.003 millions due for 2 months.
- As confirmed by the management Provident fund, employee state insurance, sales tax, service tax, duty of excise, and value-added tax are not applicable to the company.

Midwest Neostone Private Limited

- vii(a) According to the records of the Company examined by us, undisputed statutory dues including Income Tax, Goods and Service Tax, Cess and other material statutory dues, whichever is applicable, have been generally regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in depositing undisputed statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March 2024 for a period of more than six months from the date of becoming payable.
- As confirmed by the management Provident Fund, employees' state insurance, sales tax, service tax, duty of excise and Customs and value-added tax are not applicable to the company

South Coast Infrastructure Development Company Of Andhra Pradesh Limited

In our opinion and according to the information and explanations given to us, the Company has incurred cash losses amounting to Rs 1.79 millions during the financial year under audit.

For the year ended 31 March 2023

Midwest Granite Private Limited

- (i) ('c) 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 favor of the lessee), as disclosed in Note 3 on Property, plant and equipment and Note 4 on Right-of-use assets to the standalone financial statements, are held in the name of the Company, except

Description of Properties	Gross Carrying value* (Rs in Millions)	held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Free hold Land	2.72	Subhiksha Agro Farms pvt ltd	No	From FY 2013-14	For certain properties acquired through amalgamation/ merger, the name change in the name of the Company is pending
	3.93	Yarra Agro Estates pvt ltd	No		
	13.29	Reliance Granite Private ltd	No		
	1.47	Victorian granite Private ltd	No		
	0.18	Ind Natali Granite ltd	No		
	12.14	Opusasia Technologies Private ltd	No		
Total(a)	33.73				

*Gross Carrying value excludes land revaluation on account of Ind AS transition

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

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

- (ii) (b). In our opinion and according to information and explanation given to us, the Company has been sanctioned working capital limits in excess of rupees Five Crores, in aggregate, from Banks which are (INR in Millions)

Name of the Bank	HDFC Bank Limited			
Aggregate working capital limits sanctioned	756.20			
Nature of Current Asset offered as Security	Primarily on Inventory and trade receivables (Refer the note no 15.2 of the attached financial statements for details)			
Quarter ended	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Amount disclosed as per quarterly return/ statement	453.36	505.74	715.84	1004.02
Amount as per books of account	485.55	518.36	745.23	1002.71
Difference	-32.19	-12.62	-29.39	1.31
Reasons for difference	On Account of pending Reconciliation of customer balances at the time of submitting returns to the Bank.			

- (iii) (e). According to the information and explanations given to us and on the basis of our examination of the records of the Company. One loan which fell due during the year was extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/ advances in nature of loan.

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue at year-end and extended with same amount with the same party	Percentage* of the aggregate to the total loans or advances in the nature of loans granted during the year
MR Granites	-	25.21	-

- (iii) (f). The Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Companies and firm. Details given in table below. No loans were granted during the year to promoters.

Aggregate amount of loan given	All Parties	Promoters	Related Parties
- Repayable on demand (A)	-	-	-
- Without agreement and Repayable on demand to subsidiaries (B)	310.36	-	310.36
Total (A+B)	310.36	-	310.36
Percentage of loans			100%

- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax, though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues.

As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

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

Andhra Pradesh Granite (Midwest) Private Limited

- (ii) (b). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, The discrepancies of amounts as per books of account and the Quarterly returns submitted to the banks are reported below

(Rs in Millions)	
Name of the Bank	Kotak Mahindra Bank Limited
Aggregate working capital limits sanctioned	7,37.11 Millions
Nature of Current Asset offered as Security	Inventory, Trade receivables and other Books Debts (Refer the note no 16.ii of the attached financial statements for details)
Quarter ended	March 31, 2023
Amount disclosed as per quarterly return/ statement	570.33
Amount as per books of account	533.63
Difference	36.70
Reasons for difference	Company is in the process of reconciliation and same will be informing to the banker after the reconciliation

- (vii) (a). According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Income tax, goods and services Tax, employees' state insurance, customs duty, cess and other material statutory dues, as applicable, except there has been a slight delay in a few cases of provident fund and Tax Deducted at source with the appropriate authorities.

As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company.

Midwest Gold Limited

- (vii) (a)

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, cess, and other material statutory dues, as applicable, except there has been a slight delay in a few cases of Income tax, with the appropriate authorities.

As confirmed by the management Provident fund, employee state insurance, sales tax, service tax, duty of excise, and value-added tax are not applicable to the company.

Auditor's Comment in Annexure to Auditors' Report, which do not require any corrective adjustments in the Consolidated Restated Financial Information

In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 as at and for the financial years ended 31 March 2022. Certain statements/comments included in the CARO in the standalone financial statements of the parent Company, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

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

For the year ended 31 March 2022

Midwest Granite Private Limited

- (i) ('c) 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 favor of the lessee), as disclosed in Note 3 on Property, plant and equipment and Note 4 on Right-of-use assets to the standalone financial statements, are held in the name of the Company, except

Description of Properties	Gross Carrying value (Rs in Millions)	held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Free hold Land	2.72	Subhiksha Agro Farms pvt Ltd	No	From FY 2013-14	For certain properties acquired through amalgamation/merger, the name change in the name of the Company is pending
	3.93	Yarra Agro Estates pvt Ltd	No		
	13.30	Reliance Granite Private Ltd	No		
	1.47	Victorian granite Private Ltd	No		
	0.18	Ind Natali Granite ltd	No		
	12.14	Opusasia Technologies Private Ltd	No		
Total(a)	33.73				
	0.75	Title deeds not readily available with the company to report on the Ownership details	No	From FY 2001-02	Title Deeds not available with the Company
	0.05		No	From FY 2002-03	
	0.29		No	From FY 2006-07	
	0.40		No	From FY 2009-10	
	0.20		No	From FY 2011-12	
Total(b)	1.69				
Total(a+b)	35.42				

- (ii) (b). In our opinion and according to information and explanation given to us, the Company has been sanctioned working capital limits in excess of rupees Five Crores, in aggregate, from Banks which are secured on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, The discrepancies of amounts as per books of account and the Quarterly returns submitted to the banks are reported below.

(INR in millions)				
Name of the Bank	HDFC Bank Limited			
Aggregate working capital limits sanctioned	524.20			
Nature of Current Asset offered as Security	Primarily on inventory and trade receivables (Refer the note no 15.2 of the attached financial statements for details)			
Quarter ended	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
Amount disclosed as per quarterly return/ statement	252.17	170.19	186.76	544.09
Amount as per books of account	245.26	168.25	186.97	538.41
Difference	6.91	1.93	(0.21)	5.68
Reasons for difference	On Account of pending Reconciliation of customer balances at the time of submitting returns to the Bank			

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

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

- (iii) (c). According to the books of accounts and records examined by us in respect of the loans all the loans are repayable on demand and no repayment schedules are mentioned in the agreements
- (iii) (f). The Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Companies and firm. Details given in table below. No loans were granted during the year to promoters.

Aggregate amount of loan given	All Parties	Promoters	Related Parties
- Repayable on demand (A)	307.06	-	221.29
- Without agreement and Repayable on demand to subsidiaries (B)	38.44	-	38.44
Total (A+B)	345.50	-	259.73
Percentage of loans			75%

- (vii) (a). According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax, though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues.

As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company

Andhra Pradesh Granite (Midwest) Private Limited

- (vii) (a). According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Income tax, goods and services Tax, employees' state insurance ,customs duty, cess and other material statutory dues, as applicable, except there has been a slight delay in a few cases of Professional Tax and provident fund with the appropriate authorities.

As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company.

South Coast Infrastructure Development Corporation of Andhra Pradesh Ltd

- (xi) (a). As a consequence of the various matters resulting in change in the operational status of the company, as more fully described in Notes 2 and 3 of the Ind AS Financial Statements and having regard to and the pending outcome of the various matters described in Basis for disclaimer of opinion section above, based on audit procedures performed by us and according to information and explanations given to us by the management, we are unable to report on fraud by the company or on the company during the year;
- (xv). Due to the possible effects of the matters stated in the 'Basis of Disclaimer of Opinion section' of our auditor's report given above, we are unable to comment on whether the Company has not entered into any non-cash transactions with directors or persons connected with him;

Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information

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

(xix). On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

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

For and on behalf of the Board of Directors of
Midwest Limited (formerly known as Midwest Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Ramchandra Kollareddy
Whole time Director
DIN:00060086

Soumya Kukreti
Whole time Director
DIN:01760289

Place: Hyderabad
Date: 27th September 2024

Ch. Dilip Kumar
Chief Financial Officer
Place: Hyderabad
Date: 27th September 2024

Rohit Tibrewal
Company Secretary
M No: A31385
Place: Hyderabad
Date: 27th September 2024

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

3 Property, plant and equipment

Description	Land	Improvements to Leasehold Premises	Buildings	Plant and equipment	Mining equipment	Furniture and Fixtures	Vehicles	Office equipment	Electrical installation	Computers	Water works	Total	Other intangible assets
Cost													
Balance as at 01 April 2021	909.30	19.59	120.57	316.58	1,218.83	24.16	87.19	23.71	67.51	11.03	14.81	2,813.28	-
Additions	64.78	-	47.01	28.86	314.19	1.55	10.37	3.64	4.64	1.41	1.58	478.03	-
Disposals	-	-	(0.44)	(59.27)	(105.25)	-	(10.11)	(1.68)	-	(3.81)	-	(180.56)	-
Translation adjustments	-	-	(3.08)	(24.07)	0.20	(0.07)	(0.45)	(0.04)	-	(0.16)	-	(27.67)	-
Balance as at 31 March 2022	974.08	19.59	164.06	262.10	1,427.97	25.64	87.00	25.63	72.15	8.47	16.39	3,083.08	6.20
Additions	108.20	-	6.13	53.99	353.22	1.34	6.73	3.92	5.41	1.96	3.67	544.57	-
Disposals	(0.49)	-	-	(21.16)	(133.41)	(0.96)	(4.36)	(1.07)	-	(0.78)	-	(162.23)	-
Translation adjustments	-	-	(3.95)	(0.71)	0.42	0.02	(0.04)	0.06	-	(0.01)	-	(4.21)	-
Balance as at 31 March 2023	1,081.79	19.59	166.24	294.22	1,648.20	26.04	89.33	28.54	77.56	9.64	20.06	3,461.21	6.20
Additions	39.75	0.50	0.71	14.66	229.63	2.11	8.50	4.24	8.09	2.76	1.85	312.80	-
Disposals	(28.11)	(0.50)	(3.55)	(44.29)	(224.62)	(3.14)	(4.13)	(10.15)	(37.47)	(3.11)	(8.01)	(367.08)	-
Translation adjustments	-	-	0.02	0.02	0.11	0.01	-	0.02	-	-	-	0.18	-
Balance as at 31 March 2024	1,093.43	19.59	163.42	264.61	1,653.32	25.02	93.70	22.65	48.18	9.29	13.90	3,407.11	6.20
Depreciation and amortisation expenses													
Balance as at 01 April 2021	-	7.87	51.36	265.65	412.82	14.82	50.13	18.33	39.85	8.08	6.22	875.12	-
Depreciation for the year	-	1.78	4.63	8.09	139.36	1.24	6.77	2.09	4.83	1.20	0.86	170.85	-
Disposals	-	-	(0.01)	(20.23)	(57.92)	-	(8.37)	(1.61)	-	(3.24)	-	(91.38)	-
Depreciation transferred to development expenses	-	-	0.03	0.04	-	0.03	-	-	-	-	-	0.10	-
Translation adjustments	-	-	(2.84)	(54.50)	0.21	(0.07)	(0.45)	(0.04)	-	(0.16)	-	(57.85)	-
Balance as at 31 March 2022	-	9.65	53.17	199.05	494.47	16.02	48.08	18.77	44.68	5.88	7.08	896.84	5.89
Depreciation for the year	-	1.78	4.77	11.94	172.71	1.35	7.31	2.61	4.90	1.48	1.15	210.00	-
Disposals	-	-	-	(11.41)	(53.26)	(0.96)	(2.56)	(1.02)	-	(0.78)	-	(69.99)	-
Depreciation transferred to development expenses	-	-	0.03	-	-	0.04	-	-	-	-	-	0.07	-
Translation adjustments	-	-	(3.27)	(0.71)	0.42	0.02	(0.04)	0.06	-	(0.01)	-	(3.53)	-
Balance as at 31 March 2023	-	11.43	54.70	198.87	614.34	16.47	52.79	20.42	49.58	6.57	8.23	1,033.39	5.89
Depreciation for the year	-	1.81	4.91	11.10	180.51	1.48	7.08	2.51	3.89	1.76	1.32	216.37	-
Disposals	-	-	(3.55)	(41.65)	(126.47)	(3.01)	(3.99)	(9.17)	(35.42)	(2.88)	(6.38)	(232.52)	-
Translation adjustments	-	-	-	0.02	0.11	0.01	-	0.02	-	-	-	0.16	-
Balance as at 31 March 2024	-	13.24	56.06	168.34	668.49	14.95	55.88	13.78	18.05	5.45	3.17	1,017.40	5.89
Net carrying amount as at 31 March 2022	974.08	9.94	110.89	63.05	933.50	9.62	38.92	6.86	27.47	2.59	9.31	2,186.24	0.31
Net carrying amount as at 31 March 2023	1,081.79	8.16	111.54	95.35	1,033.86	9.57	36.54	8.12	27.98	3.07	11.83	2,427.82	0.31
Net carrying amount as at 31 March 2024	1,093.43	6.35	107.36	96.27	984.83	10.07	37.82	8.87	30.13	3.84	10.73	2,389.71	0.31

Notes:

- (i) Refer to Note 21 & 38 for information on property, plant and equipment pledged as security by the group.
- (ii) The group has not revalued its Intangible and tangible Assets during the current year and previous two years

Midwest Limited (formerly known as Midwest Private Limited)
(CIN : U14102TG1981PLC003317)
Annexure VII - Notes to Restated Consolidated Financials Statements
(All amounts are Rs. in millions, unless otherwise stated)

4a Right-of-use assets and lease liabilities

(i) Information about leases for which the Group is a lessee is as follows:

a. Right-of-Use Assets

Description	Lease hold land
Gross carrying amount	
Balance as at 01 April 2021	133.73
Translation adjustments	(0.71)
Balance as at 31 March 2022	133.02
Translation adjustments	(0.56)
Balance as at 31 March 2023	132.46
Additions	30.03
Disposals	(1.16)
Balance as at 31 March 2024	161.33
Accumulated depreciation	
Balance as at 01 April 2021	10.87
Depreciation for the year	5.46
Translation adjustments	(0.02)
Balance as at 31 March 2022	16.31
Depreciation for the year	5.43
Translation adjustments	(0.02)
Balance as at 31 March 2023	21.72
Depreciation for the year	8.40
Disposals	(0.06)
Balance as at 31 March 2024	30.06
Net carrying amount	
Net carrying amount as at 31 March 2022	116.71
Net carrying amount as at 31 March 2023	110.74
Net carrying amount as at 31 March 2024	131.27

Midwest Limited (formerly known as Midwest Private Limited)
(CIN : U14102TG1981PLC003317)
Annexure VII - Notes to Restated Consolidated Financials Statements
(All amounts are Rs. in millions, unless otherwise stated)

b. Lease liabilities

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

Particulars	As at / for the year ended	As at / for the year ended	As at / for the year ended
	31 March 2024	31 March 2023	31 March 2022
Balance as at 01 April	19.47	17.26	16.59
Additions during the year	18.50	-	-
Interest expense on lease liabilities	3.46	2.38	2.09
Payment of lease liabilities	(4.80)	(0.17)	(1.42)
Balance as at 31 March	36.63	19.47	17.26
Classified as:			
Non-Current	30.08	17.94	17.26
Current	6.55	1.53	-

(ii) Amounts recognised in statement of profit and loss

	As at / for the year ended	As at / for the year ended	As at / for the year ended
	31 March 2024	31 March 2023	31 March 2022
Short term leases and low value assets (Refer Note 34)	17.14	15.52	15.78
	17.14	15.52	15.78

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

	As at / for the year ended	As at / for the year ended	As at / for the year ended
	31 March 2024	31 March 2023	31 March 2022
Less than one year	4.97	1.77	1.69
One to five years	13.04	10.28	9.79
More than five years	91.61	90.48	92.75

5a Capital work-in-progress

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Capital work-in-progress	132.73	21.56	96.43

Capital work-in-progress ageing schedule

Project in progress	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022	84.81	-	-	11.62	96.43
As at 31 March 2023	9.94	-	-	11.62	21.56
As at 31 March 2024	120.06	3.54	-	9.13	132.73

There are no projects as capital work-in-progress as at 31 March 2024 and 31 March 2023 whose completion is overdue or cost of which has exceeded in comparison to its original plan.

5b Intangible Assets under Development

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Intangible Assets under Development	1,058.85	1,032.23	934.65

Intangible assets under development ageing schedule

Project in progress	Amount in Intangible Assets under Development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022	84.68	-	62.03	787.94	934.65
As at 31 March 2023	97.58	84.68	-	849.97	1,032.23
As at 31 March 2024	26.61	97.59	84.68	849.97	1,058.85

There are no projects as capital work-in-progress as at 31 March 2024 and 31 March 2023 whose completion is overdue or cost of which has exceeded in comparison to its original plan.

5c Goodwill

Particulars	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023	As at / for the year ended 31 March 2022
Cost			
Carrying value at the beginning of the year	15.30	18.10	3.43
Additions during the year			
- Maitreya Minerals	14.96	-	-
- N.D.R. Mining Co.	-	0.52	-
- Astral Granite Private Limited	-	-	14.78
Reversal on Sale of			
- Astral Granite Private Limited	(14.78)	-	-
Reversal on additional acquisition of interest in			
- Andhra Pradesh Granite (Midwest) Private Limited	-	(3.32)	-
Adjustment on account of Merger of			
- Midwest Mining Private Limited	-	-	(0.11)
Carrying value at the end of the year	15.48	15.30	18.10

5d Business Combinations:

During the Financial year 2023-24

i. Acquisition of Maitreya Minerals

On 14 November 2023, the Company acquired 98% stake in Maitreya Minerals for a purchase consideration of INR 5 million. The purchase consideration of INR 5 million was settled by paying cash.

The provisional allocation of the fair values of identifiable assets and liabilities are as follows:

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	0.15	-	0.15
current assets	0.09	-	0.09
(Liabilities)	(10.38)	-	(10.38)
Total	(10.14)	-	(10.14)
Goodwill			14.96
Non-controlling interests			0.18
Purchase consideration			5.00
Total consideration transferred by cash			5.00

ii. Sale of Subsidiaries in Financial Year 2023-24

Particulars	Amaya Smart Technologies Private Limited ¹	Midwest Quartz Private Limited ²	Midwest Advanced Materials Private Limited (Formerly Midwest Rare Earths Private Limited) ³	Astral Granite Private Limited ⁴
Sale consideration	0.10	1.50		1.50
Carrying amount	0.93	(1.47)		4.02
Impairment if any	9.77	-	-	-
Goodwill	-	-	-	(14.78)
Gain/(loss) on sale of subsidiary	10.80	0.03		5.52
				(19.58)

1. During the year ended 31 March 2024, the Company sold its 100% stake in Amaya Smart Technologies Private Limited with a enterprise value of Rs. 0.10 million to Samunuru Shyam Sunder Raju. Consequently, a gain on sale aggregating to Rs. 10.80 million araised during the year ended 31 March 2024.

2. During the year ended 31 March 2024, the Company sold its 100% stake in Midwest Quartz Private Limited with a enterprise value of Rs. 1.50 million to Kollaredy Rama Raghava Reddy. a gain on sale aggregating to Rs. 0.03 million araised during the year ended 31 March 2024.

3. During the year ended 31 March 2024, the Company sold its 100% stake in Midwest Advanced Material Private Limited with a enterprise value of Rs. 1.50 million to Midwest Energy Private Limited. A gain on sale aggregating to Rs. 5.52 million araised during the year ended 31 March 2024.

4. During the year ended 31 March 2024, the Company sold its 100% stake in Astral Granite Private Limited with a enterprise value of Rs. 0.42 million to Prathyusha Nisshankara Rao. Consequently, a loss on sale aggregating to Rs. 19.58 million araised during the year ended 31 March 2024.

During the Financial year 2022-23

i. Acquisition of NDR Mining

On 24 December 2022, the Company acquired 98% stake in NDR Mining Co. for purchase consideration of INR 2 million. The purchase consideration of INR 2 million was settled by paying cash.

The provisional allocation of the fair values of identifiable assets and liabilities are as follows:

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	0.63	-	0.63
current assets	0.85	-	0.85
(Liabilities)	(0.04)	-	(0.04)
Total	1.44	-	1.44
Goodwill			0.52
Non-controlling interests			0.04
Purchase consideration			2.00
Total consideration transferred by cash			2.00

During the Financial year 2021-22

i. Acquisition of Astral Granite Private Limited

On 09 September 2021, the Company acquired 100% stake in Astral Granite Private Limited. by capital Contribution of INR 20.85 million. The purchase consideration of INR 20.85 million was settled by paying cash.

The provisional allocation of the fair values of identifiable assets and liabilities are as follows:

Particulars	Acquiree's carrying amount	Fair value adjustments	Purchase price allocated
Property, plant and equipment	-	-	-
current assets	7.00	-	7.00
(Liabilities)	(0.93)	-	(0.93)
Total	6.07	-	6.07
Goodwill			14.78
Non-controlling interests			-
Purchase consideration			20.85
Total consideration transferred by cash			20.85

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

6a Investments accounted for using the equity method

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Investment in Joint Ventures			
South Coast Infrastructure Development Company of Andhra Pradesh Limited*	-	-	-
25,000 (2023: 25,000, 2022: 25,000) Equity Shares of Rs.10/- each, fully paid			
SMW Granites LLP**	-	6.85	6.81
Name of the Partner - Share in Profit (%)			
Midwest Limited - 50%	-	-	-
Srikanth Daliya -50%	-	-	-
Total Capital of the LLP - Rs.80,00,000	-	6.85	6.81

*The caring value of investment became Nil due to subsequent losses in the JV

**During the year ended 31 March 2024, the Company sold its stake in SMW Granite LLP for the consideration of Rs. 5.00 million to B. Narashima Reddy against its carrying value of Rs.6.85 million. Consequently, the unrealised carrying value has been derecognised

6b Financial Assets- Investments

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(i) Investment in equity instruments			
Unquoted (at amortised cost)			
BEML Midwest Limited	66.17	66.17	66.17
6,617,200 (2023: 6,617,200, 2022: 6,617,200) Equity Shares of Rs.10/- each	(66.17)	(66.17)	(66.17)
Less: Impairment in value of investment	-	-	-
(ii) Investment in Other Entities			
Quoted equity shares (at fair value through Profit and loss account)			
Aditya Birla Fashion and Retail Limited	1.07	1.11	1.56
5,200 (2023: 5,200, 2022: 5,200) Equity shares of Rs.10/- each, fully paid	(66.17)	(66.17)	(66.17)
Grasim Industries Limited	3.44	2.45	2.50
1,500 (2023: 1,500, 2022: 1,500) Equity shares of Rs.2/- each, fully paid	(66.17)	(66.17)	(66.17)
Aditya Birla Capital Limited	0.37	0.32	0.23
2,100 (2023: 2,100, 2022: 2,100) Equity shares of Rs.10/- each, fully paid	(66.17)	(66.17)	(66.17)
Unquoted Equity Shares (at amortised cost)			
National Stock Exchange of India Limited	-	25.58	15.68
Nil (2023: 8,500, 2022: 5,500) Equity shares of Rs.1/- each, fully paid	(66.17)	(66.17)	(66.17)
Midwest Energy Private Limited	0.01	0.01	0.01
1,000 (2023: 1,000, 2022: 1,000) Equity shares of Rs.10/- each, fully paid	(66.17)	(66.17)	(66.17)
Total (equity instruments)	4.89	29.47	19.98
Investment in preference shares (fully paid-up)			
(i) Investment in Other Entities (at amortised cost)			
Midwest Energy Private Limited - Preference Shares of Rs.100 each	134.70	126.20	60.00
13,470,000 (2023: 12,620,000, 2022: 6,000,000) 9% Non-Cumulative Preference Shares of Rs.10/- each, fully paid	(66.17)	(66.17)	(66.17)
Total (Preference shares)	134.70	126.20	60.00

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Investments in Mutual Funds (at fair value through profit and loss)			
Baring Private Equity India AIF 2	14.08	6.23	-
150 (2023:150, 2022: Nil) Units of Rs.100,000/- each, Partly Paid Rs. 85,000/- (2023: 45,000/-, 2022: Nil)			
Kotak Pre IPO Opportunities Fund	25.29	19.02	20.88
25,395.875 (2023: 19,484.706, 2022: 19,484.706) Units of Rs.1,000/- each, fully paid			
Nippon India Mutual Fund BeES (formerly known as Reliance ETF Liquid BeES)	-	0.75	5.02
0.725 (2023: 747.692, 2022: 2,501.031) Units of Rs.1,000/- each, fully paid			
Fireside Ventures Investment Fund III	6.77	2.75	-
75 Units (2023: 37.50, Units, 2022: nil) of Rs.100,000/- each, fully paid			
Total (Investment in Mutual Funds)	46.14	28.75	25.90
Investment in government securities (at amortised cost):			
National Savings Certificates (Pledged as Security deposit with government authorities)	-	0.15	0.15
Total (Investment in government securities)	-	0.15	0.15
Investment in equity instruments (Quoted):(at fair value through profit and loss)			
Axis Bank Limited	-	0.86	-
Nil (2023: 1,000, 2022: Nil) Equity shares of Rs.2/- each, fully paid			
Bombay Burmah Trading Corporation Limited	-	0.81	-
Nil (2023: 1,000, 2022: Nil) Equity shares of Rs.2/- each, fully paid			
DCB Bank Limited	-	0.59	-
Nil (2023: 5,500, 2022: Nil) Equity shares of Rs.10/- each, fully paid			
Exide Industries Limited	-	0.89	-
Nil (2023: 5,000, 2022: Nil) Equity shares of Rs.1/- each, fully paid			
Heranba Industries Limited	-	0.42	-
Nil (2023: 1,500, 2022: Nil) Equity shares of Rs.10/- each, fully paid			
Hindustan Aeronautics Limited	-	1.23	-
Nil (2023: 450, 2022: Nil) Equity shares of Rs.10/- each, fully paid			
ICICI Bank Limited	-	0.88	-
Nil (2023: 1000, 2022: Nil) Equity shares of Rs.2/- each, fully paid			
Pokarna Limited	-	0.73	-
Nil (2023: 3,000, 2022: Nil) Equity shares of Rs.2/- each, fully paid			
TGV Sraac Limited	-	0.78	-
Nil (2023: 8,000, 2022: Nil) Equity shares of Rs.10/- each, fully paid			
DCX Systems Limited	-	0.07	-
Nil (2023: 508, 2022: Nil) Equity shares of Rs.10/- each, fully paid			
CMS Info Systems Limited	-	0.11	-
Nil (2023: 400, 2022: Nil) Equity shares of Rs.10/- each, fully paid			
Nippon India Mutual Fund ETF Liquid BeEs	-	0.03	-
Nil (2023: 29, 2022: Nil) Units of Rs.1000/- each, fully paid			
Mahindra and Mahindra Limited	-	0.86	-
Nil (2023: 744, 2022: Nil) Equity Shares of Rs.5/- each, fully paid			
	8.26	-	-
Investment in Mutual Funds (at fair value through profit and loss)			
Aditya Birla Sun Life Arbitrage Fund - Growth	105.31	-	-
4,321,322.60 (2023: Nil 2022: Nil) Units			
ICICI Prudential Equity - Arbitrage Fund - Growth	84.01	-	-
2,671,260.29 (2023: Nil 2022: Nil) Units			
Total Investment in Mutual Funds	189.32	-	-
Current	189.32	8.26	-
Non- Current	185.73	184.57	106.04
Aggregate book value of:	375.05	192.83	106.04
Quoted investments	235.46	37.01	25.91
Unquoted investments	205.76	221.99	146.30
Impairment of Investment	(66.17)	(66.17)	(66.17)

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

7 Other financial assets

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Non-current			
Deposits			
a. Security deposits	35.77	24.59	23.55
b. Deposit accounts with maturity for more than 12 months	20.63	0.42	0.38
Other receivable*	67.20	95.06	93.14
	123.60	120.07	117.07
* Unassigned Keyman Insurance policies accrued benefits			
Current			
Interest accrued on fixed deposits	0.23	1.25	1.25
Forward foreign exchange contracts**	0.03	0.17	4.85
Others receivable*	93.76	-	-
	94.02	1.42	6.10

*Note: This includes

(i) Mutual Funds sold by the Company on 28 March 2024, however the settlement occurred post 31 March 2024.

(ii) The Company sold the NSE Equity shares, however the consideration will be received from the buyer on approval of the transaction by NSE.

(iii) Unassigned Keyman Insurance policies accrued benefits

** Hedge accounting : The Company designates its foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecasted revenue transactions. Cash flow hedges: The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

8 Other non-current assets

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
a. Capital advances	323.21	122.56	185.42
b. Prepaid expenses	19.44	-	-
c. Security deposits	122.84	76.25	57.22
d. Balance with government authorities	68.58	76.65	61.08
e. Deposits against cases	-	2.69	2.69
f. Other receivable*	6.51	21.51	7.83
g. Provision for other Receivable	(6.50)	(6.50)	(6.50)
	534.08	293.16	307.74

*Note: This amount is given to M/s Venkateswara Granites prior to 2013-14, the same has been provided for in the books

9 Deferred tax asset (net)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Deferred tax liability:			
Arising on account of temporary differences in:			
Property, plant and equipment	0.83	(9.27)	(8.52)
Other receivables	(27.57)	(23.93)	(23.42)
Financial assets measured at FVTPL	(2.13)	(0.03)	(1.08)
Right-to-use of asset	(1.42)	-	-
Prepaid expenses	(3.21)	-	-
	(33.50)	(33.23)	(33.02)
Deferred tax asset: (refer note no: 45)			
Expenses allowable on the basis of payment	9.66	10.44	9.10
Provision for impairment of investments	16.65	19.11	19.11
Provision for expected credit loss allowances	11.59	2.65	12.46
Provision for doubtful Advances	12.03	15.43	15.22
Provision for employee benefits	11.94	11.14	11.32
Lease liabilities	1.48	-	-
Prepaid interest	-	5.61	-
Prepaid expenses	6.07	-	-
Provision from others	0.15	0.13	6.67
	69.57	64.51	73.88
	36.07	31.28	40.86

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

10 Inventories (At lower of cost and net realisable value)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Raw material (at cost)	14.78	9.06	32.99
Work-in-progress	6.97	5.55	46.74
Finished goods	253.85	440.58	284.53
Stores and spares (at cost)	89.41	112.45	139.06
Stock-in-trade	6.98	6.54	6.54
	371.99	574.18	509.86

11 Trade receivables

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Trade receivables			
Secured, Considered good	846.41	815.32	290.91
Unsecured,			
-Considered good	344.28	147.14	125.50
-Credit impaired	70.67	93.50	116.37
	1,261.36	1,055.96	532.78
Less: Allowance for credit impaired	(70.67)	(93.50)	(116.37)
	1,190.69	962.46	416.41

Notes:

(i) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.

(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. 41

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	728.63	418.25	11.08	18.03	0.18	14.52	1,190.69
(ii) Undisputed trade receivables - credit impaired	-	22.61	1.24	7.28	8.76	30.78	70.67
(iv) Disputed trade receivables- considered good	-	-	-	-	-	-	-
(iii) Disputed trade receivables - which have significant	-	-	-	-	-	-	-
Total	728.63	440.86	12.32	25.31	8.94	45.30	1,261.36

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	611.65	236.34	61.84	7.82	2.12	42.69	962.46
(ii) Undisputed trade receivables - credit impaired	-	-	3.24	1.88	1.28	85.75	92.15
(iii) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	1.35	1.35
Total	611.65	236.34	65.08	9.70	3.40	129.79	1,055.96

As at 31 March 2022

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	219.45	129.65	13.31	11.96	4.07	37.98	416.41
(ii) Undisputed trade receivables - credit impaired	0.05	-	0.48	0.15	0.92	70.46	72.06
(iii) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	44.31	44.31
Total	219.50	129.65	13.79	12.11	4.99	152.75	532.78

There are no unbilled dues, hence the same is not disclosed in the ageing schedule

12a Cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Cash on hand	1.21	1.80	0.55
Balances with banks			
- in current accounts	133.37	108.36	355.55
- Deposits with maturity of less than 3 months	120.00	-	-
	254.58	110.16	356.10

Refer Note 42 for information about the Group's exposure to financial risks

12b Bank balances other than cash and cash equivalents

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
- Deposits with banks with original maturity of more than three months but less than 12 months	3.02	7.65	265.52
- Balances with banks held as margin money (refer below note (ii))	24.31	16.20	15.46
	27.33	23.85	280.98

Notes:

(i) Refer Note 42 for information about the Group's exposure to financial risks

(ii) Rs. 13.17 millions (31 March 2023: Rs. 12.44 millions, 31 March 2022: Rs. 11.42 millions) is restricted by way of guarantee favouring government bodies, based on terms of agreement.

13 Loans

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good			
Loans to related parties (refer note No 37)	63.33	30.01	30.02
Loans to others	54.67	80.47	85.77
	118.00	110.48	115.79

Refer Note 42 for information about the Group's exposure to financial risks.

Particulars of loans given as required by sub-section 4 of section 186 of The Companies Act 2013

Name of the Entity	South Coast Infrastructure Development Company	Midwest Energy Pvt Ltd	Midwest Mining Private Limited	Midwest Advanced Materials Pvt Ltd (Formerly Midwest Rare Earths Pvt Ltd)	MR Granites	Fourvees Builders India Pvt Ltd
Related/Not Related Balance	Related	Related	Not Related	Related	Not Related	Not Related
As at March 31, 2024	30.01	1.90	-	31.41	29.63	25.05
As at March 31, 2023	30.01	-	0.99	-	27.25	52.23
As at March 31, 2022	30.01	-	-	-	25.21	60.57
Period						
As at March 31, 2024		2 years	NA	2 YEAR	1 YEAR	1 YEAR
As at March 31, 2023	Repayable on Demand	NA	Repayable on Demand	2 YEAR	1 YEAR	1 YEAR
As at March 31, 2022		NA	NA	NA	1 YEAR	1 YEAR
Interest rate						
As at March 31, 2024	Interest Free (Prior to 2013)	9.00%	NA	9.00%	9.00%	9.50%
As at March 31, 2023		NA	-	9.00%	9.00%	7.50%
As at March 31, 2022		NA	NA	NA	12.00%	9.00%
Purpose	General Corporate Purpose					

14 Other current assets

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Advance to suppliers	83.11	133.76	109.00
Advances to employees	6.77	5.10	1.12
Balance with government authorities	543.87	335.45	207.71
Deposits against Legal Cases	37.55	16.61	16.65
Prepaid expenses	46.16	34.38	66.49
	717.46	525.30	400.97

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financial Statements

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

15 Equity Share capital

As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
------------------------	------------------------	------------------------

Authorised share capital			
1,257,000 (31 March 2023: 1,257,000, 31 March 2022 :1,257,000)	125.70	125.70	125.70
Equity shares of Rs.100/- each			
Issued, subscribed and paid up			
966,069 (31 March 2023: 74,313 31 March 2022 :74,313) Equity shares of Rs.100/- each	96.61	7.43	7.43
	96.61	7.43	7.43

Notes:

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		As at / for the year ended 31 March 2022	
	No. of shares	Amount in Rs. Mn	No. of shares	Amount in Rs. Mn	No. of shares	Amount in Rs. Mn
Outstanding at the beginning of the year	1,257,000	125.70	1,257,000	125.70	1,257,000	125.70
Changes during the year	-	-	-	-	-	-
Outstanding at the end of the year	1,257,000	125.70	1,257,000	125.70	1,257,000	125.70

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

Particulars	As at / for the year ended 31 March 2024		As at / for the year ended 31 March 2023		As at / for the year ended 31 March 2022	
	No. of shares	Amount in Rs. Mn	No. of shares	Amount in Rs. Mn	No. of shares	Amount in Rs. Mn
Outstanding at the beginning of the year	74,313	7.43	74,313	7.43	74,313	7.43
Add:						
i. issued during the year*	891,756	89.18	-	-	-	-
Outstanding at the end of the year	966,069	96.61	74,313	7.43	74,313	7.43

*Note: During the year, the company issued bonus shares in the ratio of 12 equity shares of Rs. 100 each for every one equity share held by the share holders

iii) Rights, preferences and restrictions attached to equity shares of Rs. 100 each, fully paid up:

The Company had only one class of equity shares having par value of Rs.100 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) Shareholders holding more than 5% of each class of shares

	As at / for the year ended 31 March 2024		As at / for the year ended 31 March 2023		As at / for the year ended 31 March 2022	
	No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares
Mr. K. Rama Raghava Reddy	843,518	87.31%	64,886	87.31%	64,886	87.31%
Mr. G. Ravindra Reddy	91,000	9.42%	7,000	9.42%	7,000	9.42%

v) Shareholding of promoters

Equity shares of INR 100 each, fully paid up

Name of promoter	As at / for the year ended 31 March 2024		
	No. of Shares	% Holding	% Change during the period
Mr. K. Rama Raghava Reddy	843,518	87.31%	0.00%
Mr. K. Ramachandra	1,300	1.06%	0.00%
As at / for the year ended 31 March 2023			
Name of promoter	No. of Shares	% Holding	% Change during the year
Mr. K. Rama Raghava Reddy	64,886	87.31%	0.00%
Mr. K. Ramachandra	100	9.42%	0.00%
As at / for the year ended 31 March 2022			
Name of promoter	No. of Shares	% Holding	% Change during the year
Mr. K. Rama Raghava Reddy	64,886	87.31%	0.00%
Mr. K. Ramachandra	100	9.42%	0.00%

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

16a Other equity	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Reserves and surplus			
Retained earnings (refer note i)	3,855.58	2,996.74	2,455.46
General Reserve (refer note ii)	71.54	160.71	160.71
Capital Redemption Reserve (refer note iii)	6.39	1.80	1.80
Share Application Money (refer note iv)	46.45	40.30	18.96
Other Reserve			
Capital Reserve (refer note v)	136.31	136.31	123.13
Forfeited Shares (refer note vi)	0.07	0.07	0.07
Other comprehensive income (refer note vii)	732.21	752.91	692.75
	4,848.55	4,088.84	3,452.88
Notes:			
i) Retained earnings	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023	As at / for the year ended 31 March 2022
Balance at the beginning of the year	2,996.74	2,455.46	1,817.69
Profit for the year	965.29	540.83	637.77
Transfer of realised gain on sale of land from revaluation surplus	27.31	0.45	-
Dividend paid during the year	(133.76)	-	-
	3,855.58	2,996.74	2,455.46
ii) General Reserve	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023	As at / for the year ended 31 March 2022
Balance at the beginning of the year	160.71	160.71	160.71
Bonus Shares allotted	(89.17)	-	-
	71.54	160.71	160.71
iii) Capital Redemption Reserve	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023	As at / for the year ended 31 March 2022
Balance at the beginning of the year	1.80	1.80	1.80
Buy Back	4.59	-	-
	6.39	1.80	1.80
iv) Share Application Money	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023	As at / for the year ended 31 March 2022
Balance at the beginning of the year	40.30	18.96	18.96
Receipt of share application money	6.15	21.34	-
	46.45	40.30	18.96
v) Capital Reserve	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023	As at / for the year ended 31 March 2022
Balance at the beginning of the year	136.31	123.13	123.13
Transfer to Capital Reserve on acquisition of Further shares in Subsidiary	-	13.18	-
	136.31	136.31	123.13
vi) Forfeited Shares	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023	As at / for the year ended 31 March 2022
Balance at the beginning of the year	0.07	0.07	0.07
	0.07	0.07	0.07

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

vii) Other comprehensive income (OCI)	As at / for the year ended 31 March 2024	As at / for the year ended 31 March 2023	As at / for the year ended 31 March 2022
Remeasurement of defined benefit plan (net of tax) #			
Balance at the beginning of the year	2.24	(0.98)	-
Changes during the year	(1.79)	4.39	(1.41)
Tax effect on other comprehensive Income	0.36	(1.17)	0.43
Balance at the end of the year	0.81	2.24	(0.98)
Foreign currency translation reserve (FCTR)			
Balance at the beginning of the year	180.32	122.93	112.22
Transfer from retained earnings	8.04	57.39	10.71
Balance at the end of the year	188.36	180.32	122.93
Revaluation Surplus			
Balance at the beginning of the year	570.35	570.80	570.80
Transfer of realised gain on sale of land from revaluation surplus	(27.31)	(0.45)	-
Balance at the end of the year	543.04	570.35	570.80
	732.21	752.91	692.75

#Actuarial valuation reserve comprises the cumulative net gains/losses on actuarial valuation of post-employment obligations.

16b	Non-controlling interests (NCI)	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Opening balance	22.46	62.15	26.92	
Share of profit for the year	37.95	3.53	33.16	
Other comprehensive income / (expenses) for the year (net of tax)	0.21	0.24	(0.28)	
Dividend paid during the year	(16.50)	(11.00)	-	
Acquisition of subsidiaries	-	0.03	-	
Sale of subsidiaries	1.45	(32.49)	-	
Non-controlling interests changes during the year	-	-	2.35	
	45.57	22.46	62.15	

Nature and purpose of items in other equity

The following describes the nature and purpose of each item within other equity:

Particulars	Description and purpose
Capital redemption reserve	Amounts transferred on redemption of issued shares
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.
Revaluation reserve	Gains/losses arising on the revaluation of the Group's owned properties (other than investment properties). On disposal of the asset, the balance of the revaluation reserve is transferred to retained earnings
Foreign exchange translation reserve	Gains/losses arising on retranslating the net assets of foreign operations into INR. The cumulative amount is reclassified to profit or loss when the foreign operation is disposed-off.
Capital Reserve	The excess of fair value of net assets acquired over consideration paid in a common control transaction is recognised as capital reserve.
Forfeited Shares	The cancellation of shares allotted to the investors by the company upon non-payment of required capital or subscription fee or any other agreed amount
Other comprehensive income	Other comprehensive income represents the remeasurement of defined benefit plan

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

17 Non-current borrowings

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Secured			
Term loan			
- from Bank (refer note (i))	703.25	729.73	595.75
- from other parties (refer note (ii))	3.50	26.75	62.16
	706.75	756.48	657.91
Unsecured			
From others			
Agencia Commercial Weng Tai	133.42	131.15	119.69
Consolidated Minerals PTE Ltd	96.61	95.27	87.85
Consolidated Metals PTE Ltd	25.01	24.67	22.74
Vandana Bachheti	8.34	8.22	7.58
Deepak Kukreti	3.45	-	-
	-	2.99	1.52
Less : Current maturities of non current borrowings	(273.73)	(273.83)	(240.39)
	566.44	613.80	537.21

Note 17 Details of Non-current borrowings :

(i) Terms of repayment:

Name of Financial Institution	Amount of Loan	Interest rate %	Amount of Instalment due	Total No. of Instalments due	Period of maturity from balance sheet date
(a) Secured:					
1. Against Hypothecation of Vehicles and personal guarantee by the Director of the company					
Yes Bank Limited	2.91	8.92	0.17	3.00	3 months
HDFC Bank Limited	1.88	8.35	1.48	45.00	3 Years and 9 months
Federal Bank Limited	1.74	8.80	1.61	44.00	3 Years and 8 months
HDFC Bank Limited	3.66	8.90	3.61	59.00	4 Years and 11 months
2. Against Hypothecation of Mining Equipment and guaranteed by one of the directors of the company					
Yes Bank Limited	9.45	9.83	0.46	3.00	3 months
Yes Bank Limited	9.45	9.83	0.62	3.00	3 months
Axis Bank Limited	19.12	8.77	3.73	8.00	8 months
Axis Bank Limited	8.88	8.77	1.94	9.00	9 months
Axis Bank Limited	4.60	8.77	1.01	9.00	9 months
HDFC Bank Limited	21.31	7.26-7.33	9.81	20.00	1 Year and 8 months
Axis Bank Limited	16.10	8.31 & 8.62	3.88	10.00	10 months
ICICI Bank Limited	18.11	8.00	4.84	12.00	1 Year
HDFC Bank Limited	37.77	8.70	13.78	19.00	1 Year and 7 months
Yes Bank Limited	35.46	9.83	4.44	6.00	6 months
Yes Bank Limited	5.40	9.87	0.15	2.00	2 months
Yes Bank Limited	15.65	9.16 - 9.18	13.27	38.00	3 Years and 2 months
Yes Bank Limited	26.90	8.75	17.30	28.00	2 Years and 4 months
HDFC Bank Limited	42.00	11.14	30.43	53.00	4 Years and 5 months
HDFC Bank Limited	7.90	8.65	0.59	3.00	3 months
HDFC Bank Limited	8.06	8.65	0.60	3.00	3 months
HDFC Bank Limited	24.50	8.65	1.82	3.00	3 months
HDFC Bank Limited	30.34	8.25-8.26	5.16	7.00	7 months
ICICI Bank Limited	41.72	7.30	22.41	23.00	1 Years and 11 months
HDFC Bank Limited	28.01	7.25	15.29	24.00	2 Years
HDFC Bank Limited	8.55	7.02	4.84	25.00	2 Years and 1 month
ICICI Bank Limited	41.71	8.09-8.10	24.39	25.00	2 Years and 1 month
ICICI Bank Limited	17.39	8.10	10.54	27.00	2 Years and 3 months
HDFC Bank Limited	30.23	7.75	20.95	31.00	2 Years and 7 months
HDFC Bank Limited	7.01	9.00	5.58	36.00	3 Years
HDFC Bank Limited	3.58	9.00	2.85	36.00	3 Years
Kotak Mahindra Bank Limited	54.20	7.9, 8.74 & 9.63	51.62	44.00	3 Years and 8 months
HDFC Bank Limited	50.00	9.00	50.00	47.00	3 Years and 11 months
Yes Bank Limited	30.04	9.50	30.04	46.00	3 Years and 10 months
HDFC Bank Limited	10.76	8.75	8.29	36.00	3 Years

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

HDFC Bank Limited	9.98	9.00	8.89	41.00	3 Years and 5 months
HDFC Bank Limited	4.42	7.25	2.13	21.00	1 Year and 9 months
HDFC Bank Limited	38.51	7.20	19.37	22.00	1 Year and 10 months
HDFC Bank Limited	48.77	8.25	9.45	8.00	8 months
HDFC Bank Limited	17.80	8.25	3.03	7.00	7 months
HDFC Bank Limited	55.00	9.05	55.00	52.00	4 Years and 4 months
HDFC Bank Limited	75.00	9.17	63.68	50.00	4 Years and 2 months
HDFC Bank Limited	14.20	9.25	3.60	9.00	9 months
Federal Bank Limited	29.04	8.80	26.94	44.00	3 Years and 8 months
HDFC Bank Limited	39.38	8.25	3.11	6.00	6 Months
HDFC Bank Limited	10.78	8.25	2.09	8.00	8 Months
Kotak Mahindra Bank Limited	36.32	6.99	12.10	14.00	1 Year and 2 months
HDFC Bank Limited	28.90	8.25	8.24	12.00	1 Year
Kotak Mahindra Bank Limited	37.59	6.99	18.08	21.00	1 Year and 9 months
HDFC Bank Limited	4.70	7.20	2.26	21.00	1 Year and 9 months
HDFC Bank Limited	9.34	7.20	5.10	24.00	2 Years
Kotak Mahindra Bank Limited	12.01	8.57	7.13	26.00	2 Years and 2 months
Kotak Mahindra Bank Limited	9.38	6.99	5.46	26.00	2 Years and 2 months
Kotak Mahindra Bank Limited	4.51	8.42	2.67	26.00	2 Years and 2 months
Kotak Mahindra Bank Limited	31.41	8.65	21.88	31.00	2 Years and 7 months
HDFC Bank Limited	10.76	8.75	8.56	36.00	3 Years
HDFC Bank Limited	7.01	9.00	5.58	36.00	3 Years
Kotak Mahindra Bank Limited	5.23	9.00	4.36	38.00	3 Years and 2 months
ICICI Bank Limited	8.00	9.00	6.86	39.00	3 Years and 3 months
Kotak Mahindra Bank Limited	10.54	7.86	8.97	39.00	3 Years and 3 months
Kotak Mahindra Bank Limited	10.54	7.69	9.12	40.00	3 Years and 4 months
Kotak Mahindra Bank Limited	9.69	8.54	8.41	40.00	3 Years and 4 months
Kotak Mahindra Bank Limited	3.72	9.25	3.64	45.00	3 Years and 9 months
703.25					
Note (ii) - Term loan from other parties					
Siemens Financial Service Limited	33.94	0.11	3.50	4.00	4 Months
Unsecured					
- from others			133.42		
			133.42		

18 Other non-current financial liabilities

		As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Deposits from customers		150.17	-	-
Advance Income		24.12	-	-
		174.29	-	-

	Provisions	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
19	Provision for employee benefits			
	i. Provision for gratuity (Refer note no. 35)			
	Non-current	35.38	35.90	36.22
	Current	12.81	8.81	9.49
	ii. Provision for compensated absences			
	Non-current	12.99	12.43	10.34
	Current	5.52	4.32	3.47
		66.70	61.46	59.52
	Non-current	48.37	48.33	46.56
	Current	18.33	13.13	12.96
20	Other non-current liabilities	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
	Deposits from customers	-	-	9.94
	Deposits from employees	-	2.24	0.36
		-	2.24	10.30
21	Current borrowings	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
	Secured			
	Working capital loans (refer below note)	330.79	532.44	128.17
	Loan from others	33.87	70.69	54.90
	Current maturities of long term borrowings	273.73	273.83	240.40
		638.39	876.96	423.47

Details of current borrowings :

From HDFC Bank Limited

Primary security:

First charge in favour of the Bank by way of hypothecation of the company's entire stocks of Work-in-progress, Finished goods and Consumable stores including book debts, bill whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the Bank and as specified in CAM.

Security deposit:

Margin money deposit with principals

Collateral security:

Equitable Mortgage with security coverage of 41% of Property - Plot no25a, Sr No.41 and 42 situated at Krishnasagara, Attibele Industrial Area, Karnataka belonging to the subsidiary Company (Midwest Gold Limited).

The company disinvested in Midwest Gold Limited on 13th of June, 2024 and now it is a not subsidiary.

Personal guarantee:

Personal Guarantee by two Directors (Mrs. K Ranganayakamma and Mr. K Rama Chandra) and a relative of Directors of the company (Mr. K Rama Raghava Reddy)

Corporate guarantee:

By Midwest Gold Limited (Subsidiary Company)

The above loans carry's interest @ 3 Months T Bill rate plus 2.40 %

From South Indian Bank

Security:

Land admeasuring 10861.11 Sq. yards situated in D- Block of Industrial development area, in Sy no 48 part of Chinagantyada village, Visakhapatnam belonging to

Personal guarantee:

Personal guarantee by three Directors (Mrs. K Soumya, Mrs. K Ranganayakamma and Mr. K Rama Chandra) and a one relative of Directors of the company (Mr. K Rama Raghava Reddy)

From Shinhan Bank

Security: Duly and unconditionally accepted documents (bills) backed by Letter of Credits

The above loans carry's interest @ SOFR "Secured Overnight Financing Rate" plus spread p.a.

(ii) 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 compar

Collateral security:

Equitable mortgage of buildings located at Banjara Hills belonging to Midwest Limited (formerly known as Midwest Private Limited).

Personal guarantee:

Personal guarantee by Managing Director (Mr. K Rama Chandra) and a relative of Directors of the company (Mr. K Rama Raghava Reddy)

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

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

22 Trade payables

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Trade payables			
- Total outstanding dues of micro and small enterprises	30.03	-	-
- Total outstanding dues of creditors other than micro and small enterprises	185.76	205.01	198.35
	215.79	205.01	198.35

Notes:

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

(ii) Refer Note 42 for information about the Group's financial risks management process

Trade payables ageing schedule as at 31 March 2024

Particulars	Payables Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	2.23	27.80	-	-	-	30.03
(ii) Others	-	113.87	64.08	2.23	5.58	185.76
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	2.23	141.67	64.08	2.23	5.58	215.79

Trade payables ageing schedule as at 31 March 2023

Particulars	Payables Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	137.84	43.14	11.98	12.05	205.01
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	-	137.84	43.14	11.98	12.05	205.01

Trade payables ageing schedule as at 31 March 2022

Particulars	Payables Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	122.12	49.21	14.59	5.85	6.58	198.35
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
(v) Unbilled dues	-	-	-	-	-	-
	122.12	49.21	14.59	5.85	6.58	198.35

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

23 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Employee benefit expense payable	89.68	87.12	208.44
Interest accrued but not due on borrowings	27.72	-	-
Capital creditors	5.80	-	-
Creditors for expenses	-	96.05	50.50
Other payable*	76.61	-	86.97
	199.81	183.17	345.91

*Note: This amount belongs to Royalty and Infrastructure development fee payable to Govt authorities

24 Other current liabilities

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Statutory liabilities	10.46	9.06	10.17
Advance from customers	579.89	394.07	867.14
Others payables	57.78	47.54	45.73
	648.13	450.67	923.04

25 Current tax liabilities (net)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Current tax payable	371.43	229.63	167.94
Current tax assets			
Advance tax including self assessment tax	(316.50)	(182.50)	(180.00)
TDS and TCS receivable	(20.62)	(18.64)	(8.29)
	34.31	28.49	(20.35)

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

26 Revenue from operations	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts with customers (Refer Note 46)			
Sale of products	5,761.07	4,973.31	5,139.42
Sale of traded goods	89.84	40.45	85.72
Other operating revenue			
- Scrap sales	5.29	11.36	27.15
- Export incentives	0.04	0.05	0.08
	5,856.24	5,025.17	5,252.37
27 Other income			
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Job work income	-	94.16	42.99
Interest income			
- On fixed deposits	10.11	11.20	7.21
- On loans	3.42	4.77	2.62
- Financial assets at amortised cost	7.15	-	-
Fair value of current investment measured at FVTPL	8.49	-	9.20
Rental income	5.28	11.57	5.17
Other non-operating income			
- Profit on sale of property, plant and equipment	100.04	9.93	0.74
- Liabilities no longer required written back	28.10	51.14	10.92
- Net gain of foreign exchange fluctuation	3.42	-	49.62
- Dividend income	1.01	0.79	0.05
- Miscellaneous income	10.04	13.60	13.94
	177.06	197.16	142.46
28 Cost of materials consumed			
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
28(a) Inventories of raw material at the beginning of the year	9.06	32.99	69.71
Add: Purchases during the year	77.95	58.66	51.85
Adjustment on acquisition of subsidiary	-	0.33	-
Less: Inventories of raw material at the end of the year	14.78	9.06	32.99
	72.23	82.92	88.57
28(b) Changes in inventories of finished goods, stock-in-trade and work-in-progress			
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory at the beginning of the year			
Finished goods	440.58	284.53	358.47
Work-in-progress	5.54	46.74	61.41
Stock-in-trade	6.54	6.54	5.69
	452.66	337.81	425.57
Inventory at the end of the year			
Finished goods	253.85	440.58	284.53
Work-in-progress	6.97	5.54	46.74
Stock-in-trade	6.98	6.54	6.54
	267.80	452.66	337.81
Net decrease/(increase)	184.86	(114.85)	87.76
Total material consumed	257.09	(31.93)	176.33

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
28(c) Stores and spares consumed			
Opening stock of stores and spares	112.45	139.06	102.20
Add: Purchases	730.51	882.57	784.98
Less: Closing stock of stores and spares	89.41	112.45	139.06
	753.55	909.18	748.12
29 Employee benefits expenses			
Salaries, wages, bonus and other allowances	365.94	347.11	504.82
Contribution to provident and other funds	7.67	7.76	7.75
Gratuity and compensated absences expenses (refer note 35)	13.90	12.26	11.57
Staff welfare expenses	27.48	22.07	25.19
	414.99	389.20	549.33
30 Finance costs			
Interest expense on borrowings			
- Interest on term loans	59.00	61.40	52.94
- Interest on working capital	21.91	20.03	11.63
Interest expense on lease liabilities	0.88	2.38	2.29
Interest expense on delay in payment of taxes	0.06	0.24	5.81
Other Interest expenses	-	4.35	14.43
Other borrowing costs	9.79	2.22	3.43
	91.64	90.61	90.53
31 Depreciation and amortisation expense			
Depreciation of property, plant & equipment (Refer Note 3)	216.37	210.00	170.84
Amortisation of right-to-use assets (Refer Note 4a)	5.43	5.43	5.49
	221.80	215.43	176.33
32 Quarry expenses			
Quarry expenses	224.94	229.13	185.89
Feet drilling expenses	41.46	55.00	62.08
Raw block cutting expenses	84.33	113.70	135.77
Wire saw cutting expenses	196.37	221.47	213.57
Equipment hiring charges	3.71	15.70	40.85
	550.81	635.00	638.16
33 Seigniorage and cess fees			
Royalty expenses - ADMG	422.29	402.27	450.39
Royalty expenses - APMDC	359.24	310.49	320.11
Consideration - ADMG	202.37	184.09	195.03
Other royalty expenses - ADMG*	61.16	56.76	66.05
	1,045.06	953.61	1,031.58

*It includes SMETF (State Mineral Exploration Trust Fund), DMETF (District Mineral Exploration Trust Fund), Merit, DMF (District Mineral Foundation) and Cess on royalty

34 Other expenses	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Job work charges	9.38	64.21	9.22
Repairs and maintenance :			
- Machinery	363.52	339.64	376.99
- Buildings	0.23	1.92	2.51
- Others	13.84	9.63	12.26
- Vehicle maintenance	2.24	6.48	4.18
Carriage & freight	279.88	283.27	177.48
Power and fuel	108.97	104.82	85.58
Sales commission	19.69	15.25	13.15
Business promotion	0.31	0.18	1.06
Bank charges	4.46	5.43	9.02
Communication, broadband and internet expenses	3.31	3.53	2.94
Insurance	16.73	18.27	17.26
Travelling and conveyance	73.63	56.25	23.87
Rent	17.14	15.52	15.78
Rates and taxes	15.03	30.96	43.92
Infrastructure development fees	17.96	15.52	-
Net loss on foreign currency transactions and translations	-	28.60	8.01
Professional & consultancy fees	60.21	37.84	39.27
Printing, stationary, postage and courier	2.62	2.43	1.41
Donations	4.98	5.76	4.68
Corporate and social responsibility (CSR) expenses	20.34	7.94	16.05
Auditors remuneration (refer Note i below)	5.14	3.77	2.29
Security charges	18.48	24.73	18.85
Advertisement	5.28	3.48	0.62
Allowance for credit impaired trade receivable	7.60	20.00	40.37
Allowance for doubtful advances	2.89	-	37.27
Bad debts written off	68.09	43.40	15.69
Goodwill on loss of control	14.77	-	0.11
Loss on sale of property, plant & equipment and investments	43.46	3.87	5.73
Book deficit on assets discarded	16.17	0.42	4.75
Sundry balances written off	4.83	-	0.26
Miscellaneous expenses	30.48	78.72	15.56
	1,251.66	1,231.83	1,006.14

Note (i) Payments to auditors:

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

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Payment to auditors			
As Statutory auditor	3.62	2.24	2.01
For Tax audit	0.25	0.70	0.02
For Taxation matters	-	0.30	-
For Consolidation	1.00	-	0.02
For Certification	-	0.40	0.14
For Limited review	0.05	0.05	0.02
For Reimbursement of expenses	0.22	0.08	0.09
	5.14	3.77	2.29

35 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:

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 aggregated to Rs 7.67 (31 March 2023: 7.75, 31 March 2022 : 7.59)

d) 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	As at / for the year ended 31 March 2022
i) Change in Present Value of Obligation				
Present value of the obligation at the beginning of the year		44.72	45.71	39.50
Current service cost		4.15	3.54	3.99
Interest cost		3.10	3.17	2.61
Past service cost		-	0.45	-
Actuarial (Gain)/ Loss on Obligation- Due to Change in Financial Assumptions		(1.21)	(0.48)	(0.80)
Actuarial (Gain) / Loss on Obligation- Due to Change in Demographic Assumptions		3.12	-	(0.41)
Actuarial (Gain) / Loss on Obligation- Due to Experience Adjustments		0.96	(4.15)	2.89
Benefits Paid		(6.66)	(3.51)	(2.08)
Present value of the obligation at the end of the year		48.18	44.72	45.71
ii) Bifurcation of present value of Benefit obligation				
Current- Amount due within one year		12.81	8.81	9.49
Non-current- Amount due after one year		35.37	35.91	36.22
Total		48.18	44.72	45.71
iii) Maturity analysis				
Year 1		13.09	9.06	9.49
Year 2		6.30	2.93	3.50
Year 3		5.78	3.83	2.73
Year 4		5.86	3.78	3.57
Year 5		4.97	4.76	4.13
Year 6 to Year 10		30.99	47.12	19.30
iv) Sensitivity analysis				
Discount Rate - 1 percent increase		46.27	41.97	42.17
Discount Rate - 1 percent decrease		50.29	47.84	48.13
Salary Escalation Rate - 1 percent increase		50.29	47.61	47.75
Salary Escalation Rate - 1 percent decrease		46.23	42.07	42.41
v) Amounts recognised in the Balance Sheet:				
Present value of obligation at the end of the year		48.18	44.72	45.71
Fair value of Plan assets at the end of the year		-	-	-
Net liability recognised in the Balance Sheet		48.18	44.72	45.71
vi) Amounts recognised in the statement of Profit and Loss:				
Current service cost		4.15	3.54	3.99
Past service cost		-	0.45	-
Net interest on net defined liability / (asset)		3.10	3.17	2.61
Expenses recognised in statement of Profit and Loss		7.25	7.15	6.60
vii) Recognised in other comprehensive income for the year				
Actuarial gains / (losses) on liability		2.87	(4.63)	16.88
Return on plan assets excluding amount included in 'net interest on net defined liability / (asset) above		-	-	-
Recognised in other comprehensive income		2.87	(4.63)	16.88
viii) Actuarial assumptions				
i) Discount rate		7.22% - 7.24%	7.49% - 7.50%	6.88% - 6.92%
Based on yields (as on valuation date) of government bonds with a tenure similar to the expected working lifetime of the employees.				
ii) Salary escalation rate		4.50% - 10.00%	4.00% - 10.00%	4.00% - 10.00%
Based on inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. this assumption has been determined in consultation with the company.				
iii) Retirement age		58 Years	58 Years	58 Years
iv) Attrition rate		4.00% - 11.00%	4.00% - 5.00%	3.00% - 5.00%
v) Mortality rate		100%	100%	100%

36 Contingent liabilities and commitments

(a) Contingent Liabilities:

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(i) On account of Corporate guarantees	457.08	223.56	99.81
(ii) On account of Bank Guarantees	565.33	404.55	59.48
(iii) Income tax demands disputed/contested by the company pending in appeal	151.42	64.40	64.40
(iv) Demand of Excise duty against the company	19.32	19.32	19.32
(v) Demand of Custom duty against the company	261.90	137.68	137.68
(vi) Demand of Entry tax against the company	96.69	42.24	42.24
(vii) Demand of GST against the company	-	41.58	-
(viii) On account of Bonds executed with Customs authorities	77.01	-	-
(ix) Demand of RCM on Royalty against the company	26.89	-	-
(x) Case of a past employee against the company	0.76	-	-
(xi) APMDC - CLAUSE 17 case against the company	9.72	-	-
(xii) Liquidator of BEML has filed Petition against the company	106.70	-	-
(xiii) Recovery Case against Debtor	4.13	4.03	223.11
(xiv) Demand of Royalty from Office of ADMG - Telangana	74.38	-	-

Note

The group cannot determine the timing of any cash outflows related to the above until the proceedings are resolved and judgements/decisions are received from different forums/authorities.

The group believes that the outcome of these cases will not significantly impact its financial position. Additionally, the group does not expect any reimbursements in respect of the above contingent liabilities.

It is not practicable for the company to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Midwest Limited

Corporate guarantees:

The Company has given corporate guarantees to:

- (i) Kotak Mahindra Bank Ltd for the working capital facilities extended to its subsidiary company Andhra Pradesh Granite (Midwest) Private Limited.
- (ii) Office of President of India for purchase of goods (Imported or indigenously resourced) without payment of customs duty.

Bank Guarantee:

- (i) The Company has provided a bank guarantees amounting to Rs. 21.00 Mn in favour of APMDC Ltd. These guarantees are given towards the performance security for operation of black galaxy granite mine of Block -IV at Chimalkurthy, Andhra Pradesh.
- (ii) Other guarantees has given to Assistant Director of Mines & Geology towards security deposits.

Income tax demands disputed/contested by the company pending in appeal:

The Assessing Officer (AO) disallowed the deduction under Section 10B claimed by the Company, asserting that the extraction and processing of granite blocks do not qualify as a manufacturing activity, and thus, the company is not eligible for the deduction under Section 10AA. Additionally, the AO disallowed the additional depreciation claimed under Section 32(1)(ia). However, both the CIT(A) and the ITAT held that cutting, polishing, and sizing of granite blocks constitute a manufacturing activity. Consequently, they allowed the deduction under Section 10B and the additional depreciation under Section 32(1)(ia) of the Act. Based on the information provided, it is understood that the Revenue has filed an appeal before the High Court (HC) against the ITAT's order, and the HC's verdict is still pending. The Company has received favourable order from lower appellate authorities. Further, the Company is relying on the favourable judicial precedents for its argument to this subject matter. However, considering that the revenue wants to litigate the matter before HC and the amount involved which is Rs. 125.16 Mn.

The Assessing Officer (AO) initiated proceedings under Section 163(1) of the Act and issued a notice to assess or reassess the income of a non-resident in the hands of the company as a representative assessee. The Commissioner of Income Tax (Appeals) [CITA] upheld the AO's order. Aggrieved by the CITA's order, the company filed an appeal before the Income Tax Appellate Tribunal (ITAT) challenging the validity of the notice. The ITAT held that, according to Subsection (3) of Section 149, the assessment under Section 148 on the representative assessee cannot be made after the expiry of two years from the end of the relevant assessment year. Consequently, the ITAT set aside the AO's order and allowed the company's appeal.

Subsequently Revenue filed a cross appeal before the ITAT, and the company filed cross objections. The ITAT reaffirmed its earlier decision and dismissed both the Revenue's appeal and the company's cross objections. Aggrieved by the ITAT's order, the Revenue has filed an appeal before the High Court (HC). As the Company has received favourable order from ITAT and the hearings before High Court on the income tax appeal is yet to be scheduled, amount involved in this matter is Rs. 11.84 Mn.

A.O reopened the assessment under section 147 of the Act and issued notice under section 148 of the Act on 30.03.2019, based on the information received from DCIT wherein it was mentioned that a search action was conducted against Shri Praveen Agarwal group and during the course of search operation it was found out that the assessee-Company had received an amount of Rs.1.70 Mn from Ms. Grow fast Realtors (P) Ltd., a company controlled by Shri Praveen Agarwal through Dhanalaxmi Bank Ltd. during the year. AO passed reassessment order, wherein an addition of Rs. 1.70 Mn as unexplained credit under section 68 of the Act was made.

Assessing Officer (AO) made an adjustment of INR 22.58 Mn, on the ground that the interest charged on the loan provided to its overseas wholly-owned subsidiary company ('AE') was lower than the domestic prime lending rate, i.e., SBI PLR. The AO applied an interest rate of 14.05% on the international loans given to AE, as opposed to the interest rate charged of 6 months LIBOR + 400 basis points, which is 5.4% per annum and the Company, aggrieved by the AO's order, filed an appeal before the CIT(A) . Further, we understand that TPO had issued a rectification order, wherein TP adjustment has increased to INR. 24.93 Mn. However, subsequently AO has not issued any consequential order.

Excise and Customs duty:

Contingent liability araised due to exemption availed towards central excise duty for violation of conditions of U/ Notification Nos. 52/2003-Customs: dt:31.03.2003 and towards central excise duty for violation of conditions of U/Notification Nos. 22/2003-Central Excise: dt:31.03.2003. The issue pertains to EOU unit moving goods out of the bonded premises is in violation of conditions specified U/ Notification Nos. 52/2003-Customs: dt:31.03.2003. However, as contended by the Company, the place where the granites are moved is also part of same EO. Hence, there is no violation of conditions specified and the assessee is eligible for the exemption mentioned. Further, the assessee contended that they have claimed exemption based on clause d of the said notifications. However, the commissioner alleged that there is no processing or manufacture of production carried out by the company in the instant case and hence denying the benefits under both notifications. In this regard, the assessee has contended on the ground that the development commissioner has allowed the license only after due verification and acknowledges the fact that the assessee is engaged in manufacturing. Assessee also relied on various case laws and considered the definition of manufacture which is much wider to accommodate all the activities carried out. Further the assessee also mentioned about the income tax benefits availed by them are with respect to manufacturing entity. Whether the mining qualifies as manufacture is a matter of debate as manufacture typically involves conversion from one form to another.

Entry Tax:

The erstwhile AP government enacted the Entry Tax Act levying taxes on notified goods that were brought into the State of AP. Under this Act, any notified good that was imported from other States was to face an entry tax. The AP High Court before its bifurcation in the year 2007 had struck down the Entry Tax Act as unconstitutional. The Revenue appealed the decision to the Supreme Court. In the case of Jindal Stainless Limited 2016 (11) SCALE 1, the Apex Court reversed the decision and upheld the levy of entry tax. Pursuant to the orders of the Supreme Court, assessing authorities started proceedings against businesses. Section 3(2) does not levy entry tax on goods that are imported "to be used as an input for the manufacture of other goods." The crucial words here are "inputs" "for" and "manufacture". Every importer will need to assess whether goods that have been imported have been used as inputs for manufacturing other goods. The Supreme Court in a catena of cases has interpreted "inputs" broadly to include goods that are not just present in the final items but also items that are consumed in the manufacturing process. The High Court of AP has held that an input is any item that enters into the system and should be interpreted for any item which is a raw material in the widest sense possible in the case of KGF Cottons Private Limited (81 VST 1) In the current scenario, diesel is used for the machinery or vehicle used for quarrying operations, whether the mining qualifies as manufacture is a matter of debate as manufacture typically involves conversion from one form to another. Since mining involves extraction of minerals, it may not qualify as a typical manufacturing activity. As of now, there is a conditional order passed by the High Courts to deposit 25% of the disputed tax in order to seek a stay of the remainder 75% of the disputed tax. The final hearings for this batch of matters are pending.

On account of Bonds executed with Customs authorities:

Bonds executed with the Customs Authorities to claim the import duty exemption on import of machinery against an obligation to export goods as per the terms of EPCG License.

Demand of RCM on Royalty against the company:

(i) The issue involves payment of tax under RCM on royalty @ 18% from 2017 to 2020. In this regard, the company contends that they have discharged RCM for royalty for the period 2018-19 @ 12% as applicable rate in case of granites. Further, post clarification issued by circular no. 164/20/2021 GST dated 06.10.2021, the company has discharged tax under RCM @ 18% starting from 2019-20. However, the department has issued notice for the differential tax for 2018-19 and also demanding tax for 2017-18. Amounting of contingent liability involved in this matter is Rs. 9.96 Mn.

(ii) The issue is related to royalty paid to the Government against the license for the mining of granite from the quarry. The company's contention is that the transaction being the transfer of property in goods, it does not amount to service and hence is not liable to service tax and that it amounts to tax on tax considering the royalty as 'tax'. The taxability of Royalty on mining operations or explorations is a matter of litigation with regard to whether it is "service" or 'tax'. The said issue is pending before the larger Bench of nine judges of the Supreme Court in respect of Service Tax liability in the pre-GST Period. The recovery of the service tax on Royalty on mining lease has been stayed by the Supreme Court. Similarly, whether the taxability of royalty on account of mining operations is 'goods' or 'services' is also a matter of conflicting views. Considering the complexity of the taxability of the transaction involved, we are of the view that the pending litigation could be contingent liability amounting to Rs.16.93 Mn

Case of a past employee against the company

A past employee filed a case in the regional labour court (RLC), Hyderabad against the company claiming additional wages contesting the wage paid to him was not satisfying the minimum wages Act, and also claiming gratuity for the period of services i.e. 01.04.2018 to 12.04.2022. The documents are under Scrutiny by RLC, Hyderabad.

APMDC - CLAUSE 17 case against the company:

APMDC has filed a cased against the company for recovery of penalty imposed against non-performance of a contract vide case no. W.P.20301/2010. The company has submitted its counter affidavit and the case is under adjudication.

Liquidator of BEML has filed Petition against the company:

An unsettled creditor of BEML Midwest Limited called Action Group Associates filed an IRP against the company claiming that the monies which are due to this entity from the entities i.e. BEML Ltd. And Midwest Limited shall be recovered and settle their dues. Citing the claim of the creditor, the Resolution Professional has intern filed the IRP against BEML Ltd. and Midwest Limited Vide Petition No.CP (IB) No.231/9/Hdb/2023 U/s 9 of IBC for the amount Rs. 106.79 Mn. Midwest Limited has submitted its counter to the NCLT and the NCLT has rejected the application vide judgement dated August 14, 2024

Recovery Case against Debtor

The company has filed the case for recovery of receivable dues amounting to Rs.1.02 Mn against the party. The party has inturn filed a counter claim of Rs.4.13 Mn for recovery of damages caused against supply of poor material. Both the cases are under adjudication in City Civil Court.

Demand of Royalty from Office of ADMG - Telangana:

The Office of the ASST. Director of Mines and Geology - Suryapet has issued a demand notice for royalty for the quarry of ChimiriyalaVillage, Kodad Mandal for an amount of Rs. 74.38 million. The Company filed a petition at the High Court of Telangana against the demand notice. The Court has given a stay order against the demand notice and the company is pursuing legal course.

Andhra Pradesh Granite (Midwest) Private Limited

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 favour 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. 20.00 Mn 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. 1.41 Mn 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.

Midwest Neostone Private Limited

The company has established letter of credits to the various CAPEX vendors amounting to Rs. 261.59 millions as at 31 March 2024

(b) Capital Commitments

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Unexecuted capital orders to the extent not provided for On account of Bonds executed with Customs authorities	163.69 -	92.07 101.75	87.59 185.87

37 Related party disclosures

(a) Names of related parties and related party relationship

Name of the Related Party	Nature of Relationship
	: Reliance Diamond Tools Private Limited : Andhra Pradesh Granite (Midwest) Private Limited : BEML Midwest Limited : Midwest Holdings Limited : Midwest Neostone Private Limited : AP Midwest Galaxy Private Limited : Midwest Gold Limited : Deccan Silica LLP : NDR Mining Co. : Baahula Minerals : Maitreya Minerals (w.e.f 14.11.2023) : Midwest Heavy Sands Private Limited (w.e.f 30.05.2023) : Trinco Minerals Private Limited (w.e.f 30.06.2023) : Astral Granite Private Limited (till 18.12.2023) : Amaya Smart Technologies Private Limited (till 17.01.2024) : Midwest Advanced Materials Private Limited (till 09.11.2023) : Midwest Quartz Private Limited (till 18.12.2023)
(a) Subsidiary Companies	

Name of the Related Party	Nature of Relationship
(b) Step-down subsidiaries	: South Asia Granite and Marble Private Limited (Step Down Subsidiary of Reliance Diamond Tools Private Limited) : Maven Holdings Limited (Step Down Subsidiary of Midwest Holdings Limited) : Midwest Africa LDA (Step Down Subsidiary of Maven Holdings Limited) : Midwest Koriba LDA (Step Down Subsidiary of Maven Holdings Limited) : Midwest Gercoal LDA (Step Down Subsidiary of Maven Holdings Limited) (till 29.02.2024) : Midwest Gondana LDA (Step Down Subsidiary of Maven Holdings Limited) (till 04.03.2024) : Midwest Texera LDA (Step Down Subsidiary of Maven Holdings Limited) (till 29.02.2024)
(c) Joint venture	: South Coast Infrastructure Development Company of Andhra Pradesh Limited : S.C.R. Agro Tech Private Limited (Step Down Subsidiary of South Coast Infrastructure Development Company of Andhra Pradesh) : SMW Granites LLP (till 27.03.2024)
(d) Key Management personnel(KMP)	: K.Raghava Reddy : K.Ramachandra, Director : K.Ranganayakamma : K.Soumya, Director : G.Ravindra Reddy : K.Uma Priyadarshini, Director : Chalasani Dilip Kumar, CFO (w.e.f. 15.05.2024) : Rohit Tibrewal , Company Secretary (w.e.f. 29.01.2024)
(e) Relatives of KMPs	: K.Deepak
(f) Entities over which KMPs/ directors and/ or their relatives are able to exercise significant influence	: Midwest Energy Private Limited : Midwest Advanced Materials Private Limited(formerly known as Midwest Rare Earths Private Limited)

(g) Transactions with Related Parties:

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Amount	Outstanding balance as at March 31, 2024	Amount	Outstanding balance as at March 31, 2023	Amount	Outstanding balance as at March 31, 2022
1. Key Management Personnel:						
<u>Short-term employee benefits</u>						
<u>Remuneration*</u> :						
K.Raghava Reddy	8.83	-	9.60	(1.13)	38.75	(28.07)
K.Ramachandra	12.51	-	13.21	(37.25)	50.89	(36.34)
K.Ranganayakamma	6.07	-	6.16	(4.17)	38.16	(36.96)
K.Soumya	11.45	-	11.80	(1.68)	40.60	(22.46)
G.Ravindra Reddy	4.14	-	3.81	(0.21)	1.43	(0.21)
K.Uma Priyadarshini	14.84	-	15.29	-	43.99	(17.22)
Chalasani Dilip Kumar	0.44	-	-	-	-	-
Rohit Tibrewal	0.49	-	-	-	-	-
<u>Commission</u>						
K.Ramachandra	62.68	-	36.78	-	-	-
<u>Unsecured loan (Taken):</u>						
G.Ravindra Reddy	7.50	-	-	-	-	(2.87)
K.Soumya	-	-	-	-	-	-
<u>Repayment of unsecured loans to :</u>						
K.Ranganayakamma	-	-	-	-	2.75	-
K.Soumya	-	-	2.87	-	-	-
G.Ravindra Reddy	7.50	-	-	-	-	-
<u>Rent paid:</u>						
K.Ramachandra	4.20	-	4.20	-	4.20	-
K.Soumya	2.10	-	2.10	-	2.10	-
<u>Capital Advance</u>						
K.Raghava Reddy	180.00	180.00	-	-	-	-
<u>Sale of Investments</u>						
K.Ramachandra	14.87	14.87	-	-	-	-
K.Soumya	14.88	14.88	-	-	-	-
2. Relatives of Key Management personnel:						
<u>Unsecured loan (Taken):</u>						
K.Deepak	-	-	1.47	(2.99)	0.78	(1.52)
<u>Reimbursement of Expenses</u>						
K.Deepak	1.66	13.66	-	11.83	-0.75	10.90
<u>Repayment of unsecured loans to :</u>						
K.Deepak	2.99	-	-	-	-	-
<u>Rent paid:</u>						
K.Deepak	2.10	-	2.10	-	2.10	-
<u>Salaries:</u>						
K.Deepak	7.79	-	16.81	(2.43)	45.46	(23.48)
<u>Professional charges</u>						
K.Deepak	8.40	(1.62)	-	-	-	-

* Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Transaction Amount	Outstanding balance as at March 31, 2024	Transaction Amount	Outstanding balance as at March 31, 2023	Transaction Amount	Outstanding balance as at March 31, 2022
1.Joint venture:						
<u>Unsecured loans given:</u>						
South Coast Infrastructure Development Company of Andhra Pradesh Limited	3.00	30.01	-	30.01	-	30.01
<u>Unsecured loans received back:</u>						
South Coast Infrastructure Development Company of Andhra Pradesh Limited	3.00	-	-	-	-	-
<u>Rent received:</u>						
SMW Granites LLP	-	-	0.25	0.76	0.22	0.74
<u>Advances for expenses:</u>						
SMW Granites LLP	-	-	0.02	-	0.10	-
<u>Sale of goods:</u>						
SMW Granites LLP	-	-	2.30	7.36	6.68	5.87
2.Concern in which directors have interest						
<u>Unsecured loans given:</u>						
Midwest Advanced Materials Private Limited	14.57	31.41	13.50	14.29	-	-
Midwest Energy Private Limited	3.69	1.90	1.14	1.14	-	-
<u>Repayment of Unsecured loan by:</u>						
Midwest Energy Private Limited	3.00	-	-	-	-	-
<u>Rent Received</u>						
Midwest Advanced Materials Private Limited	0.38	0.13	-	-	-	-
Midwest Energy Private Limited	0.14	0.40	-	-	-	-
<u>Interest Accrued on Loans</u>						
Midwest Advanced Materials Private Limited	2.37	-	0.79	-	-	-
Midwest Energy Private Limited	0.14	-	-	-	-	-
<u>Sale of Property, Plant and Equipment:</u>						
Midwest Advanced Materials Private Limited	30.19	-	-	-	-	-
<u>Investment in preferential shares:</u>						
Midwest Energy Private Limited - 9% Non-Cum Preferential shares	8.50	134.70	66.20	60.00	60.00	-
<u>Disposal in equity shares/LLP:</u>						
Midwest Energy Private Limited	-	-	-	-	24.69	0.01
SMW Granites LLP	4.00	-	-	-	-	-
Astral Granite Private Limited	20.85	-	-	-	-	-
Midwest Quartz Private Limited	1.50	-	-	-	-	-
Midwest Advanced Materials Private Limited	1.50	-	-	-	-	-
Amaya Smart Technologies Private Limited	9.77	-	-	-	-	-

	Transactions within the Group: (these transactions got eliminated in Restated Consolidated Summary Statements)*					
	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Transaction Amount	Outstanding balance as at March 31, 2024	Transaction Amount	Outstanding balance as at March 31, 2023	Transaction Amount	Outstanding balance as at March 31, 2022
Midwest Private Limited (Parent Company)						
3.Subsidiaries:						
<u>Unsecured loan (Given):</u>						
Midwest Gold Limited	7.78	267.83	30.35	251.20	36.66	221.29
Midwest Neostone Private Limited	134.00	96.02	11.90	14.86	7.80	8.42
Baahula Minerals	54.50	54.50	-	-	-	-
NDR Mining Co.	1.43	1.43	-	-	-	-
Maitreya Minerals	10.82	10.82	-	-	-	-
Midwest Advanced Materials Private Limited	-	-	-	14.29	-	-
<u>Repayment of Unsecured loan by:</u>						
Midwest Gold Limited	2.00	-	9.50	-	-	-
Midwest Neostone Limited	52.26	-	6.50	-	-	-
<u>Equipment Rental Income:</u>						
Andhra Pradesh Granite (Midwest) Private Limited	-	-	7.65	-	30.94	-
<u>Sale of goods:</u>						
Midwest Gold Limited	0.51	31.18	2.83	30.48	-	28.07
Amaya Smart Technologies Private Limited	-	-	-	-	-	0.29
Andhra Pradesh Granite (Midwest) Private Limited	0.28	-	1.36	-	6.93	-
Midwest Heavy Sands Pvt Ltd	1.27	-	-	-	-	-
Reliance Diamond Tools Private Limited	-	-	-	31.23	-	-
<u>Sale of Property, Plant and Equipment:</u>						
Andhra Pradesh Granite (Midwest) Private Limited	7.49	-	57.18	-	45.24	-
<u>Rent Received</u>						
Midwest Gold Limited	0.12	-	0.12	-	0.12	0.12
<u>Dividend Received</u>						
Andhra Pradesh Granite (Midwest) Private Limited	133.50	-	89.00	-	-	-
<u>Capital Advances</u>						
Astral Granite Private Limited	-	-	-	-	-	1.12

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Transaction Amount	Outstanding balance as at March 31, 2024	Transaction Amount	Outstanding balance as at March 31, 2023	Transaction Amount	Outstanding balance as at March 31, 2022
<u>Interest Accured/Received on Loans</u>						
Midwest Gold Limited	12.07	-	10.07	-	6.22	-
Midwest Neostone Private Limited	3.01	-	1.15	-	0.62	-
Baahula Minerals	0.01	-	-	-	-	-
Midwest Advanced Materials Private Limited	-	-	0.79	-	-	-
<u>Corporate guarantee given:</u>						
Midwest Gold Limited	17.50	17.50	-	17.50	17.50	17.50
Andhra Pradesh Granite (Midwest) Private Limited	160.49	160.49	188.56	188.56	16.52	16.52
Midwest Neostone Private Limited*	850.00	850.00	-	-	-	-
<u>Lease rent paid</u>						
Andhra Pradesh Granite (Midwest) Private Limited	0.25	-	0.25	-	0.25	-
<u>Corporate guarantee taken:</u>						
Midwest Gold Limited	-	256.74	-	355.77	-	-
<u>Purchase of goods:</u>						
Reliance Diamond Tools Private Limited	-	-	2.34	-	-	15.81
Midwest Gold Limited	-	-	0.86	-	-	-
<u>Purchase of PPE</u>						
Andhra Pradesh Granite (Midwest) Private Limited	7.38	-	11.37	-	8.21	-
Reliance Diamond Tools Private Limited	-	-	0.38	-	14.38	-
<u>Investment in equity shares:</u>						
Midwest Advanced Materials Pvt Ltd	-	-	1.50	1.50	-	-
AP Midwest Galaxy Private Limited	-	-	1.50	1.50	-	-
Andhra Pradesh Granite (Midwest) Private Limited	-	-	16.00	101.00	-	-
Midwest Quartz Private Limited	-	-	-	-	1.50	1.50
Astral Granite Private Limited	-	-	-	-	20.85	20.85
Midwest Heavy Sands Pvt Ltd	31.83	31.83	-	-	-	-
Trinco Minerals Pvt Ltd	25.01	25.01	-	-	-	-
<u>Investment in preferential shares:</u>						
Midwest Holding Limited	-	317.86	-	317.86	-	317.86
<u>Capital Contribution in Partnership firm</u>						
NDR Mining Co.	-	-	2.00	2.00	-	-
Maitreya Minerals - Firm	5.00	5.00	-	-	-	-
<u>Disposal in equity shares/LLP:</u>						
Midwest Energy Private Limited	-	-	-	-	24.69	0.01
SMW Granites LLP	4.00	-	-	-	-	-
Astral Granite Private Limited	20.85	-	-	-	-	-
Midwest Quartz Pvt Ltd	1.50	-	-	-	-	-
Midwest Advanced Materials P Ltd	1.50	-	-	-	-	-
Amaya Smart Technologies Private Limited	9.77	-	-	-	-	-
<u>Advance for purchases:</u>						
Baahula Minerals	0.50	-	-	54.00	54.00	54.00
Reliance Diamond Tools Private Limited	-	7.97	-	7.97	25.74	9.77
Andhra Pradesh Granite (Midwest) Private Limited	-	-	-	-	-	0.12
<u>Advance from customer</u>						
Andhra Pradesh Granite (Midwest) Private Limited	-	-	-	-	0.58	0.40
<u>Repayment of Advance for purchases:</u>						
Baahula Minerals	-	-	-	-	52.26	-
Reliance Diamond Tools Private Limited	-	-	-	-	15.97	-
Astral Granite Private Limited	-	-	0.75	-	-	-
<u>4. Step-down subsidiary:</u>						
<u>Corporate guarantee given:</u>						
South Asia Granite and Marble Private Limited	-	-	-	-	47.92	47.92
<u>Advance for Purchases</u>						
Maven Holding Limited	-	27.13	27.13	27.13	-	-
<u>Andhra Pradesh Granite (Midwest) Private Limited</u>						
<u>Investment in equity shares by:</u>						
Midwest Limited	-	-	(16.00)	(101.00)	-	-
<u>Rental income (included in other income)</u>						
Midwest Limited	(0.25)	-	(0.25)	-	(0.25)	-
<u>Sale of goods or services</u>						
Midwest Limited	(7.38)	-	(11.37)	-	(8.21)	-
Reliance Diamond Tools Private Limited	-	-	-	-	4.19	-
<u>Purchase of goods or services</u>						
Midwest Limited	(0.28)	-	(1.36)	-	(6.93)	-
<u>Purchase of property, plant and equipment</u>						
Midwest Limited	(7.49)	-	(57.18)	-	(45.24)	-
<u>Equipment hire charges</u>						
Midwest Limited	-	-	(7.65)	-	(30.94)	-
<u>Guarantee taken</u>						
Midwest Limited	(160.49)	(160.49)	(188.56)	(188.56)	(16.52)	(16.52)

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Transaction Amount	Outstanding balance as at March 31, 2024	Transaction Amount	Outstanding balance as at March 31, 2023	Transaction Amount	Outstanding balance as at March 31, 2022
<u>Dividend Paid</u>						
Midwest Limited	(133.50)	-	(89.00)	-	-	-
<u>Advance from customer</u>						
Midwest Limited	-	-	-	-	-	(0.12)
<u>Payment for purchases</u>						
Midwest Limited	-	-	-	-	(0.58)	(0.40)
<u>Midwest Neostone Private Limited</u>						
<u>Receipt of Unsecured Borrowings</u>						
Midwest Limited	(134.00)	(96.02)	(11.90)	(14.86)	(7.80)	(8.42)
<u>Repayment of Unsecured Borrowings</u>						
Midwest Limited	(52.26)	-	(6.50)	-	-	-
<u>Interest Expense</u>						
Midwest Limited	(3.01)	-	(1.15)	-	(0.62)	-
<u>Corporate Guarantee*</u>						
Midwest Limited	(850.00)	(850.00)	-	-	-	-
<u>Maven Holding Limited</u>						
<u>Advance from Customer</u>						
Midwest Limited	-	(27.13)	(27.13)	(27.13)	-	-
<u>Midwest Gold Limited</u>						
<u>Unsecured loan (taken):</u>						
Midwest Limited	(7.78)	(267.83)	(30.35)	(251.20)	(36.66)	(221.29)
<u>Repayment of unsecured loan:</u>						
Midwest Limited	(2.00)	-	(9.50)	-	-	-
<u>Purchase of material:</u>						
Midwest Limited	(0.51)	(31.18)	(2.83)	(30.48)	-	(28.07)
Reliance Diamond Tools Private Limited	-	-	-	-	-	0.36
<u>Interest Accrued/paid on loans</u>						
Midwest Limited	(12.07)	-	(10.07)	-	(6.22)	-
<u>Corporate guarantee taken:</u>						
Midwest Limited	(17.50)	(17.50)	-	(17.50)	(17.50)	(17.50)
<u>Corporate guarantee given:</u>						
Midwest Limited	-	(256.74)	-	(355.77)	-	-
<u>Sale of goods:</u>						
Midwest Limited	-	31.93	(0.86)	-	-	-
<u>Rent paid</u>						
Midwest Limited	(0.12)	-	(0.12)	-	(0.12)	(0.12)
<u>Advance purchase of goods:</u>						
Reliance Diamond Tools Private Limited	-	15.19	-	15.19	-	-
<u>Baahula Minerals</u>						
<u>Unsecured loan (taken):</u>						
Midwest Limited	(54.50)	(54.50)	-	-	-	-
<u>Advance from customer:</u>						
Midwest Limited	(0.50)	-	-	(54.00)	(54.00)	(54.00)
<u>Repayment of loan:</u>						
Midwest Limited	-	-	-	-	(52.26)	-
<u>Interest Accrued/paid on loans</u>						
Midwest Limited	(0.01)	-	-	-	-	-
<u>NDR Mining Co.</u>						
<u>Unsecured loan (taken):</u>						
Midwest Limited	(1.43)	(1.43)	-	-	-	-
<u>Capital Contribution in Partner ship firm</u>						
Midwest Limited	-	-	(2.00)	(2.00)	-	-
<u>Maitreya Minerals</u>						
<u>Unsecured loan (taken):</u>						
Midwest Limited	(10.82)	(10.82)	-	-	-	-
<u>Capital Contribution in Partner ship firm</u>						
Midwest Limited	(5.00)	(5.00)	-	-	-	-
<u>Reliance Diamond Tools Private Limited</u>						
<u>Advance from customer:</u>						
Midwest Limited	-	(7.97)	-	(7.97)	(25.74)	(9.77)
Midwest Gold Limited	-	(15.19)	-	(15.19)	-	-
<u>Repayment of loan:</u>						
Midwest Limited	-	-	-	-	(15.97)	-
<u>Receivable for sales:</u>						
Midwest Limited	-	-	-	-	-	(15.81)
<u>Sale of goods:</u>						
Midwest Limited	-	-	(2.34)	-	-	(0.36)
Midwest Gold Limited	-	-	-	-	-	-

* based on the limits sanctioned by the HDFC Bank Limited

	As at March 31, 2024		As at March 31, 2023		As at March 31, 2022	
	Transaction Amount	Outstanding balance as at March 31, 2024	Transaction Amount	Outstanding balance as at March 31, 2023	Transaction Amount	Outstanding balance as at March 31, 2022
<u>Sale of assets</u> Midwest Limited	-	-	(0.38)	-	(14.38)	-
<u>Purchase of goods</u> Andhra Pradesh Granite (Midwest) Private Limited	-	-	-	-	(4.19)	-
Midwest Limited	-	-	-	(31.23)	-	-
Midwest Gold Limited	-	(31.93)	-	-	-	-
<u>South Asia Granite and Marble Private Limited</u> <u>Corporate guarantee taken:</u> Midwest Limited	-	-	-	-	(47.92)	(47.92)
<u>Amaya Smart Technologies Private Limited</u> <u>Purchase of goods:</u> Midwest Limited	-	-	-	-	-	(0.29)
<u>Disposal in equity shares/LLP:</u> Midwest Limited	(9.77)	-	-	-	-	-
<u>Trinco Minerals Private Limited</u> <u>Unsecured loan (given)</u> Midwest Heavy Sands Private Limited	-	5.56	-	-	-	-
<u>Investment in Equity shares by:</u> Midwest Limited	(25.01)	(25.01)	-	-	-	-
<u>Midwest Heavy Sands Private Limited</u> <u>Unsecured loan (taken)</u> Trinco Minerals Private Limited	-	(5.56)	-	-	-	-
<u>Investment in Equity shares by:</u> Midwest Limited	(31.83)	(31.83)	-	-	-	-
<u>Purchase of goods</u> Midwest Limited	(1.27)	-	-	-	-	-
<u>Midwest Holding Limited</u> <u>Investment in preferential shares:</u> Midwest Limited	-	(317.86)	-	(317.86)	-	(317.86)
<u>Astral Granite Private Limited</u> <u>Advance from customer:</u> Midwest Limited	-	-	(0.75)	-	-	(1.12)
<u>Investment in Equity shares by:</u> Midwest Limited	-	-	-	-	(20.85)	(20.85)
<u>Disposal in equity shares/LLP:</u> Midwest Limited	(20.85)	-	-	-	-	-
<u>Midwest Advanced Materials Pvt Ltd</u> <u>Unsecured loan (taken):</u> Midwest Limited	-	-	-	(14.29)	-	-
<u>Interest Accured/Paid on Loans</u> Midwest Limited	-	-	(0.79)	-	-	-
<u>Investment in Equity shares by:</u> Midwest Limited	-	-	(1.50)	(1.50)	-	-
<u>Disposal in equity shares/LLP:</u> Midwest Limited	(1.50)	-	-	-	-	-
<u>AP Midwest Galaxy Private Limited</u> <u>Investment in Equity shares by:</u> Midwest Limited	-	-	(1.50)	(1.50)	-	-
<u>Midwest Quartz Private Limited</u> <u>Investment in Equity shares by:</u> Midwest Limited	-	-	-	-	(1.50)	(1.50)
<u>Disposal in equity shares/LLP:</u> Midwest Limited	(1.50)	-	-	-	-	-
<u>Midwest Energy Private Limited</u> <u>Disposal in equity shares/LLP:</u> Midwest Limited	-	-	-	-	(24.69)	(0.01)
<u>SMW Granites LLP</u> <u>Disposal in equity shares/LLP:</u> Midwest Limited	(4.00)	-	-	-	-	-

38 Assets pledged as security

The carrying amounts of Group's assets pledged as security for current borrowings are:

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Working capital loans from banks (secured)			
Primary security			
Current assets			
Financial assets	2,206.93	1,457.89	1,377.21
Non financial assets	1,149.36	1,109.79	912.60
Property, plant and equipment	1,364.15	1,341.92	1,204.78
(except unencumbered freehold land, Buildings, unencumbered leasehold land and improvements to			
Total current borrowings	638.39	876.96	423.47

39 Earnings per share (EPS)

Earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Earnings			
Profit for the years considered for calculation of diluted earnings per share	1,003.24	544.36	670.93
Shares			
Original number of equity shares	74,313	74,313	74,313
Add : Impact of split and bonus issue #			
Weighted average number of equity shares outstanding during the year	3,37,38,102	3,37,38,102	3,37,38,102
For calculating basic EPS	3,38,12,415	3,38,12,415	3,38,12,415
Earnings Per Share			
Face Value Rs.5 per share			
Basic (Rs.)	29.67	16.10	19.84
Diluted* (Rs.)	29.67	16.10	19.84

Shareholders have approved the below at Extra-ordinary general meeting held on June 11, 2024: (refer note 48)

- a. Share split of one equity share having face value of Rs. 100 each into 20 shares of Rs. 5 each and
- b. Issue of fully paid bonus shares of Rs.5 each in proportion of three equity shares for every four existing equity share.
- c. During the year ended 31 March 2024, 891,756 bonus shares were issued in the ratio of 12 bonus against each share. Balance 32,846,346 shares were resulted on account of split and further bonus after the reporting period.

Accordingly, as an adjusting event, the earnings per share has been adjusted for subdivision of shares and bonus shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

40 Segment Reporting

The Managing Director of the group makes decisions with respect of allocation of resources and assess the performance basis of the report/information provided by functional heads and are thus considered to be the Chief Operating Decision Maker.

The geographic information analyses the Group's revenues in terms of revenue from global and indigenous markets.

a. Geographical Segment information:

Revenue from operations	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
With in India	2,198.73	1,986.73	2,503.68
Outside India	3,657.51	3,038.44	2,748.69
Total	5,856.24	5,025.17	5,252.37

41 Financial instruments

A. Financial instruments by category	Note No.	Fair value level	As at	As at	As at		
			31 March 2024	31 March 2023	31 March 2022		
Financial assets							
Non current							
(i) Investments	6b	Level 2	139.59	155.82	80.13		
(ii) Investments(FVTPL)	6b	Level 1	46.14	28.75	25.91		
(iii) Other financial assets	7	Level 2	123.60	120.07	117.07		
Current							
(i) Investments (FVTPL)	6b	Level 1	189.32	8.26	-		
(ii) Trade receivables	11	Level 1	1,190.69	962.46	416.41		
(iii) Cash and cash equivalents	12a	Level 2	254.58	110.16	356.10		
(iv) Bank balances other than cash and cash equivalents	12a	Level 2	27.33	23.85	280.98		
(v) Loans	13	Level 2	118.00	110.48	115.79		
(vi) Other financial assets	7	Level 2	94.02	1.42	6.10		
Total financial assets			2,183.27	1,521.27	1,398.49		
Financial liabilities							
Non current							
(i) Borrowings	17	Level 2	566.44	613.80	537.21		
(ii) Lease liabilities	4b	Level 2	30.08	17.94	17.26		
Current							
(i) Borrowings	21	Level 2	638.39	876.96	423.47		
(ii) Lease liabilities	4b	Level 2	6.55	1.53	-		
(ii) Trade payables	22	Level 2	215.80	205.01	198.35		
(iii) Other financial liabilities	23	Level 2	199.81	183.17	345.91		
Total financial liabilities			1,657.07	1,898.41	1,522.20		

The management assessed that fair value of Investment, 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 the above abbreviations, FVTPL - Fair value through profit and loss, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized 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 Group 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 & investment in Mutual Funds & other funds.

The Company's risk management is carried out by the Sr. Vice President 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.

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 group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the group'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 group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The group 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 group 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 group 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 Group'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	For the year ended	For the year ended
	31 March 2024	31 March 2023	31 March 2022
Revenue from Top Customer	398.00	524.86	693.11
Revenue from Top 5 customers(Other than above customer)	1,625.37	1,567.48	1,964.64

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.

Allowance for bad and doubtful debts	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2022
Opening balance	(93.50)	(116.37)	(85.75)
Credit loss added	(7.60)	(20.10)	(40.37)
Reversal during the year	30.43	42.97	9.75
Closing balance	(70.67)	(93.50)	(116.37)

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.

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)	566.44	273.73	292.71	-	566.44
Lease liabilities	36.63	6.55	10.00	20.08	36.63
Short-term borrowings	638.39	638.39	-	-	638.39
Trade payables	215.79	215.79	-	-	215.79
Other financial liabilities	199.81	199.81	-	-	199.81
Total	1,657.06	1,334.27	302.71	20.08	1,657.06

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)	613.80	273.83	339.97	-	613.80
Lease liabilities	19.47	1.53	8.02	9.92	19.47
Short-term borrowings	876.96	876.96	-	-	876.96
Trade payables	205.01	205.01	-	-	205.01
Other financial liabilities	183.17	183.17	-	-	183.17
Total	1,898.41	1,540.50	347.99	9.92	1,898.41

As at 31 March 2022

Particulars	Carrying value	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	537.21	240.39	296.82	-	537.21
Lease liabilities	17.26	-	7.64	9.62	17.26
Short-term borrowings	423.47	423.47	-	-	423.47
Trade payables	198.35	198.35	-	-	198.35
Other financial liabilities	345.91	345.91	-	-	345.91
Total	1,522.20	1,208.12	304.46	9.62	1,522.20

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

Annexure VII - Notes to Restated Consolidated Financials Statements

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

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 group exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

The group 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	As at 31 March 2022
Variable rate borrowings	655.10	706.10	147.68
Fixed rate borrowings	549.73	784.66	813.00

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 group'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	For the year ended 31 March 2022
	(6.55)	(7.06)	(1.48)
Sensitivity			
1% increase in variable rate	(6.55)	(7.06)	(1.48)
1% decrease in variable rate	6.55	7.06	1.48

(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).

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 Millions	Equivalent amount in Rs for USD	Amount in EURO Millions	Equivalent amount in Rs for EURO
31 March 2024				
Trade receivable	12.04	1,003.61	0.02	0.00
Advance for Purchases	0.64	52.75	0.01	1.05
Advance for Purchases(capital)	0.25	21.05	0.03	2.51
Unhedged Assets	12.93	1,077.41	0.06	3.56
Advances from customers	7.02	576.97	-	-
Payable for Supplies	0.15	12.80	-	-
Borrowings	0.99	82.61	-	-
Unhedged Liabilities	8.17	672.38	-	-
31 March 2023				
Trade receivable	10.88	894.54	0.02	1.93
Advance for Purchases	0.31	25.42	0.00	0.39
Advance for Purchases(capital)	-	-	0.03	2.51
Balances with banks	0.12	9.96	-	-
Unhedged Assets	11.31	929.92	0.05	4.82
Advances from customers	2.89	237.76	0.94	83.82
Payable for Supplies	0.10	8.07	0.02	1.61
Borrowings	2.46	202.22	-	-
Unhedged Liabilities	5.45	448.05	0.95	85.44
31 March 2022				
Trade receivable	3.99	296.23	0.02	1.85
Advance for Purchases	2.60	195.59	0.00	0.37
Advance for Purchases(capital)	-	-	0.03	2.41
Balances with banks	2.90	219.87	-	-
Unhedged Assets	9.49	711.69	0.05	4.64
Advances from customers	6.43	472.64	0.01	1.21
Payable for Supplies	0.33	24.63	0.03	2.79
Borrowings	0.45	33.21	-	-
Unhedged Liabilities	7.22	530.48	0.05	4.00

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 group's profit before tax (due to changes in the fair value of monetary assets and liabilities). The group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Currency	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2024					
	USD	23.25	(23.25)	17.39	(17.39)
	EURO	(0.09)	0.09	(0.07)	0.07
31 March 2023					
	USD	21.73	(21.73)	16.26	(16.26)
	EURO	(0.02)	0.02	(0.02)	0.02
31 March 2022					
	USD	2.52	(2.52)	1.88	(1.88)
	EURO	(0.02)	0.02	(0.02)	0.02

42 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 group'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 group's capital management is to maximize the shareholder value and to ensure the group's ability to continue as a going concern.

The parent and a subsidiary(Andhra pradesh granite (midwest) private limited) has distributed dividend to its shareholders during the financial year. The group 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 Compulsory Convertible Debentures and current borrowing from banks and financial institutions. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

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	As at 31 March 2022
Total Debt (Refer note 17 and 21)	1,204.83	1,490.76	960.68
Less : cash and cash equivalents and bank balances	281.91	134.01	637.08
Adjusted net debt	922.92	1,356.75	323.60
Total equity	4,990.73	4,118.73	3,522.46
Gearing Ratio	0.16	0.25	0.08

In order to achieve this overall objective, the group'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 period.

No changes were made in the objectives, policies or processes for managing capital during the year 31 March 2024, 31 March 2023, and 31 March 2022.

43 TRIBUTABLE TO OWNERS AND MINORITY INTEREST (2023-24)

S.No	Name of the Enterprise	Net Assets i.e. total assets		Share in profit or loss		Share in Other Comprehensive		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Profit or (Loss)	Amount	As % of Consolidated Other Comprehensive Income	Amount
A. Parent									
	Midwest Limited	57.44%	2,866.61	61.34%	615.39	-50%	(3.38)	60.59%	612.01
B. Subsidiaries									
Indian									
1	Andhra Pradesh Granite (Midwest) Private Limited	18.68%	932.40	36.73%	368.46	30%	2.06	36.68%	370.52
2	Midwest Gold Limited	1.79%	89.24	-0.40%	(4.02)	-2%	(0.11)	-0.41%	(4.13)
3	Midwest Neostone Private Limited	2.96%	147.96	-0.30%	(3.03)	0%	-	-0.30%	(3.03)
4	Amaya Smart Technologies Private Limited	0.00%	-	0.00%	-	0%	-	0.00%	-
5	Deccan Silica LLP	0.12%	5.80	0.00%	(0.04)	0%	-	0.00%	(0.04)
6	Astral Granite Private Limited	0.00%	-	0.00%	-	0%	-	0.00%	-
7	Midwest Quartz Private Limited	0.00%	-	0.00%	-	0%	-	0.00%	-
8	AP Midwest Galaxy Private Limited	0.02%	0.80	-0.01%	(0.08)	0%	-	-0.01%	(0.08)
9	Baahula Minerals	0.99%	49.47	-0.04%	(0.41)	0%	-	-0.04%	(0.41)
10	NDR Mining Co.	0.02%	1.14	-0.17%	(1.73)	0%	-	-0.17%	(1.73)
11	Maitreya Minearls	0.01%	0.39	-0.05%	(0.49)	0%	-	-0.05%	(0.49)
12	Midwest Advanced Materials Private Limited	0.00%	-	0.00%	-	0%	-	0.00%	-
Foreign									
13	Reliance Diamond Tools Private Limited (consolidated)	0.55%	27.22	0.46%	4.58	-45%	(3.05)	0.15%	1.53
14	Trinco Minerals Private Limited	0.64%	32.09	-0.05%	(0.49)	30%	2.03	0.15%	1.54
15	Midwest Heavy Sands Private Limited	0.45%	23.14	-0.21%	(2.13)	-15%	(1.03)	-0.31%	(3.16)
16	Midwest Holdings Limited (consolidated)	15.41%	769.12	-0.79%	(7.86)	148%	10.09	0.22%	2.23
Non-controlling Interest in all Subsidiaries									
		0.91%	45.60	3.78%	37.95	3%	0.21	3.78%	38.16
c. Jointly Controlled Entities									
Indian									
1	South Coast Infrastructure Development Company of Andhra Pradesh Limited (consolidated)	-0.01%	(0.25)	-	-	0%	-	0.00%	-
2	SMW Granites LLP	-	-	-0.29%	(2.86)	100%	6.82	-0.28%	(2.86)
	Total	99.98%	4,990.73	100.00%	1,003.24	100%	6.82	100%	1,010.06

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST (2022-23)

S.No	Name of the Enterprise	Net Assets i.e. total assets		Share in profit or loss		Share in Other Comprehensive		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Profit or (Loss)	Amount	As % of Consolidated Other Comprehensive Income	Amount
A.	Parent								
	Midwest Limited	57.88%	2,384.06	63.63%	346.38	3%	1.72	57.52%	348.11
B.	Subsidiaries								
	Indian								
1	Andhra Pradesh Granite (Midwest) Private Limited	16.88%	695.42	40.09%	218.23	2%	1.50	36.31%	219.73
2	Midwest Gold Limited	0.67%	27.77	-4.18%	(22.77)			-3.76%	(22.77)
3	Midwest Neostone Private Limited	1.70%	69.83	-0.94%	(5.13)			-0.85%	(5.13)
4	Amaya Smart Technologies Private Limited	-0.02%	(0.94)	0.09%	0.47			0.08%	0.47
5	Deccan Silica LLP	0.14%	5.85	0.00%	(0.01)			0.00%	(0.01)
6	Astral Granite Private Limited	0.11%	4.49	-0.02%	(0.09)			-0.02%	(0.09)
7	Midwest Quartz Private Limited	0.04%	1.47	-0.01%	(0.03)			0.00%	(0.03)
8	AP Midwest Galaxy Private Limited	0.02%	0.88	-0.11%	(0.62)			-0.10%	(0.62)
9	Baahula Minerals	0.01	49.37	-0.06%	(0.35)	0%	-	-0.06%	(0.35)
10	NDR Mining Co.	0.00	1.44	-0.01%	(0.04)	0%	-	-0.01%	(0.04)
11	Maitreya Minearls	0.00%	-	0.00%	-	0%	-	0.00%	-
12	Midwest Advanced Materials Private Limited	0.25%	10.27	-0.87%	(4.74)			-0.78%	(4.73)
	Foreign								
13	Reliance Diamond Tools Private Limited (consolidated)	0.53%	21.85	0.57%	3.09	3%	1.79	0.81%	4.87
14	Trinco Minerals Private Limited	0.00%	-	0.00%	-	0%		0.00%	-
15	Midwest Heavy Sands Private Limited	-0.01%	-	0.00%	-	0%		0.00%	-
16	Midwest Holdings Limited (consolidated)	18.48%	760.74	-4.01%	(21.82)	91%	55.61	5.57%	33.78
	Non-controlling Interest in all Subsidiaries	2.03%	83.63	5.83%	31.74	0%	0.24	5.28%	31.98
c.	Jointly Controlled Entities								
	Indian								
1	South Coast Infrastructure Development Company of Andhra Pradesh Limited (consolidated)	0.00%	(0.25)	-	-			0.00%	-
2	SMW Granites LLP	0.00	2.85	0.00%	0.05			0.01%	0.05
	Total	100.00%	4,118.73	100.00%	544.36	100.00%	60.86	100.00%	605.22

Midwest Limited (formerly known as Midwest Private Limited)

(CIN : U14102TG1981PLC003317)

STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST (2021-22)

S.No	Name of the Enterprise	Net Assets i.e. total assets		Share in profit or loss		Share in Other Comprehensive		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of Consolidated Profit or (Loss)	Amount	As % of Consolidated Other Comprehensive Income	Amount
A.	Parent								
	Midwest Limited	57.33%	2,017.30	71.50%	468.78	6%	0.60	69.00%	469.38
B.	Subsidiaries								
	Indian								
1	Andhra Pradesh Granite (Midwest) Private Limited	15.35%	538.63	37.94%	248.79	-17%	(1.58)	36.34%	247.21
2	Midwest Gold Limited	1.99%	70.15	-0.58%	(3.76)	-	-	-0.55%	(3.76)
3	Midwest Neostone Private Limited	1.98%	69.67	-1.52%	(9.99)	-	-	-1.47%	(9.99)
4	Amaya Smart Technologies Private Limited	-0.03%	(1.11)	0.00%	(0.02)	-	-	0.00%	(0.02)
5	Deccan Silica LLP	0.17%	5.82	-0.03%	(0.24)	-	-	-0.04%	(0.24)
6	Astral Granite Private Limited	0.19%	7.61	-0.11%	(0.74)	-	-	-0.11%	(0.74)
7	Midwest Quartz Private Limited	0.03%	1.50	0.00%	-	0%	-	0.00%	-
8	AP Midwest Galaxy Private Limited	0.00%	-	0.00%	-	0%	-	0.00%	-
9	Baahula Minerals	0.01	50.05	-0.10%	(0.33)	-	-	-0.05%	(0.33)
10	NDR Mining Co.	0.00%	-	0.00%	-	0%	-	0.00%	-
11	Maitreya Minearls	0.00%	-	0.00%	-	0%	-	0.00%	-
12	Midwest Advanced Materials Private Limited	0.00%	-	0.00%	-	0%	-	0.00%	-
	Foreign								
13	Reliance Diamond Tools Private Limited (consolidated)	-0.38%	(13.33)	-18.39%	(120.60)	-41%	(3.83)	-18.29%	(124.43)
14	Trinco Minerals Private Limited	0.00%	-	0.00%	-	0%	-	0.00%	-
15	Midwest Heavy Sands Private Limited	0.00%	-	0.00%	-	0%	-	0.00%	-
16	Midwest Holdings Limited (consolidated)	19.29%	678.49	5.50%	36.14	154%	14.54	7.45%	50.68
	Non-controlling Interest in all Subsidiaries	2.70%	95.12	5.79%	37.64	-3%	(0.28)	5.49%	37.36
c.	Jointly Controlled Entities								
	Indian								
1	South Coast Infrastructure Development Company of Andhra Pradesh Limited (consolidated)	0.00%	(0.25)	-	-	-	-	0.00%	-
2	SMW Granites LLP	-	2.81	0.00%	0.09	-	-	0.00%	0.09
d.	On Account of Consolidation Adjustments								
	Total	100.03%	3,522.46	100.00%	670.93	100.00%	9.45	100.00%	680.38

Midwest Limited (formerly known as Midwest Private Limited)
(CIN : U14102TG1981PLC003317)
Annexure VII - Notes to Restated Consolidated Financials Statements
(All amounts are Rs. in millions, unless otherwise stated)

44 (i) Note for BEML Midwest Limited:

A. BEML Midwest Limited is a subsidiary incorporated on April 18, 2007, promoted by Bharat Earth Movers Limited (BEML) and Midwest Limited(ML) with the objective of dealing with minerals including acquisition, exploration, exploitation, import/export etc. trading of minerals. ML owned 54.91% and BEML owned 45% of the shares and the rest by others.

Disputes arose between the parties in 2008 and consequently, the operations of the company were stopped. The subsidiary was admitted into CIRP vide order dated September 26, 2022, of the Hon'ble NCLT, Hyderabad. Accordingly, the entity ceased to be a subsidiary during FY 2022-23. Subsequently, vide order dated October 20, 2023, the Hon'ble NCLT, Hyderabad passed the order of Liquidation of the subsidiary.

In view of the disputes between the parties, the subsidiary did not get its accounts audited from the first year of its operations. Accordingly, the financials of the subsidiary were never consolidated with the financials of ML. ML impaired the investments made in the subsidiary and receivables from the subsidiary in FYs 2009-10 and 2014-15. There are no dues recoverable from the subsidiary as at March 31, 2024. Since it was not consolidated from its inception there is no impact on the consolidated financial statements due to the liquidation.

B. The resolution professional/liquidator of the subsidiary, referred in note no. 44(A) above, issued a Demand Notice on September 13, 2023, on ML, for payment of an "Operational debt" of Rs. 106.78 mn. The resolution professional/liquidator also filed a petition dated October 14, 2023, with the Hon'ble NCLT Hyderabad for initiating the CIRP proceedings against ML. ML has replied to the demand notice on September 27, 2023, disputing the debt and explaining that there are no dues payable by ML. This matter was first listed on November 10 2023 and notice was issued by the Liquidator upon ML, as per the directions of the Hon'ble NCLT, Hyderabad Bench dated November 28 2023. Matter was heard by the Hon'ble NCLT on various hearings including the latest hearing dated July 16, 2024 wherein arguments were placed by ML and the Hon'ble NCLT, Hyderabad Bench has pronounced the judgement dated August 14 2024 rejecting the application.

(ii) Note for South Coast Infrastructure Development Company of Andhra Pradesh Ltd.:

South Coast Infrastructure Development Company of Andhra Pradesh Ltd. (SCIDCAP) was formed as a Joint Venture between Midwest Limited (ML) and IL&FS Infrastructure Development Corporation Limited on 23.11.2006. Both parties have equal shareholding.

SCIDCAP incorporated a wholly owned subsidiary company "SCR Agrotech Private Limited" under the Companies Act 1956. SCIDCAP with its wholly owned subsidiary (referred to as a group) were formed with an objective to develop deep seaport, industrial complex and other related infrastructure development projects etc. The group acquired total land of 123.36 acres in south coast of Andhra Pradesh in FY 2006-07. The JV was acquiring the land that was needed as per the project plan, meanwhile in the year 2018-19 crisis arose at IL&FS Infrastructure Development Corporation Limited and its group companies, unconnected with this JV. Consequently, the project envisaged in this JV did not take off. ML had invested Rs.0.25Mn in the JV and also had extended a loan of Rs. 30.00Mn to the JV. The investments were accounted for under the equity method of accounting specified under IND AS 110, in the consolidated financials. The group is in discussion with ILFS to acquire their share in the JV and thereafter, recover its investments through sale (or) disposal of the land bank available in the JV.

45 Income tax and deferred taxes

Components of income tax and deferred tax expenses

		For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
A.	Tax expense recognised in the Statement of Profit and Loss			
Current Tax		371.43	228.19	266.50
Current year		13.44	6.04	(0.47)
Tax pertaining to earlier years				
	Total (A)	384.87	234.23	266.03
B.	Deferred Tax			
Origination and reversal of temporary differences				
	Total (B)	(10.06)	8.40	(3.95)
		(10.06)	8.40	(3.95)
C.	Tax on Other Comprehensive Income			
Deferred tax				
Origination and reversal of temporary differences - OCI				
	Total	374.81	242.63	262.08
		0.36	(1.17)	0.43
		375.17	241.46	262.50

Current tax (assets) / liabilities (net)

		As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
D.	Advance tax Including TDS receivable and Self assessment tax paid	(337.12)	(201.14)	(288.30)
E.	Provision for tax	371.13	229.63	267.95
		34.01	28.49	(20.35)

F. Reconciliation of tax expense and the accounting profit

		For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before income taxes				
Indian statutory income tax rate		1,378.05	786.99	933.01
25.17%		25.17%	25.17%	25.17%
Expected Income tax expense				
Tax effect of expenditure disallowed under income tax		347.00	236.60	258.08
Others		15.66	3.81	9.05
		12.15	2.23	(5.06)
Total income tax expense		374.81	242.63	262.08

Movement during the year 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 liability:				
Arising on account of temporary differences in:				
Property, plant and equipment	(9.27)	(10.11)	-	0.83
Keyman insurance premium and benefits receivable	(23.93)	3.64	-	(27.57)
Financial assets measured at FVTPL	(0.03)	2.10	-	(2.13)
Right to Use of Asset	-	1.42	-	(1.42)
Prepaid Expenses IND AS	-	3.21	-	(3.21)
Deferred tax asset:				
Expenses allowable on the basis of payment	13.48	0.77	-	9.66
Provision for impairment of investments	19.11	2.46	-	16.65
Provision for expected credit loss allowances	2.65	(8.94)	-	11.59
Provision for doubtful Advances	8.34	3.40	-	12.03
Provision for gratuity	15.43	(0.45)	0.36	11.94
Lease Liabilities	-	(1.48)	-	1.48
Prepaid Expenses IND AS(Security Deposit from Cust.)	5.62	(6.07)	-	6.07
Disallowance U/s.40a(ia) - TDS not Deducted	(0.13)	(0.02)	-	0.15
Adjustment due to loss of control				
Total	31.28	(10.06)	0.36	36.07

Note: The deferred tax asset of Rs. 5.63 Mn has been derecognised from the consolidation during the financial year 2023-24 on account of disinvestment in Astral Granite Private Limited

Movement during the year 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 liability:				
Arising on account of temporary differences in:				
Property, plant and equipment	(8.52)	0.75	-	(9.27)
Keyman insurance premium and benefits receivable	(23.42)	0.50	-	(23.93)
Financial assets measured at FVTPL	(1.08)	(1.05)	-	(0.03)
Deferred tax asset:				
Expenses allowable on the basis of payment	13.30	(1.36)	(1.17)	13.48
Provision for impairment of investments	19.11	-	-	19.11
Provision for expected credit loss allowances	12.46	9.81	-	2.65
Provision for doubtful Advances	15.22	6.88	-	8.34
Provision for gratuity	8.22	(7.21)	-	15.43
Disallowance U/s.40a(ia) - TDS not Deducted	-	0.13	-	(0.13)
Unabsorbed Losses	5.57	(0.04)	-	5.62
Total	40.86	8.40	(1.17)	31.28

Movement during the year ended 31 March 2022	As at 1 April 2021	(Credit)/charge in the Statement of Profit and Loss	(Credit)/charge in OCI	As at 31 March 2022
Deferred tax liability:				
Arising on account of temporary differences in:				
Property, plant and equipment	(3.68)	6.44	-	(8.52)
Keyman insurance premium and benefits receivable	(19.67)	2.18	-	(23.42)
Financial assets measured at FVTPL	(0.87)	0.21	-	(1.08)
Deferred tax asset:				
Expenses allowable on the basis of payment	10.77	(2.10)	0.43	13.30
Provision for impairment of investments	19.37	0.26	-	19.11
Provision for expected credit loss allowances	11.93	(0.53)	-	12.46
Provision for doubtful Advances	6.05	(9.17)	-	15.22
Provision for gratuity	7.81	(0.41)	-	8.22
Disallowance U/s.40a(ia) - TDS not Deducted	-	-	-	-
Unabsorbed Losses	-	(0.58)	-	5.57
Unrealised profit on inventory and Others	(0.25)	(0.25)	-	-
Adjustment on Acquisition	4.99	-	-	-
Adjustment on Disposal	0.03	-	-	-
Total	36.48	(3.95)	0.43	40.86

The Group 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.

46 Revenue from operations

Revenue from contract with customers

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Income from Sale of products	5,850.91	5,013.76	5,251.14
Other Operating revenue including export incentives	5.33	11.41	27.23
Total	5,856.24	5,025.17	5,252.37

Disaggregated revenue information

Geographic Revenue

Revenue from contract with customers	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
With in India	2,198.73	1,986.73	2,503.68
Outside India	3,657.51	3,038.44	2,748.69
Total	5,856.24	5,025.17	5,252.37

Timing of revenue recognition

Services transferred at a point of time	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Goods transferred at a point of time	5,856.24	5,025.17	5,252.37
Total revenue from contracts with customers	5,856.24	5,025.17	5,252.37

Reconciliation of revenue recognised with the contracted price is as follows:

Contract price	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Less: Discounts and disallowances	-	-	-
Total revenue from contracts with customers	5,856.24	5,025.17	5,252.37

Particulars

Particulars	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Trade receivables (Refer Note 11)	1,190.69	962.46	416.41

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.

47 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

48 Subsequent Events

- i) The Company has divested its entire shareholding of 23,09,500 equity shares representing 70.63 % held in Midwest Gold Limited, Subsidiary Company on June 13 2024 to Mr Kollareddy Rama Raghava Reddy, Promoter of the Company. The shares were transferred at the rate of Rs 22.75/- per equity share as per the valuation report obtained from the Registered Valuer.
- ii) The company has changed its name from Midwest Granite Private Limited to Midwest Private Limited pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on 07 May 2024 and subsequently the fresh certificate of incorporation issued by ROC on 02 July 2024.
- iii) The Company has converted itself from Private Limited to Public Limited, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on July 15, 2024 and consequently the name of the Company has changed to "Midwest Limited" pursuant to a fresh certificate of incorporation issued by ROC on 28 August 2024.
- iv) Pursuant to resolution passed by our Board and Shareholders dated May 15, 2024 and June 11, 2024, respectively, each equity shares of face value of Rs.100 each of our Company has been split into Twenty Equity Shares of face value of Rs.5 each. Accordingly, the issued, subscribed and paid up capital of our Company has been sub-divided from 966,069 equity shares of face value of Rs.100 each to 19,321,380 Equity Shares of face value of Rs.5 each.
- v) Subsequent to year ended 31 March 2024, Company has allotted 14,491,035 equity shares of Rs.5 each as bonus shares in proportion of 3 new bonus equity shares of Rs.5 each for every four equity share of Rs.5 each. This has been approved by Board and Shareholders on July 5, 2024 and July 9, 2024, respectively.

49 Other regulatory information

49.1 Details of benami property held

No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

49.2 Relationship with struck off companies

The Group does not have any relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

49.3 Details of crypto currency or virtual currency

The Group has not traded or invested in Crypto currency or Virtual currency during the financial year.

49.4 Utilisation of borrowed funds and share premium

The Group 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 group (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

49.5 Undisclosed income

The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

49.6 Borrowings secured against current assets

The Group 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

49.7 Compliance with number of layers of companies

The Group 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

49.8 Wilful defaulter

The entities in the Group have not been declared as a wilful defaulter by any bank or financial institution or other lender

49.9 Compliance with approved scheme(s) of arrangements

There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting period.

49.10 Title deeds of immovable properties

Title deeds of Immovable Properties not held in name of the Group

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.

50 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.

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

For and on behalf of the Board of Directors of
Midwest Limited (formerly known as Midwest Private Limited)

Ananthakrishnan Govindan
Partner
Membership No: 205226

Ramchandra Kollareddy
Whole time Director
DIN:00060086

Soumya Kukreti
Whole time Director
DIN:01760289

Place: Hyderabad
Date: 27th September 2024

Ch. Dilip Kumar
Chief Financial Officer

Rohit Tibrewal
Company Secretary
M No: A31385

Place: Hyderabad
Date: 27th September 2024

Place: Hyderabad
Date: 27th September 2024

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As of and for the year ended March 31, 2024	As of and for the year ended March 31, 2023	As of and for the year ended March 31, 2022
Earnings per share of ₹5 each- Basic (in ₹) ⁽¹⁾	29.67	16.10	19.84
Earnings per share ₹5 each - Diluted (in ₹) ⁽¹⁾	29.67	16.10	19.84
Return on net worth (%) ⁽²⁾	22.88	16.15	23.21
Net asset value per equity share (in ₹) ⁽³⁾	124.79	99.05	81.25
EBITDA (₹ million) ⁽⁴⁾	1,514.43	895.87	1,057.41

⁽¹⁾ Earnings per equity share of ₹5 each – Basic and Diluted earnings per equity share of ₹5 each – Diluted are calculated in accordance with Ind AS 33 prescribed under the Companies (Indian Accounting Standard) Rules, 2015

⁽²⁾ Return on net worth %: Return on Net Worth (%) is calculated as Restated Profit for the year attributable to Owners of the holding company as a percentage of Net Worth.

⁽³⁾ Net Asset Value per Equity Share = Net worth as per the Restated Consolidated Financial Statements / Number of equity shares outstanding as at the end of the year and adjusted for bonus issue and split of equity shares post last balance sheet i.e. March 31, 2024.

⁽⁴⁾ EBITDA: EBITDA represents restated profit after tax after adding back income tax expenses, finance cost, net and depreciation and amortization expenses of the relevant year and reducing other income.

Accounting and other ratios are derived from the Restated Consolidated Financial Statements.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company, Andhra Pradesh Granite (Midwest) Private Limited and Midwest Holdings Limited as of and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 (collectively, the “**Audited Financial Statements**”) are available on our website at <https://midwest.in/investors.html>

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, a part of this Draft Red Herring Prospectus; or the Red Herring Prospectus, the Prospectus, a statement in lieu of a Prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards *i.e.*, Ind AS 24 ‘Related Party Disclosures’ as of and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, and as reported in the Restated Consolidated Financial Statements, see “*Restated Consolidated Financial Statements–Related Party Disclosures*” beginning on page 380.

CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as of March 31, 2024, derived from Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" beginning on pages 402 and 31, respectively.

Particulars	As of March 31, 2024	As adjusted for the proposed Offer ⁽¹⁾
	(₹ million, unless indicated otherwise)	
Borrowings		
Current Borrowings (A)	364.66	[●]
Non Current Borrowings (including current maturity) (B)	840.17	[●]
Total Borrowings (C=A+B)	1,204.83	[●]
Total Equity		
Equity share capital (D)	96.61	[●]
Instrument in the nature of equity (E)	—	[●]
Other Equity (F)	4,122.68	[●]
Total equity (G=D+E+F)	4,219.29	[●]
Total capitalization (C + G)	5,424.12	[●]
Non-current Borrowings/ Total Equity (H = B/G)	0.20	[●]
Total Borrowings/ Total Equity (I=C/G)	0.29	[●]

⁽¹⁾ These amounts (as adjusted for the Offer) are not determinable at this stage pending the completion of the book building process and hence have not been included.

⁽²⁾ Subsequent to March 31, 2024,

- Pursuant to resolutions passed by our Board at their meeting held on May 15, 2024 and the Shareholders at their EGM held on June 11, 2024, our Company has sub-divided 966,069 equity shares of face value of ₹100 each to 19,321,380 Equity Shares of face value of ₹5 each. For further information, see "Capital Structure–Share Capital History of our Company" and "History and Certain Corporate Matters–Amendments to the Memorandum of Association in last 10 years" on pages 88 and 274, respectively.
- Pursuant to resolutions passed by our Board at their meeting held on July 5, 2024 and the Shareholders at their EGM held on July 9, 2024, our Company has approved the issuance of 14,491,035 Equity Shares of face value of ₹5 each as a part of bonus issue to the existing equity shareholders, whose name appears in the list of beneficial owners on the record date i.e., July 9, 2024 in the ratio of 3 equity shares for 4 equity shares held, which were allotted on July 15, 2024. Equity Shares of face value ₹5 for each Equity Share of face value ₹5 held. For further information, see "Capital Structure–Share Capital History of our Company" on page 88.
- Our Company has availed certain credit facilities from RBL Bank for its working capital requirements on the terms and conditions set out in a sanction letter issued by RBL Bank dated July 9, 2024, along with other terms and conditions that may be incorporated in the master facility agreement or any transaction documents proposed to be entered into by the Company with RBL Bank.

FINANCIAL INDEBTEDNESS

Our Company has availed loans and entered into other financing arrangements in the ordinary course of business, typically for the purposes of working capital, purchase of equipment and general corporate purposes. For the purposes of the Offer, our Company has obtained the necessary consents required under the relevant documentation for its borrowings in relation to the Offer, including for undertaking activities such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company. For details regarding the borrowing powers of our Board, see “*Our Management–Borrowing Powers of our Board of Directors*” on page 296. Also see “*Risk Factors–Our financing arrangements contain certain restrictive covenants, and non-compliance with any of the covenants of our financing agreements could trigger an event of default*” on page 60.

A brief summary of the financial indebtedness of our Company (on a consolidated basis) as of August 31, 2024 is disclosed below:⁽¹⁾

Category of borrowing	Sanctioned amount (in ₹ million) as of August 31, 2024	Outstanding amount (in ₹ million) as of August 31, 2024
Non-Fund Based borrowing		
HDFC Bank (Midwest Limited)	140.00	32.69
Kotak Mahindra Bank	31.41	26.70
HDFC Bank –(Midwest Neostone Private Limited)	750.00	213.79
Fund Based borrowing		
HDFC Bank Limited	1626.60	480.84
HDFC Bank – (Midwest Neostone Private Limited)	750.00	260.38
Kotak Mahindra Bank Limited	525.21	142.87
ICICI Bank Limited	126.93	55.06
Siemens Financial Service Limited	33.94	0.00
Shinhan Bank	334	8.53
Yes Bank Limited	135.26	53.65
The Federal Bank Limited	30.78	25.74
South Indian Bank	97.5	30.44
Axis Bank Limited	48.7	4.73
Agencia Commercial Weng Tai	97.19	97.19
Lun Fong Tai Companhia De Construcao Lda	8.39	8.39
Consolidated Minerals Pte Ltd	25.16	25.16
Consolidated Metals Pte Ltd	8.39	8.39
Vandana Bachheti	3.47	3.47
Chang Yip Development Co Ltd	25.69	25.69
Total	4,798.62	1,503.71

⁽¹⁾ As certified by Majeti & Co., Chartered Accountants, by way of their certificate dated September 30, 2024.

Principal terms of the borrowings availed by our Company are disclosed below:

1. *Interest:* The interest rate applicable to our borrowing facilities is typically tied to the respective lender's lending rate prevailing at the time and may vary for each facility. The interest rate on the borrowings ranges from 6.99% p.a. below to 9.38% p.a. payable at such intervals as may be stipulated by the lender.
2. *Tenor:* The tenor of the term loan facilities availed by us typically ranges from 46 months to 176 months. We have also availed certain working capital facilities that may be repayable on demand. These working capital facilities are generally repayable on demand and may be rolled over within the period specified in the respective facility documents.
3. *Security:* Our borrowings are typically secured by a first exclusive charge by way of hypothecation on book debts both present and future. The nature of the security described above is indicative and there may be additional requirements for creation of security under various borrowing arrangements entered into by our Company.
4. *Pre-payment and premature redemption:* Facilities availed by us typically have pre-payment provisions which allow for pre-payment of the outstanding loan amount, by serving a prior written notice to the relevant lender or on receiving prior approval from the relevant lender, subject to such pre-payment penalties as may be decided by the lender at the time of such prepayment, or as set out in the facility agreements, as the case may be. Among the facilities which specify a pre-payment penalty, the penalty typically ranges from 0% to 6% of the amount proposed to be pre-paid in the case of our borrowing facilities.

5. *Events of Default:* The financing arrangements entered into by our Company contain standard events of default including, among others:

- (i) non-payment or default of any amounts due on the facility or any part thereof;
- (ii) breach of or default in the performance of or observance of any of the terms, covenants, obligations or undertakings stipulated in the relevant documents;
- (iii) failure to create and perfect security;
- (iv) non-payment of moneys due to any person or lender as and when they fall due or when demanded;
- (v) the occurrence of any event or circumstance which prejudicially or adversely affects or is likely to prejudicially or adversely affect the capacity of our Company to repay the facilities availed;
- (vi) any notice or action in relation to actual or threatened proceedings relating to bankruptcy, liquidation or insolvency being initiated against us; and
- (vii) our Company ceasing or threatening to cease to carry on its business.

6. *Consequences of occurrence of events of defaults:*

In terms of our borrowing arrangements, the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

- (i) accelerate repayment of facilities or declare all sums outstanding as immediately due and payable;
- (ii) enforce their security interest over the hypothecated / mortgaged assets;
- (iii) demand the Company to furnish additional unencumbered collateral as a security;
- (iv) suspend or cancel any undisbursed amount of the facility;
- (v) convert whole or part of the outstanding amount into fully paid-up Equity Shares
- (vi) disclosure of information to the Credit Information Bureau (India) Limited / information utility and / or any other agency so authorized by RBI as may be required under applicable law.

7. *Penalty:* Facilities availed by the Company contain provisions prescribing penalties for delayed payment or delay in submission of documents required under such facility documents, non-creation of security and default in the Company's repayment obligations, which is typically 2% over the prevailing interest rates of the amounts due and payable.

8. *Restrictive Covenants:* Certain borrowing arrangements entered into by our Company contain restrictive covenants, including covenants restricting certain actions except with the prior approval of the lender. An indicative list of such restrictive covenants is disclosed below.

- (i) lender's right to recall the whole advance or balance thereof outstanding with the prior permission of the RBI;
- (ii) restriction on assignment of our Company's obligations under the facility documents;
- (iii) restriction on undertaking certain corporate actions except with the prior approval of the lender, including:
 - effecting any change in our ownership, control or management;
 - effecting any material change of our Company's capital structure or shareholding pattern;
 - amendments to the constitutional documents of our Company;
 - enter into any scheme of amalgamation or reconstruction;
 - change in the management set up of our Company;
 - carrying out any change in the general nature of business;
 - making any pre-payment of principal amounts due under the facilities;
 - declaring and paying dividends if payment of any installment towards the principal or interest is due and payable and except out of the profits of our Company for that year; and
 - creating charge, lien or encumbrance over the assets secured under the facility documents, if any, in favour of persons other than the lender.

The details provided above, in relation to the principal terms of our borrowings are indicative and there may be additional terms, conditions and requirements under the specific borrowing arrangements entered into by us. The details on interest rates, tenors, pre-payment penalties, penalties set out above are in relation to the borrowings availed by our Company as of August 31, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In this Draft Red Herring Prospectus, unless the context otherwise indicates, requires or implies, any reference to “the Company” or “our Company” refers to Midwest Limited, on a standalone basis, and any reference to “we”, “us” or “our” is a reference to our Company collectively with our Subsidiaries and Joint Ventures, on a consolidated basis, as of and for the relevant years covered by the Restated Consolidated Financial Statements.

The following discussion and analysis is intended to convey the management’s perspective on our financial condition and results of operations as of, and for the financial years ended, March 31, 2024, March 31, 2023 and March 31, 2022. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in “Risk Factors”, “Industry Overview”, “Our Business” and “Restated Consolidated Financial Statements” beginning on pages 31, 163, 224 and 321, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole.

Our financial year ends on March 31 of each year, and references to a particular Financial Year or Fiscal are to the 12-month period ended March 31 that year, unless the context indicates otherwise.

Unless otherwise stated or the context otherwise requires, the financial information as of, and for the financial years ended, March 31, 2024, March 31, 2023 and March 31, 2022 included in this section has been derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus on page 321. We have also included various financial and operational performance indicators in this Draft Red Herring Prospectus, some of which have not been derived from the Restated Consolidated Financial Statements. The manner of calculation and presentation of some of the financial and operational performance indicators, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Also see “Risk Factors—“This Draft Red Herring Prospectus includes certain Non-GAAP Measures, financial and operational performance indicators and other industry measures related to our operations and financial performance. The Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian mining industry and, therefore, may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies” on page 66. Ind AS differs in certain respects from Indian GAAP, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. We have not attempted to quantify the impact of the IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Also see “Risk Factors—Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors’ assessments of our financial condition, result of operations and cash flows.” on page 66.

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. You should read “Forward-Looking Statements” and “Risk Factors” beginning on pages 29 and 31, respectively, for a discussion of the risks and uncertainties related to those statements that may affect our business, financial condition or results of operations.

Unless stated otherwise, industry and market data used in this section have been extracted from the CRISIL Report, which was prepared and issued by CRISIL MI&A, which was exclusively commissioned and paid for by our Company for the purposes of the Offer. The industry related data included in this section may have been re-ordered by us for the purposes of presentation, however, there are no parts, data or information (which may be relevant for the Offer) that has been left out in any manner. A copy of the CRISIL Report will be available on the Company’s website at <http://www.midwest.in/> from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. Also see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation—Industry and Market Data” on page 27.

OVERVIEW

About Us

We have a legacy of more than four decades in the dimensional natural stone (*i.e.*, naturally occurring stones) industry with experience in exploration, development and operation of mines, stone processing and fabrication, sales, distribution and marketing of various types of natural stone. We are engaged in the business of exploration, mining, processing, marketing, distribution and export of natural stones, with an emphasis on sustainability. We are India’s largest producer and exporter of Black Galaxy Granite (a variety of Granite which is sparkling with flakes of a golden hue), and held a share of approximately 23% of the Indian export market for Black Galaxy Granite in Fiscal 2024 (*Source: CRISIL Report*), exporting 48,249 cubic meters of Black Galaxy Granite during Fiscal 2024. We are also one of the largest producers in Absolute Black Granite (a variety known for its remarkable surface finish), both of which have high demand. Our Absolute Black Granite production accounted for 10.8% of the overall black granite production in India during Fiscal 2024.

We place much emphasis on decarbonizing our operations to improve the sustainability of our business. Our mining operations are mechanized and incorporate advanced engineering and process optimization, aided by vertical integration

of key operational components such as customized Diamond Wires. We beneficially leverage our experience and organizational capabilities to serve as an organized player in an otherwise unorganized sector with the objective of catering to the requirements of our customers, improving our processes, expanding our market reach and building our resource base.

Our Operations

Our existing business activities primarily comprise extracting and processing Dimensional Granite (*i.e.*, Granite that is cut to conform to the specifications in terms of size and shape), particularly the Black Galaxy and Absolute Black varieties (“**Natural Stone Segment**”). In addition to our Natural Stone business, we also manufacture Diamond Wire, which is a precision cutting tool employed in the natural stone and construction industries to size stones and other hard substances with precision in mines and processing/ fabrication facilities (“**Diamond Wire Segment**”). While our operations in the Diamond Wire segment began with the objective of backward integration and supporting our Natural Stone Segment, at present, our operations in this segment cater both to our captive consumption as well as meeting market demand of the Indian mining and construction industry. Set out below is the breakdown of our revenue from operations across our key activities for the periods indicated.

Segment	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue (₹ million)	% of Revenue from operations	Revenue (₹ million)	% of Revenue from operations	Revenue (₹ million)	% of Revenue from operations
Black Galaxy and Absolute Black Granite						
Black Galaxy Granite						
- Exports	3,619.50	61.81	2,991.38	59.53	2,729.05	51.96
- Domestic	617.76	10.55	549.36	10.93	1,047.88	19.95
Absolute Black Granite						
- Exports	38.02	0.65	47.06	0.94	19.65	0.37
- Domestic	1,351.89	23.08	1,244.12	24.76	1,225.12	23.33
Sub-total for Black Galaxy Granite and Absolute Black Granite (A)	5,627.17	96.09	4,831.92	95.15	5,021.70	95.61
Others						
- Other natural stones ⁽¹⁾	140.64	2.40	88.04	1.74	138.51	2.64
- Diamond Wire	88.44	1.51	105.20	2.09	92.16	1.75
Sub-total for Others (B)	229.08	3.91	193.24	3.84	230.67	4.39
Total Revenue from Operations (A+B)	5,856.24	100.00	5,025.17	100.00	5,252.37	100.00

Notes:

2. Other natural stones includes revenue from the sale of Tan Brown Granite, Marble and Quartzite

In the Natural Stone Segment, we primarily produce dimensional blocks and slabs of Black Galaxy Granite and Absolute Black Granite. Black Galaxy Granite is a premium stone used in real estate projects for applications such as countertops and vanities, flooring, cladding, bathroom walls and floors, swimming pools, fire places and external/ internal aids in construction. Black Galaxy Granite is a highly valued natural stone that offers a unique combination of durability, beauty and versatility, making it a popular choice for architects, designers and builders around the world (*Source: CRISIL Report*). Black galaxy is available in only one village in Andhra Pradesh in the entire world. (*Source: CRISIL Report*) For a brief description of the types of Granite that we produce, see also “*Definitions and Abbreviations – Industry related terms*”, “*Industry Overview*” and “*Our Business–Description of our Business–Products and Production Details*” on pages 11, 163 and 249. Absolute Black Granite is known for its deep uniform black color and is prized for its elegance and versatility (*Source: CRISIL Report*). In addition, its hardness, durability, resistance to weathering, visual appeal and low maintenance are some of its positive attributes. Absolute Black Granite is used to make sculptures, idols of deities, pillars, lintels (*i.e.*, beams installed over doors and windows) and plinths (*i.e.*, heavy bases used to support statues) and has been extensively used in temples, monuments and memorials and is also used in modern architecture such as kitchen counters, flooring, bathroom vanities, cladding, windowsills, backsplashes, fireplaces, steps, building facades and fountains.

We currently have 16 operational Granite Mines across 6 locations in the states of Telangana and Andhra Pradesh in India producing Granite varieties such as Black Galaxy, Absolute Black, Tan Brown, along with one Granite processing facility in each of the states of Telangana and Andhra Pradesh. In addition to our operational mines, we have also established a strong resource base comprising 25 locations across Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. For details of our Reserves and resource base, please see “*Our Business–Description of our Business–Natural Stone Segment–Reserves and Resources*” on page 241.

A majority of the Granite blocks extracted from our Mines are sold directly to bulk customers from our Mines or stock yards. Only a small fraction are sent to our two mechanized processing facilities (one each in Telangana and Andhra Pradesh) for further processing into cut slabs. We have established the Granite processing facilities close to our Mines to improve product recovery by salvaging low-quality commercial blocks which might not be economical to transport and process elsewhere. Such facilities allow us to maintain a presence across the wholesale value chain for Granite and offer ‘mine to distribution’ capabilities to our customers.

Our customers, comprising processors and distributors, are located across 17 countries and five continents, with China, Italy and Thailand being our primary export markets. Our customers include MP STENEKO AB (based in Sweden); GI-MA STONE SRL (based in Italy); Quanzhou Xingguang Stone Co., Ltd. and the Xiamen Group (based in China); King Marble and Granite Co. Ltd. (based in Thailand); and Kodeyalam Stones, Anjanee Exports and Anjalee Granites Pvt Ltd (based in India). Our Granite has been used in various marquee projects including the CSSC Power (Group) Tower in Shanghai, China and the Shenyang MaoYe Center in Shenyang, China.

Our operations span across the Dimensional Granite value chain allowing us to cater to our customers' requirements ranging from mine to distribution. Our relationship with our distributors is typically mutually exclusive for specified products. We enjoy long-standing relationship with our customers, as evidenced by our continued relationship and the long-term contracts with such customers. Most of these contracts require payment of an interest-free deposit as a condition precedent to the signing of the contract. This cash flow helps us reduce our working capital requirements. Set out below are details of the average duration of our relationship with our top customers.

Particulars	% Contribution to Revenue from operations in Fiscal 2024	Average Duration of Relationship (in years)	Range (in years)
Top 5 customers	30.48	4	1-9
Top 10 customers	48.37	3	1-9

In our Diamond Wire Segment, we manufacture Diamond Wire at an advanced manufacturing facility (“**Diamond Wire Facility**”) located in Hyderabad, Telangana. This location provides ready access to road and rail infrastructure which facilitates, and aids optimization of the logistics for, distribution of our products. Our plant design and operational sequence allows tailoring of products to meet the specific requirements of each of our mining operations and each type of stone that we extract. This captive facility helps us increase our operational efficiency and optimize operational costs in both mining and processing activities.

Exploration and Innovation

We place a significant emphasis on process optimization through research and development (“**R&D**”) activities. Our R&D activities in the Natural Stone Segment primarily comprise (i) locating, exploring and proving new mineral deposits; (ii) testing, validating and delineating the mineral bearing parcels to expand our resource base; and (iii) developing methods to increase the efficiency of our processes and production systems and improve the quality of our products; while in the Diamond Wire Segment, R&D activities involve improving the metallurgy, matrix composition, coatings, materials and our processes and production systems to improve product quality and reduce the cost of production.

As of March 31, 2024, we had a dedicated team of 1,232 personnel, including 21 personnel specializing in electrical matters, 77 personnel with mining specializations, 45 personnel involved in production, 9 personnel (including 7 geologists) focusing on R&D and exploration and 791 contract workers who have, on average, 13.75 years of industry experience. We utilize a mix of permanent employees, consultants and contract workers in managing our operations. However, we deploy an in-house team to handle our core operations and only meet certain auxiliary labor requirements through contract workers.

In recent years, there has been a growing emphasis on sustainable materials and environmentally friendly practices, leading to increased demand for natural stone that is responsibly sourced and have minimal environmental impact (*Source: CRISIL Report*). Accordingly, sustainability and environmental consciousness have been the key focus areas of our R&D activities. Key initiatives in this regard have included (i) the use of solar energy, electric dump trucks and electric dressing stations, (ii) usage of expanding chemical powders to replace explosives, and (iii) installing automated fuel dispensing and monitoring systems covering all consumption points. These initiatives have allowed us to evolve efficient and sustainable practices and help us reduce our carbon footprint. Our R&D activities in the Diamond Wire segment have allowed us to increase the operating speed and useful life of our Diamond Wire, while reducing energy consumption. This was achieved by altering the composition of materials and modifying process parameters.

Set out below is our expenditure on R&D as a percentage of our revenue for the periods indicated:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ million)	% of Revenue	Amount (₹ million)	% of Revenue	Amount (₹ million)	% of Revenue
R&D Expenditure	114.61	1.96	57.84	1.15	41.69	0.79

Emerging Businesses

Leveraging our experience and capabilities in our current business activities and with an intent to diversify our business, we have expanded into new businesses, as described below.

Quartz



Aerial view of location of Quartz Processing Facility

Quartz, a crystalline mineral composed primarily of silicon dioxide (SiO₂). It is an industrial mineral having a wide range of applications including building materials such as engineered stone, glass, and industrial application such as solar glass, foundries, refractory, crucibles, semi-conductors, fillers in paint and rubber and ceramics. Though abundant in nature, only select mines in India have sufficient deposits of suitable quality. Quartz grit and powder are essential materials in the manufacturing of engineered stone and solar glass. They are used as the primary components in the production of high-quality, durable and energy-efficient products. (*Source: CRISIL Report*)

In November, 2020, we secured and developed two Quartz Mines located in Andhra Pradesh, India. These mines are ready for extraction of Quartz, and we are further developing three additional Quartz Mines in Andhra Pradesh. In order to process the Quartz ore extracted from our Mines and provide value-added high purity Quartz products, we are establishing an advanced Quartz processing facility which will produce Quartz grit and powder, at the APIIC Growth Center (Building Materials Special Economic Zone) at Annangi Village, Prakasam District, Andhra Pradesh, India. This project will be implemented in two phases. We have also entered into a consulting arrangement with a foreign producer of high purity Quartz products to assist with the commissioning of the Quartz processing facility.

Phase I of the facility will have an installed capacity of 303,600 metric tonnes per annum of quartz grit and powder for use in the manufacture of Engineered Stone and will commence operations during Fiscal 2025. We propose to expand the installed capacity by a further 303,000 metric tonnes per annum during Phase II, thereby creating a total installed capacity of 606,600 metric tonnes. Phase II, apart from expanding the capacity for producing Quartz grit and powder for use in Engineered Stone, will allow us to produce products for the solar industry. During Phase II, we will expand our product

line to include grit suitable for production of solar glass as well as ultra high purity Quartz powder, which is a pre-cursor for production of crucibles, optical glass and semi-conductors.

Phase II of the Quartz processing facility will be entirely funded through the Net Proceeds from the Offer. For further details regarding Phase II of the Quartz processing facility, see “*Objects of the Offer–Funding capital expenditure by Midwest Neostone, our wholly owned subsidiary, towards the Phase II Quartz Processing Plant*” on page 111.

Laza Grey Marble and Celestia Quartzite

We are developing facilities for extracting certain distinct varieties of Marble and Quartzite, branded as ‘Laza Grey Marble’ and ‘Celestia Quartzite’. We have one Mine each for Grey Marble and Quartzite, located in Andhra Pradesh, India with an intent to compete with, imported Marble and Quartzite varieties in the Indian market, as they possess aesthetic and functional attributes similar to that of imported Marble and Quartzite varieties (*Source: CRISIL Report*), while being competitively priced. We are also exploring the potential of exporting our Laza Grey Marble and Celestia Quartzite to European markets, by working together with a company based in Italy.

Heavy Mineral Sand Mining

We are expanding our product portfolio through development of capabilities in Heavy Mineral Sand mining and processing. In this regard, we have incorporated two subsidiaries in Sri Lanka, Midwest Heavy Sands (Private) Limited and Trinco Mineral Sands Private Limited and have obtained four exploration licenses in Sri Lanka with potential to explore, develop and extract minerals such as Rutile, Ilmenite, Zircon, Garnet, Sillimanite and Monazite, which constitute the majority of the Heavy Mineral Sands. Ilmenite is a feedstock for production of Titanium Slag which is in-turn a precursor for manufacture of Titanium Pigment (TiO₂), Synthetic Rutile (TiO₂) and Titanium Sponge (metal). These products find application in varied industries such as paints (majority of rhetorical white pigments), aerospace (high strength to weight, corrosion/temperature resistant applications), chemical (sunscreens, water treatment, advanced ceramics, surface treatments), automotive (alloys in light weight high performance applications), electronics (sensors, semi-conductors) and medical industries (prosthetics, implants) on account of its light weight, high strength, resistance to corrosion and compatibility with human organs. (*Source: CRISIL Report*)

Rutile a naturally occurring titanium dioxide which finds application in production of welding rods and titanium sponge. (*Source: CRISIL Report*)

Zircon is a mineral used in ceramics, abrasives, refractories and jet engines. (*Source: CRISIL Report*)

Garnet is a silicate mineral which finds applications such as abrasives, gemstones and ceramics. (*Source: CRISIL Report*)

In addition to the above, Heavy Mineral Sands contain a minor fraction of valuable minerals such as Monazite which host a wide variety of rare earth elements. We are exploring monetisation of this mineral as it is key to producing high-quality strong magnets, which are found in various electronics, wind turbines and electric vehicles. (*Source: CRISIL Report*).

SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our results of operations and financial condition are subject to various risks and uncertainties, including those discussed in “*Risk Factors*” on page 31. Set out below are certain important factors that have affected, and which may continue to affect, our results of operations and financial condition.

General economic conditions in key markets

Our results of operations are generally affected by the overall global economic condition and economic conditions in the key geographical markets that we cater to, namely, India and China. Any change in macro-economic conditions in these markets, including changes in interest rates, inflationary pressures, government policies or taxation and political, economic or other developments, have affected, and will continue to affect, our operating results and future growth. Our Natural Stone Segment, which accounted for 96.09%, 96.15% and 95.61% of our revenue from operations in Fiscals 2024, 2023 and 2022, respectively, produces dressed Granite blocks and Granite slabs, which are primarily used as construction materials in the commercial and residential real estate sectors. Stronger macro-economic conditions generally support higher levels of commercial and residential real estate demand and spending while weaker macro-economic conditions tend to adversely affect demand for commercial and residential real estate. Therefore, stable economic conditions and growing investment in real estate leads to an increase in the demand for Granite, and conversely, instability or unfavorable economic conditions lead to a reduction in demand for Granite.

Accordingly, the demand for Dimensional Stone Granite blocks and slabs, which was the largest contributor to our revenue from operations in Fiscals 2024, 2023 and 2022, is dependent on the level of economic activity and macro-economic conditions globally and in our key geographical markets.

Demand for, and prevailing price of, dressed Granite blocks

Our revenue from operations being primarily dependent on the sale of Dimensional Stone Granite in our Natural Stone Segment, the price and demand for Granite in global markets and key markets, such as India and China, significantly affects the results of our operations and our financial condition. The market for dressed Granite blocks is highly commoditized and accordingly, the pricing of our products significantly influences the demand for our products. While we typically enter into long-term supply arrangements with our customers under the terms of which, customers are required to purchase a minimum quantity of Granite from us during a quarter, the price at which the products are sold to the customer is not fixed for the duration of the contract and is mutually decided on a month-to-month basis, based on the quality of the Granite and the prevailing market prices. Therefore, trends in the pricing for dressed Granite blocks, particularly those of Black Galaxy Granite, the sale of which accounted for 72.35%, 70.46% and 71.91% of our revenue from operations during Fiscals 2024, 2023 and 2022, respectively, significantly impact the results of our operations.

In addition, the production levels at our Mines are dependent on the prevailing price for dressed Granite blocks. Mechanized mining of Granite is cost intensive with significant costs incurred on the procurement and operation of specialized machinery, employment of trained labor and dressing and transporting Granite blocks from the Mines. Accordingly, the price at which dressed Granite blocks can be sold has a significant role in determining the portion of our proven Granite ore reserves that can be viably and profitably extracted, which in turn affects our revenue recognition and the results of our operations. For instance, we operate two Mines which yield tan brown Granite. While we are able to operate these Mines, based on our assessment of demand and the pricing of tan brown Granite, the extraction and production of tan brown Granite at these mines is not currently viable.

Production at our Mines

Our results of operations are dependent on the sale of Granite to our customers, which in turn depends on the production levels at, and the performance of, our Mines. We currently operate 20 Mines in the Indian states of Telangana and Andhra Pradesh, primarily producing Black Galaxy and Absolute Black varieties of Granite.

Set out below are the details of our production of Black Galaxy Granite and Absolute Black Granite during Fiscals 2024, 2023 and 2022:

Product	Total Production (in cubic meters) (A)		
	Fiscal 2024	Fiscal 2023	Fiscal 2022
Black Galaxy Granite	57,519	51,672	54,310
Absolute Black Granite	40,105	42,820	45,664
Total	97,624	94,492	99,974

Production levels at our Mines depend on the availability of skilled labor, weather conditions, operating status and availability of critical machinery and maintenance of our regulatory approvals for operating our Mines. Any disruption of production at our Mines, including as a result of unavailability of labor, adverse weather conditions, breakdown of critical machinery or failure to maintain or renew regulatory approvals, affects our production levels and as a result, our ability to generate revenue.

Our ability to optimize operating expenses and yield

Mechanized mining is a cost-intensive business and involves the use of heavy machinery and equipment. In addition to the procurement of such machinery and equipment, we incur significant expenditure on their (i) maintenance in the form of procurement of stores, spare parts and repairs and (ii) operation in the form of fuel expenses and energy costs. Given that Dimensional Stone Granite is a price-competitive business, such costs cannot be entirely passed on to our customers and therefore, our ability to maintain or improve the profitability of our operations is significantly dependent on improving the efficiency of our operations.

The table below sets out our key operating expenses for the periods indicated.

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022	(₹ million, except % data)

	Amount	% of Revenue from operations	Amount	% of Revenue from operations	Amount	% of Revenue from operations
Consumption of stores and spare parts	753.55	12.87	909.18	18.09	748.12	14.24
Block Cutting Expenses ⁽¹⁾	280.70	4.79	335.17	6.67	349.34	6.65
Repairs and maintenance	379.83	6.49	357.67	7.12	395.94	7.54
Carriage & Freight	279.88	4.78	283.27	5.64	177.48	3.38

⁽¹⁾ Block cutting expenses include raw block cutting expenses and wire saw cutting expenses.

Further, when a rough Granite block is extracted from the deposit in the Mine, only a portion of this extracted block can be converted into Dimensional Stone Granite. The yield', *i.e.*, the proportion of the rough block which is converted into Dimensional Stone, is another major determinant of the efficiency of our mining operations. To maintain and improve the operating efficiency of our operations, we have undertaken and are proposing to undertake various cost reduction and yield improvement measures. For further information of our cost reduction and yield improvement measures, see "*Our Business—Our Strategies—Improve efficiency and sustainability of our operations*" on page 239.

As we expand the size and scope of our business, the profitability of our operations will depend on our ability to optimize our operational efficiency by reducing our operating expenses and improving the yield from our operations.

Fluctuations in exchange rates

While we prepare our financial statements in Indian rupees and the Indian rupee is our functional currency, we transact a significant portion of our business in other currencies, primarily the U.S. Dollar, and are, accordingly, exposed to translation and transaction foreign exchange risks. The table below sets out the details of our revenue from operations undertaken in foreign currencies for the periods indicated.

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of revenue from operations	Amount	% of revenue from operations	Amount	% of revenue from operations
Revenue earned in INR	2,198.73	37.55	1,986.73	39.54	2,503.68	47.67
INR value of revenue earned in foreign currency	3,657.51	62.46	3,038.44	60.46	2,748.69	52.33
Revenue from operations	5,856.24	100.00	5,025.17	100.00	5,252.37	100.00

With respect to any revenue accrued or expenses incurred in a foreign currency, changes in the prevailing currency exchange rates may affect our results of operations. While we enter into forward contracts to mitigate the risk of adverse changes in exchange rates, to the extent our foreign currency exposure is not covered through forward contracts, to the extent our foreign currency exposure is not covered through forward contracts, we will be subject to foreign exchange fluctuation and this may affect our results of operations. Our unhedged net receivables for the Fiscal Years 2024, 2023 and 2022 were ₹1,003.61 million, ₹894.54 million and ₹296.23 million, which constituted 17.14%, 17.80% and 5.64% of our revenue from operations during such Fiscals, respectively. Also see "*Risk Factors—Exchange rate fluctuations may adversely affect our business, financial conditions, cash flows and results of operations*." on page 38.

Regulatory Developments

The Union Government and State Governments through various regulatory authorities regulate or are involved in the development of regulations for various matters connected with the Granite mining industry in India, including: the grant and renewal of exploration rights and mining rights; acquisition of land and surface rights; environmental clearances, including forest land related approvals; approval of mining plans; safety and health standards; labor matters; and royalty, cess and other duties, and taxes payable to the relevant Governments on the material extracted from Mines. The compliance costs, liabilities and requirements associated with existing and any new policies and statutory and regulatory requirements can have a significant impact on our operations. See "*Our business operations are subject to significant regulation. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business, and we may experience delays in obtaining, renewing or maintaining such licenses or permits or be unable to obtain such licenses and approvals due to litigation and change in regulatory landscape*" on page 40.

The mining industry is under increasing scrutiny from governments and civil society due to the significant impact of mining activities on the environment. As a result, mining activities in India are subject to significant governmental regulation. While we have undertaken various measures to improve the sustainability of our operations and mitigate their impact on the environment, decisions by the relevant Governments on the regulatory framework for mining operations have a significant effect on the results of our operations.

Royalty, Seignorage and Cess Fees

Statutory levies by Governments in the form of royalty, seignorage and cess fees are a significant component of our total expenses. Royalty, seignorage and cess fees are payable to the relevant State Government at specified rates on the Granite produced at our Mines. While these royalties are borne by our customers when Granite blocks are sold to domestic customers, for the sale of Granite blocks to our export customers, the contracts are priced on a free-on-board basis, and accordingly, the costs for royalties, seignorage and cess fees are required to be borne by us. While the royalties, seignorage and cess fees payable to the relevant Government is factored into the price at which our Granite blocks are sold to customers, we may not be able to entirely pass on the costs of such royalties to our export customers. Accordingly, increases in the royalty and seignorage rates may affect our results of operations to the degree we are unable to pass on such costs to our customers. During Fiscals 2024, 2023 and 2022, we paid seignorage and cess fees of ₹1,045.06 million, ₹953.61 million and ₹1,031.58 million, which constituted 17.85%, 18.98% and 19.64%, respectively, of our revenue from operations during such Fiscals.

Capital expenditure and entry into new business segments

We have more than four decades of experience in the natural stone industry in India and in exploration, development and operation of mines, stone processing and fabrication, sales, distribution and marketing of various types of natural stone. However, we are currently expanding of our operations into new business segments and have incurred, and are proposing to further incur, significant capital expenditure to facilitate our entry into such new businesses, which have been discussed below:

- a. **Quartz grit and powder:** We currently operate two functional mines which produce Quartz and are in the process of establishing a Quartz processing facility in Ongole, Andhra Pradesh in two phases. Phase I of the Quartz processing facility is expected to be operationalized during Fiscal 2025 while Phase II of the Quartz processing facility is proposed to be funded through the Net Proceeds. Quartz production in India saw tremendous increase over Fiscals 2022-2024, logging a CAGR of 17.8% to 4,989 KT in fiscal 2024 from 3,595 KT in fiscal 2022. The increase is mainly derived by higher exports and domestic demand for quartz and its products in glass, foundry, ferroalloys, refractory industries and building materials industry. The demand for quartz and quartzite has been increasing over the years to cater to the requirement of refractories, glass and engineered stone industries. The quartz industry is projected to register a CAGR of 8-8.5% and the production is expected to reach 7,331-7,502 KT in Fiscal 2029 from the 2024 level. (*Source: CRISIL Report*)
- b. **Marble and Quartzite:** We presently operate one functional Mine each yielding grey Marble and Quartzite. Marble is a premium natural stone which is used in various construction projects while Quartzite is emerging as an alternative to imported Quartzite. We have entered into arrangements with Marble and Quartzite processors who will process the Marble and Quartzite extracted from our Mines on a contract basis, enabling them to be distributed to the final end consumer.
- c. **Mining of heavy mineral sands:** We are venturing into the business of exploring, mining and processing heavy mineral sands, principally for extraction of Titanium bearing ores. We have obtained four mining concessions for conducting exploration in Sri Lanka and have also identified additional areas for exploration. In addition, we propose to establish a mineral sand processing facility in Sri Lanka to process heavy mineral sand. The global consumption for titanium minerals (feedstock) increased from 8.48 MT (million tons) in 2021 to 8.50 MT in 2023. About 88% (~7.5 MT) of titanium feedstock is used in the manufacturing of white titanium dioxide pigment, followed by welding applications and others (8%; 0.7 MT) and titanium metals (4%; ~0.3 MT) during 2023. During 2023-2028, the global market of Titanium feedstock is expected to increase at a CAGR of 3.1-3.5% to reach ~9.9-10.1 MT. (*Source: CRISIL Report*)

Our results of operations and financial condition will be significantly dependent on our ability to operationalized and generate revenue from the proposed facilities and business segments. Delays or failure by our Company to generate revenue from these proposed business segments in a timely manner or efficiently, would have a significant effect on the results of our operations and our financial condition. Also see, “*Risk Factors—We propose to enter into new business segments and*

our inability to establish ourselves in such nascent business segments could adversely affect, our business condition, results of operations and cash flows” on page 48.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in the accounting policies of the Company during the Fiscals 2024, 2023 and 2022.

NON-GAAP FINANCIAL MEASURES

We use certain supplemental Non-GAAP Measures and certain operational performance indicators to review and analyze our financial and operating performance from period to period, to evaluate our business, and for forecasting purposes. Although these Non-GAAP Measures, financial and operational performance indicators and other industry measures are not a measure of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us because they are widely used measures to evaluate a company’s operating and financial performance. Further, our management believes that when taken collectively with financial measures prepared in accordance with Ind AS, these Non-GAAP Measures, financial and operational performance indicators and other industry measures may be helpful to investors because they provide an additional tool for investors to use in evaluating our ongoing results and trends. Presentation of these Non-GAAP Measures, financial and operational performance indicators and other industry measures should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Consolidated Financial Statements set out in this Draft Red Herring Prospectus.

These Non-GAAP Measures, financial and operational performance indicators and other industry measures are not defined under, or presented in accordance with, Ind AS and have limitations as analytical tools which indicate, among other things, that they do not reflect our cash expenditures or future requirements for capital expenditure or contractual commitments; changes in, or cash requirements for, our working capital needs; and the finance cost, or cash requirements. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements. These Non-GAAP Measures, financial and operational performance indicators and other industry measures may differ from similar titled information used by other companies, including peer companies, who may calculate such information differently and hence their comparability with those used by us may be limited. Therefore, these Non-GAAP Measures, financial and operational performance indicators and other industry measures should not be viewed as substitutes for performance or profitability measures under Ind AS or as indicators of our operating performance, financial condition, cash flows, liquidity or profitability.

Set out below are definitions of, and reconciliation to GAAP measures pertaining to, certain key Non-GAAP Measures presented in this Draft Red Herring Prospectus, along with a brief explanation of their calculation. Also see “*Risk Factors—This Draft Red Herring Prospectus includes certain Non-GAAP Measures, financial and operational performance indicators and other industry measures related to our operations and financial performance. The Non-GAAP Measures and industry measures may vary from any standard methodology that is applicable across the Indian mining industry and, therefore, may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.”* on page 51.

EBITDA, EBITDA Margin and Net Profit Margin

“**EBITDA**” is defined as earnings before interest, taxes, depreciation and amortization. “**EBITDA Margin**” is a profitability ratio we use to calculate the percentage of profit we generate from our operations; it is defined as our EBITDA during a given period as a percentage of revenue from operations during that period. “**Net Profit Margin**” is a measure of how much net profit is generated as a percentage of revenue and is calculated by dividing our net profit for the year by revenue from operations during that period and is expressed as a percentage. The table below reconciles our profit for the year to EBITDA, for the periods indicated, and sets out our EBITDA Margin and Net Profit Margin, for the periods indicated.

(₹ million, unless otherwise specified)

Particulars	Fiscal		
	2024	2023	2022
Profit/ (loss) for the year (A)	1,003.24	544.36	670.93
Add:			
Finance cost, net	91.64	90.61	90.53
Income tax expense	374.81	242.63	262.08
Depreciation and amortization expense	221.80	215.43	176.33

Particulars	Fiscal		
	2024	2023	2022
Less:			
Other Income	177.06	197.16	142.46
EBITDA (C)	1,514.43	895.87	1,057.41
Revenue from operations (D)	5,856.24	5,025.17	5,252.37
EBITDA Margin (C/D) (%)*	25.86	17.83	20.13
Net Profit Margin (A/D) (%)*	17.13	10.83	12.77

* EBITDA Margin and Net Profit Margin are calculated on the revenue from operations.

Return on Capital Employed

Return on capital employed (“RoCE”) is calculated by dividing our earnings before interest (“EBIT”) and taxes during a given period by Capital Employed (*i.e.*, total debt plus net worth less cash and cash equivalents) during that period. The table below sets out the reconciliation of our RoCE to our EBIT, for the periods indicated.

(₹ million)

Particulars	As of, and for the year ended, March 31		
	2024	2023	2022
(A) EBIT	1,292.63	680.44	881.08
(B) a) Total debt	1,204.83	1,490.76	960.68
b) Net worth	4,219.29	3,349.24	2,747.35
c) Cash and cash equivalents	254.58	110.16	356.10
(C) Capital Employed (a+b-c)	5,169.54	4,729.84	3,351.93
RoCE (A/C) (%)	25.00	14.39	26.29

Return on Equity

Return on equity (“RoE”) is equal to profit for the year divided by the total equity during that year and is expressed as a percentage. The table below sets out the reconciliation of our RoE to our profit for the year, for the periods indicated.

(₹ million, except % data)

Particulars	As of, and for the year ended, March 31		
	2024	2023	2022
Profit for the year (A)	1,003.24	544.36	670.93
Total equity/ net worth (B)	4,219.29	3,349.24	2,747.35
RoE (A/B) (%)	23.78	16.25	24.42

Debt to Equity Ratio

We monitor our capital and financial leverage levels using the Debt to Equity ratio. We calculate Debt to Equity ratio by dividing the Debt (*i.e.*, borrowings (current and non-current)) by total equity. The table below sets out the calculation of our Debt to Equity ratio, as of the dates indicated below.

(₹ million, unless otherwise specified)

Particulars	As of March 31,		
	2024	2023	2022
Total Debt (A)	1,204.83	1,490.76	960.68
Net worth (B)	4,219.29	3,349.24	2,747.35
Debt to Equity Ratio (A)/(B)	0.29	0.45	0.35

Current Ratio

“Current Ratio” is a liquidity ratio that measures our ability to pay short-term obligations (those which are due within one year) and is calculated by dividing the total current assets by the total current liabilities.

The table below sets out details of our Current Ratio, as of the dates indicated below.

(₹ million, unless otherwise specified)

Particulars	As of March 31,		
	2024	2023	2022
Total current assets	2,963.39	2,316.11	2,106.56
Total current liabilities	1,761.31	1,758.96	1,903.73
Current Ratio	1.68	1.32	1.11

Working Capital Cycle

Working capital cycle describes the number of days it takes for us to convert our working capital into revenue and is calculated by deducting trade payable days from trade receivable days. Trade receivables days have been calculated as trade receivables divided by revenue from operations multiplied by 365 days. Trade payables days have been calculated as trade payables divided by operational expenses multiplied by 365 days. Inventory days have been calculated as inventory divided by revenue from operations multiplied by 365 days. The table below sets out details of our working capital days, as of the periods indicated below.

(₹ million, unless otherwise specified)

Particulars	As at, and for the year ended, March 31,		
	2024	2023	2022
Revenue from operations (A)	5,856.24	5,025.17	5,252.37
Operational Expenses (B) ⁽¹⁾	3,926.82	3,740.15	3,645.72
Trade receivables (C)	1,190.69	962.46	416.41
Trade payables (D)	215.79	205.01	198.35
Inventory (E)	371.99	574.18	509.86
Trade receivable days $\{(C/A)*365\}$	74	70	29
Trade payable days $\{(D/B)*365\}$	20	20	20
Inventory Days $\{(E/A)*365\}$	35	56	51
Working Capital Days	89	106	60

⁽¹⁾Operational expenses include cost of goods produced/sold, general and administrative expenses and selling and distributive expenses.

KEY OPERATIONAL PERFORMANCE INDICATORS

The tables below set forth certain key operational performance indicators as at and for the periods indicated.

Particulars	As at and for the Fiscal Year ended March 31,		
	2024	2023	2022
Granite blocks			
<i>Produced (in cubic meters)</i>			
- Black Galaxy Granite	57,519	51,672	54,310
- Absolute Black	40,105	42,820	45,664
Total Production	97,624	94,492	99,974
<i>Sold (in cubic meters)</i>			
- Black Galaxy Granite	61,690	50,245	56,149
- Absolute Black	41,804	41,630	45,776
Total Sale	103,494	91,875	101,925
Diamond Wire			
<i>Produced (in meters)</i>			
	106,366	105,928	84,320
<i>Sold (in meters)</i>			
	93,015	104,141	77,579
Capacity Utilization (in %)	64.46	73.05	67.46

MATERIAL ACCOUNTING POLICIES

The preparation of our financial statements in conformity with Ind AS requires our management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in our financial statements in the period in which changes are made and if material, their effects are disclosed in the notes to our financial statements.

Key accounting policies of our Company and our Subsidiaries (collectively, the “**Group**”) that are relevant and specific to our business and operations are described below. Our significant accounting policies are described in the notes to the Restated Consolidated Financial Statements in “Restated Consolidated Financial Statements” on page 321.

(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.

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 as follows:

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

(b) Leases

Identifying leases

The Group 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 Group obtains substantially all the economic benefits from use of the asset; and
- c. The Group has the right to direct use of the asset.

The Group 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 Group obtains substantially all the economic benefits from use of the asset, the Group 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 Group has the right to direct use of the asset, the Group 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 Group 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 Group applies other applicable Ind ASs rather than Ind AS 116.

(c) Intangible assets

Internally generated intangible assets (development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- (i) it is technically feasible to develop the product for it to be sold;
- (ii) adequate resources are available to complete the development
- (iii) there is an intention to complete and sell the product
- (iv) the Group is able to sell the product
- (v) sale of the product will generate future economic benefits; and
- (vi) expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within the 'depreciation and amortisation expense' in the restated consolidated statement of profit and loss as incurred.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the restated consolidated statement of profit and loss as incurred.

(d) Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the profit and loss. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the other comprehensive income and accumulated in equity as capital reserve on the acquisition date.

(e) Non-controlling interests

The Group recognise any non-controlling interest in the acquiree which is a present ownership interest and entitles its holders to a proportionate share of the entity's net assets in the event of liquidation at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

(f) Joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the group has rights to only the net assets of the joint arrangement
- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement
- The legal form of joint arrangements structured through a separate vehicle
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements)

The Group accounts for its interests in joint ventures using the equity method

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations. In accordance with Ind AS 111 Joint Arrangements, the Group is required to apply all of the principles of Ind AS 103 Business Combinations when it acquires an interest in a joint operation that constitutes a business as defined by Ind AS 103.

(g) 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.

(h) 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.

(i) 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 restated consolidated balance sheet.

(j) Financial assets

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

(k) Financial liabilities

The Group 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 Group'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 restated consolidated balance sheet at fair value with changes in fair value recognised in the profit and loss. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group 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 restated consolidated 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.

(l) 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.

(m) Provisions

The Group 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.

(n) Revenue from contracts with customers

Performance obligations and timing of revenue recognition

The majority of the Group'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 group 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 group'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.

(o) Foreign currencies

Functional and presentation currency

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

(p) Foreign currencies (continued) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(q) 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.

(r) 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.

(s) Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the restated consolidated 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 Group 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).

STATUTORY AUDITORS' QUALIFICATIONS OR OBSERVATIONS

Other than the qualifications and other matter paragraphs included in the Restated Consolidated Financial Statements on page 321, there are no qualifications or observations included in the audited consolidated financial statements as of, and for the financial years ended, March 31, 2024, March 31, 2023 and March 31, 2022.

Set out below are details of remarks by the statutory auditor in their audit reports on the consolidated financial statements as of, and for the financial years ended, March 31, 2024, March 31, 2023 and March 31, 2022.

A. Consolidated financial statements as of, and for the financial year ended, March 31, 2024

Midwest Limited

(i) ('c) According to the information and explanations given to us, the title deeds of 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 the standalone financial statements, are held in the name of the Company, except for the immovable properties acquired during amalgamation in the earlier year. As explained to us, registration of title deeds are in progress in respect of immovable properties acquired during the amalgamation.

Description of Properties	Gross Carrying value*(Rs in Millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
<i>Free hold Land</i>	2.72	<i>Subhiksha Agro Farms Pvt Ltd</i>	<i>No</i>	<i>From FY 2013-14</i>	<i>For certain properties acquired through amalgamation/merger, the name change in the name of the Company is pending</i>
	3.93	<i>Yarra Agro Estates Pvt Ltd</i>	<i>No</i>		
	12.83	<i>Reliance Granite Pvt Ltd</i>	<i>No</i>		
	1.47	<i>Victorian granite Pvt Ltd</i>	<i>No</i>		
	0.18	<i>Ind Natali Granite ltd</i>	<i>No</i>		
	13.44	<i>Opusasia Technologies Pvt ltd</i>	<i>No</i>		
<i>Total(a)</i>	<i>34.57</i>				

iii(e) According to the information explanation provided to us, the loans or advances in the nature of loan granted has fallen due during the year. The Company has renewed or extended or granted fresh loans to existing parties. The details of the same are as follows:

Name of the Parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
MR Granites	Rs 55.00 Mn	Rs 29.63 Mn	53.87%

vii(a) "(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, services tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2024 outstanding for a period of more than six months from the date they became payable."

Andhra Pradesh Granite (Midwest) Private Limited

vii(a) "(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance,

income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, services tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2024 outstanding for a period of more than six months from the date they became payable."

Midwest Gold Limited

vii(a) "According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, cess, and other material statutory dues, as applicable, except there has been a slight delay in a few cases of Income tax and goods and Service tax, with the appropriate authorities. In respect of Professional Tax during the year, the company has not deposited the sum of Rs. 0.003 millions due for 2 months.

As confirmed by the management Provident fund, employee state insurance, sales tax, service tax, duty of excise, and value-added tax are not applicable to the company."

Midwest Neostone Private Limited

vii(a) "According to the records of the Company examined by us, undisputed statutory dues including Income Tax, Goods and Service Tax, Cess and other material statutory dues, whichever is applicable, have been generally regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in depositing undisputed statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2024 for a period of more than six months from the date of becoming payable.

As confirmed by the management Provident Fund, employees' state insurance, sales tax, service tax, duty of excise and Customs and value-added tax are not applicable to the company"

South Coast Infrastructure Development Company Of Andhra Pradesh Limited

In our opinion and according to the information and explanations given to us, the Company has incurred cash losses amounting to Rs 1.79 millions during the financial year under audit.

B. Consolidated financial statements as of, and for the financial year ended, March 31, 2023

Midwest Granite Private Limited

(i) *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 on Property, plant and equipment and Note 4 on Right-of-use assets to the standalone financial statements, are held in the name of the Company, except*

Description of Properties	Gross Carrying value* (Rs in Millions)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
<i>Free hold Land</i>	2.72	<i>Subhiksha Agro Farms Pvt Ltd</i>	<i>No</i>	<i>From FY 2013-14</i>	<i>For certain properties acquired through amalgamation/merger, the name change in the name of the</i>
	3.93	<i>Yarra Agro Estates Pvt Ltd</i>	<i>No</i>		
	13.29	<i>Reliance Granite Pvt Ltd</i>	<i>No</i>		
	1.47	<i>Victorian granite Pty Ltd</i>	<i>No</i>		
	0.18	<i>Ind Natali Granite ltd</i>	<i>No</i>		

	12.14	Opusasia Technologies Pvt Ltd	No		Company is pending
Total(a)	33.72				

*Gross Carrying value excludes land revaluation on account of Ind AS transition

- (ii) In our opinion and according to information and explanation given to us, the Company has been sanctioned working capital limits in excess of rupees Five Crores, in aggregate, from Banks which are secured on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, The discrepancies of amounts as per books of account and the Quarterly returns submitted to the banks are reported below.

(INR in Millions)

Name of the Bank	HDFC Bank Limited			
Aggregate working capital limits sanctioned	756.20			
Nature of Current Asset offered as Security	Primarily on Inventory and trade receivables (Refer the note no 15.2 of the attached financial statements for details)			
Quarter ended	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023
Amount disclosed as per quarterly return/statement	453.36	505.74	715.84	1004.02
Amount as per books of account	485.55	518.36	745.23	1002.71
Difference	-32.19	-12.63	-29.39	1.31
Reasons for difference	On Account of pending Reconciliation of customer balances at the time of submitting returns to the Bank.			

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company. One loan which fell due during the year was extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/ advances in nature of loan.

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year	Aggregate overdue at year-end and extended with same amount with same party	Percentage* of the aggregate to the total loans or advances in the nature of loans granted during the year
MR Granites	-	25.207	-

- (iv) The Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Companies and firm. Details given in table below. No loans were granted during the year to promoters.

Aggregate amount of loan given	All Parties	Promoters	Related Parties
- Repayable on demand (A) - Without agreement and Repayable on demand to subsidiaries (B)	310.363	-	310.363
Total (A+B)	310.363	-	310.363
Percentage of loans			100%

- (v) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees state insurance, income tax, goods and services tax, though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues.

As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company

Andhra Pradesh Granite (Midwest) Private Limited

- (i) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, The discrepancies of amounts as per books of account and the Quarterly returns submitted to the banks are reported below

(Rs In Millions)	
Name of the Bank	Kotak Mahindra Bank Limited
Aggregate working capital limits sanctioned	737.112 Millions
Nature of Current Asset offered as Security	Inventory, Trade receivables and other Books Debts (Refer the note no 16.ii of the attached financial statements for details)
Quarter ended	March 31, 2023
Amount disclosed as per quarterly return/statement	570.326
Amount as per books of account	533.629
Difference	36.697
Reasons for difference	Company is in the process of reconciliation and same will be informing to the banker after the reconciliation

- (ii) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Income tax, goods and services Tax, employees' state insurance, customs duty, cess and other material statutory dues, as applicable, except there has been a slight delay in a few cases of provident fund and Tax Deducted at source with the appropriate authorities.
- (iii) As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company.

Midwest Gold Limited

- (i) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, cess, and other material statutory dues, as applicable, except there has been a slight delay in a few cases of Income tax, with the appropriate authorities.

As confirmed by the management Provident fund, employee state insurance, sales tax, service tax, duty of excise, and value-added tax are not applicable to the company.

C. Consolidated financial statements as of, and for the financial year ended, March 31, 2022

Midwest Granite Private Limited

- (i) 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 on Property, plant and equipment and Note 4 on Right-of-use assets to the standalone financial statements, are held in the name of the Company, except

Description of Properties	Gross Carrying value (Rs in Millions)	held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company

<i>Free hold Land</i>	2.716	<i>Subhiksha Agro Farms Pvt Ltd</i>	No	<i>From FY 2013-14</i>	<i>For certain properties acquired through amalgamation/merger, the name change in the name of the Company is pending</i>
	3.933	<i>Yarra Agro Estates Pvt Ltd</i>	No		
	13.298	<i>Reliance Granite Pvt Ltd</i>	No		
	1.47	<i>Victorian Granite Pvt Ltd</i>	No		
	0.175	<i>Ind Natali Granite Ltd</i>	No		
	12.138	<i>Opusasia Technologies Pvt Ltd</i>	No		
Total(a)	33.73				
	0.747	<i>Title deeds not readily available with the company to report on the Ownership details</i>	No	<i>From FY 2001-02</i>	<i>Title Deeds not available with the Company</i>
	0.051		No	<i>From FY 2002-03</i>	
	0.291		No	<i>From FY 2006-07</i>	
	0.4		No	<i>From FY 2009-10</i>	
	0.2		No	<i>From FY 2011-12</i>	
Total(b)	1.689				
Total(a+b)	35.419				

- (ii) In our opinion and according to information and explanation given to us, the Company has been sanctioned working capital limits in excess of rupees Five Crores, in aggregate, from Banks which are secured on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, The discrepancies of amounts as per books of account and the Quarterly returns submitted to the banks are reported below.

Name of the Bank	<i>HDFC Bank Limited</i>			
Aggregate working capital limits sanctioned	524.20			
Nature of Current Asset offered as Security	<i>Primarily on Inventory and trade receivables (Refer the note no 15.2 of the attached financial statements for details)</i>			
Quarter ended	<i>June 30, 2021</i>	<i>September 30, 2021</i>	<i>December 31, 2021</i>	<i>March 31, 2022</i>
Amount disclosed as per quarterly return/ statement	252.17	170.19	186.76	544.09
Amount as per books of account	245.26	168.25	186.97	538.41
Difference	6.91	1.93	-0.21	5.68
Reasons for difference	<i>On Account of pending Reconciliation of customer balances at the time of submitting returns to the Bank</i>			

- (iii) According to the books of accounts and records examined by us in respect of the loans all the loans are repayable on demand and no repayment schedules are mentioned in the agreements
- (iv) The Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Companies and firm. Details given in table below. No loans were granted during the year to promoters.

Aggregate amount of loan given	All Parties	Promoters	Related Parties
- Repayable on demand (A) - Without agreement and Repayable on demand to subsidiaries (B)	307.063 38.436	- -	221.29 384.36
Total (A+B)	345.499	-	259.726
Percentage of loans			75%

(v) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax, though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues.

As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company

Andhra Pradesh Granite (Midwest) Private Limited

(i) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Income tax, goods and services Tax, employees' state insurance, customs duty, cess and other material statutory dues, as applicable, except there has been a slight delay in a few cases of Professional Tax and provident fund with the appropriate authorities.

As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company.

South Coast Infrastructure Development Corporation of Andhra Pradesh Ltd

(i) As a consequence of the various matters resulting in change in the operational status of the company, as more fully described in Notes 2 and 3 of the Ind AS Financial Statements and having regard to and the pending outcome of the various matters described in Basis for disclaimer of opinion section above, based on audit procedures performed by us and according to information and explanations given to us by the management, we are unable to report on fraud by the company or on the company during the year;

(ii) Due to the possible effects of the matters stated in the 'Basis of Disclaimer of Opinion section' of our auditor's report given above, we are unable to comment on whether the Company has not entered into any non-cash transactions with directors or persons connected with him;

(iii) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, we are of the opinion that material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS

Income

Our income comprises revenue from operations and other income.

Revenue from operations

We generate revenue from our operations through (i) the sale of products under our customer contracts and (ii) other operating revenue.

Set forth below is a breakdown of our revenue from operations, for the periods indicated.

(₹ million, except % data)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	Percentage of total revenue	Amount	Percentage of total revenue	Amount	Percentage of total revenue
Revenue from contracts with customers						
Sale of products	5,761.07	98.37	4,973.31	98.96	5,139.42	97.85
Sale of traded goods	89.84	1.53	40.45	0.80	85.72	1.63
Other operating revenue						
Scrap sales	5.29	0.09	11.36	0.23	27.15	0.52
Export incentives	0.04	0.00	0.05	0.00	0.08	0.00
Total	5,856.24	100.00	5,025.17	100.00	5,252.37	100.00

Expenses

Our expenses primarily comprise:

Quarry Expenses

Quarry expenses include wire saw cutting expenses, wages, quarry expenses, raw block cutting expenses, feet drilling expenses, equipment hiring charges and pit development expenses.

Seignorage and Cess Fees

Seignorage and cess fees include royalty expenses – ADMG, royalty expenses – APMDC, consideration – ADMG and other royalty expenses – ADMG.

Cost of Materials Consumed

Cost of materials consumed comprises: (i) the opening stock of raw materials; (ii) the purchase of raw materials; and (iii) the closing stock of raw materials.

Stores and Spare Parts

Stores and spare parts comprises: (i) the opening stock of stores and spare parts; (ii) the purchase of stores and spare parts; and (iii) the closing stock of stores and spare parts.

Changes in inventories of finished goods, stock-in-trade, work-in progress

Changes in inventories of finished goods, stock-in-trade and work-in-progress is the difference in opening stock of finished goods, stock in trade, work in progress and closing stock of finished goods, stock in trade, work in progress.

Purchase of stock-in-trade

Purchase of stock-in-trade includes the materials which are in transit like spare parts, Diesel and explosives.

Employee benefits expense

Employee benefits expense includes salaries, wages and bonus, contribution to provident and other funds, gratuity and compensated absences expenses and staff welfare expenses.

Finance costs

Finance costs include interest on term loans, interest on working capital, interest on lease liabilities, interest on delay in payment of taxes, interest on MSME creditors, interest payable to APMDC and other borrowing costs.

Depreciation expense

Depreciation expense includes depreciation of property, plant and equipment and amortization of right-to-use assets.

Other expenses

Other expenses primarily include repairs and maintenance, transportation charges, carriage and freight, power and fuel, travelling and conveyance expenses, professional and consultancy fees and provisions for doubtful debts.

Set out below is a breakdown of our expenses, for the periods indicated.

(₹ million, except % data)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of total expenses	Amount	% of total expenses	Amount	% of total expenses
Quarry expenses	550.81	11.83	635.00	14.32	638.16	14.30
Seignorage and cess fees	1,045.06	22.45	953.61	21.50	1,031.58	23.12
Cost of materials consumed	72.23	1.55	82.92	1.87	88.57	1.99
Purchase of stock-in-trade	68.65	1.47	42.46	0.96	45.39	1.02
Consumption of stores and spare parts	753.55	16.19	909.18	20.50	748.12	16.77

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of total expenses	Amount	% of total expenses	Amount	% of total expenses
Changes in inventories of finished goods, work-in-progress	184.86	3.97	(114.85)	(2.59)	87.76	1.97
Employee benefits expense	414.99	8.91	389.20	8.77	549.33	12.31
Finance costs	91.64	1.97	90.61	2.04	90.53	2.03
Depreciation expense	221.80	4.76	215.43	4.86	176.33	3.95
Other expenses	1,251.66	26.89	1,231.83	27.77	1,006.14	22.55
Total	4,655.25	100.00	4,435.39	100.00	4,461.91	100.00

Exceptional Items

There are no exceptional items which have been charged to the statements of profit and loss included in our Restated Consolidated Financial Statement.

Tax Expenses

Our income tax expense comprises current tax and deferred tax. The following table sets forth a breakdown of our tax expenses for the periods indicated:

(₹ million, except % data)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of total	Amount	% of total	Amount	% of total
Tax Expenses						
Current tax	371.43	99.10	228.19	94.05	266.50	101.69
Tax relating to earlier years	13.44	3.59	6.04	2.49	(0.47)	(0.18)
Deferred tax	(10.06)	2.68	8.40	3.46	(3.95)	(1.51)
Total	374.81	100.00	242.63	100.00	262.08	100.00

OUR RESULTS OF OPERATIONS

The table below sets forth, for the periods indicated, certain items from our consolidated statement of profit and loss, in each case also stated as a percentage of our total income.

(₹ million, except % data)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of total income	Amount	% of total income	Amount	% of total income
INCOME						
Revenue from operations	5,856.24	97.07	5,025.17	96.22	5,252.37	97.36
Other income	177.06	2.93	197.16	3.78	142.46	2.64
Total income	6,033.30	100.00	5,222.33	100.00	5,394.83	100.00
EXPENSES						
Quarry expenses	550.81	9.13	635.00	12.16	638.16	11.83
Seigniorage and cess fees	1,045.06	17.32	953.61	18.26	1,031.58	19.12
Cost of materials consumed	72.23	1.20	82.92	1.59	88.57	1.64
Purchases of stock-in-trade	68.65	1.14	42.46	0.81	45.39	0.84
Consumption of stores and spare parts	753.55	12.49	909.18	17.41	748.12	13.87
Changes in inventories of finished goods, stock-in-trade and work-in-progress	184.86	3.06	(114.85)	(2.20)	87.76	1.63
Employee benefits expense	414.99	6.88	389.20	7.45	549.33	10.18
Finance costs	91.64	1.52	90.61	1.74	90.53	1.68
Depreciation and amortisation expense	221.80	3.68	215.43	4.13	176.33	3.27
Other expenses	1,251.66	20.75	1,231.83	23.59	1,006.14	18.65
Total expenses	4,655.25	77.16	4,435.39	84.93	4,461.91	82.71
Profit before share of profit of Joint Venture and tax						
Share of Profit of a Joint Ventures	-	-	0.05	0.00	0.09	0.00
Profit before tax for the period/year	1,378.05	22.84	786.99	15.07	933.01	17.29
Tax expense						
Current tax	371.43	6.16	228.19	4.37	266.50	4.94
Tax pertaining to earlier years	13.44	0.22	6.04	0.12	(0.47)	(0.01)
Deferred tax	(10.06)	(0.17)	8.40	0.16	(3.95)	(0.07)
Total tax expense	374.81	6.21	242.63	4.65	262.08	4.86

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount	% of total income	Amount	% of total income	Amount	% of total income
Profit after tax for the period/year	1,003.24	16.63	544.36	10.42	670.93	12.44
Other comprehensive income/loss						
Items that will not be reclassified subsequently						
Remeasurement gain/(losses) of the Defined Benefit Plan	(1.58)	(0.03)	4.64	0.09	(1.69)	(0.03)
Income tax relating to above item	0.36	0.01	(1.17)	(0.02)	0.43	0.01
Items that will be reclassified to profit or loss:						
Exchange differences in translating the financial statements of foreign operations	8.04	0.13	57.39	1.10	10.71	0.20
Income tax relating to above						
Total Other comprehensive income/(loss) for the period/year	6.82	0.11	60.86	1.17	9.45	0.18
Total comprehensive income for the period/year	1,010.06	16.74	605.22	11.59	680.38	12.61
Net profit attributable to:						
Owners of the Company	965.29	16.00	540.83	10.36	637.77	11.82
Non-controlling interests	37.95	0.63	3.53	0.07	33.16	0.61
Other Comprehensive Income attributable to:						
Owners of the company	6.61	0.11	60.62	1.16	9.73	0.18
Non-controlling interests	0.21	0.00	0.24	0.00	(0.28)	(0.01)
Total Comprehensive Income attributable to:						
Owners of the company	971.90	16.11	601.45	11.52	647.50	12.00
Non-controlling interests	38.16	0.63	3.77	0.07	32.88	0.61

Segment Reporting

Our segmental reporting reflects our business segments. We report our business operations in three business segments: (i) Natural Stone Segment; (ii) Diamond Wire Segment; and (iii) Others.

The table below sets forth, for the periods indicated, a breakdown of our revenue from operations by our business segments:

Particulars	(₹ million, except % data)					
	Fiscal 2024	Fiscal 2023	Fiscal 2022	Amount	% of total	Amount
Natural Stone Segment	5,627.17	96.09	4,831.93	96.15	5,021.70	95.61
Diamond Wire Segment	88.44	1.51	105.20	2.09	92.16	1.75
Others	140.64	2.40	88.04	1.75	138.51	2.64
Total	5,856.24	100.00	5,025.17	100.00	5,252.37	100.00

The table below sets forth, for the periods indicated, a breakdown of our revenue from operations by geography:

Particulars	(₹ million, except % data)					
	Fiscal 2024	Fiscal 2023	Fiscal 2022	Amount	% of total	Amount
Within India	2,198.73	37.55	1,986.73	39.54	2,503.68	47.67
Outside India	3,657.51	62.46	3,038.44	60.46	2,748.69	52.33
Total	5,856.24	100.00	5,025.17	100.00	5,252.37	100.00

FISCAL 2024 COMPARED TO FISCAL 2023

Income

Our total income increased by 15.53% to ₹6,033.30 million in Fiscal 2024 from ₹5,222.33 million in Fiscal 2023 primarily due to an increase in our revenue from operations which offset the decrease in our other income during this period.

Revenue from operations

Our revenue from operations increased by 16.54% to ₹5,856.24 million in Fiscal 2024 from ₹5,025.17 million in Fiscal 2023, which was primarily due to the reasons set forth below:

Natural Stone Segment

Our revenue attributable to the Natural Stone Segment increased by 16.46% to ₹5,627.17 million for Fiscal 2024 from ₹4,831.92 million in Fiscal 2023, primarily due to an increase in operational efficiency, improved recovery rate of saleable product and addition of high-performance equipment such as wheel loaders.

Diamond Wire Segment

Our revenue attributable to the Diamond Wire Segment decreased by 15.93% to ₹88.44 million for Fiscal 2024 from ₹105.20 million in Fiscal 2023, primarily due to a focus being placed during Fiscal 2024 on (i) research and development activities in the Diamond Wire Segment including improving the durability, speed and efficiency of our Diamond Wire; and the development of the multi-wire – a tool for cutting slabs; and (ii) growth initiatives such as establishing a reliable network of dealers, all of which impacted revenue generation from this segment during Fiscal 2024.

Others

Our revenue attributable to the Others segment, which comprises scrap sales and export incentives received, increased by 59.73% to ₹140.64 million for Fiscal 2024 from ₹88.04 million in Fiscal 2023, primarily due an increase in the volume of traded goods and an increase in the sale volume of processed slabs.

Other income

Our other income decreased by 10.19% to ₹177.06 million in Fiscal 2024 from ₹197.16 million in Fiscal 2023, which was primarily as there was no job work income done in the Fiscal year 2024.

Expenses

Our expenses increased by 4.96% to ₹4,655.25 million in Fiscal 2024 (representing approximately 79.49% of our revenue from operations in that year) from ₹4,435.39 million in Fiscal 2023 (representing approximately 88.26% of our revenue from operations in that year). The 4.96% increase in our expenses was consistent with the 16.54% increase in our revenue from operations during the same period. The primary reasons for the increase in expenses are discussed below.

Quarry expenses

Our quarry expenses decreased by 13.26% to ₹550.81 million in Fiscal 2024 from ₹635.00 million in Fiscal 2023, primarily due to a decrease in charges incurred towards wire saw, block cutting and equipment hiring. Our quarry expenses represented approximately: (i) 9.41% of our revenue from operations in Fiscal 2024, compared with 12.64% in Fiscal 2023; and (ii) 11.83% of our total expenses in Fiscal 2024, compared with 14.32% in Fiscal 2023.

Seignorage and cess fees

Our expenses on seignorage and cess fees increased by 9.59% to ₹1,045.06million in Fiscal 2024 from ₹953.61 million in Fiscal 2023, primarily on account of increase in the production and sale of our products on which royalty, seignorage or cess fees are payable to the relevant State Government. Our seignorage and cess fees represented approximately: (i) 17.85% of our revenue from operations in Fiscal 2024, compared with 18.98% in Fiscal 2023; and (ii) 22.45% of our total expenses in Fiscal 2024, compared with 21.50% in Fiscal 2023.

Cost of materials consumed

Our cost of materials consumed decreased by 12.89% to ₹72.23 million in Fiscal 2024 from ₹82.92 million in Fiscal 2023, which was primarily due to lower consumption of materials as a result of increase in production efficiency. Our cost of materials consumed represented approximately: (i) 1.23% of our revenue from operations in Fiscal 2024, compared with 1.65% in Fiscal 2023; and (ii) 1.55% of our total expenses in Fiscal 2024, compared with 1.87% in Fiscal 2023.

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

Our changes in inventories of finished goods, stock-in-trade and work-in-progress increased by 260.96% to ₹184.86 million in Fiscal 2024 from ₹(114.85) million in Fiscal 2023 primarily due to optimization of inventory levels. Our changes in inventories of finished goods, stock-in-trade and work-in-progress represented approximately: (i) 3.16% of our revenue from operations in Fiscal 2024, compared with 2.29% in Fiscal 2023; and (ii) 3.97% of our total expenses in Fiscal 2024, compared with 2.59% in Fiscal 2023.

Consumption of stores and spare parts

Our expenses on consumption of stores and spare parts decreased by 17.12% to ₹753.55 million in Fiscal 2024 from ₹909.18 million in Fiscal 2023, primarily due to a decrease in the price of diesel and the deployment of more fuel-efficient equipment during Fiscal 2024. Our expenses on consumption of stores and spare parts represented approximately: (i) 12.87% of our revenue from operations in Fiscal 2024, compared with 18.09% in Fiscal 2023; and (ii) 16.19% of our total expenses in Fiscal 2024, compared with 20.50% in Fiscal 2023.

Employee benefits expense

Our employee benefits expense increased by 6.63% to ₹414.99 million in Fiscal 2024 from ₹389.20 million in Fiscal 2023, primarily on account of increase in the number of employees and workers employed, commensurate with operational needs. Our employee benefits expense represented approximately: (i) 7.09% of our revenue from operations in Fiscal 2024, compared with 7.75% in Fiscal 2023; and (ii) 8.91% of our total expenses in Fiscal 2024, compared with 8.77% in Fiscal 2023.

Finance costs

Our finance costs increased by 1.14% to ₹91.64 million in Fiscal 2024 from ₹90.61 million in Fiscal 2023, primarily due to interest charges incurred on additional equipment loans availed. Our finance costs represented approximately: (i) 1.56% of our revenue from operations in Fiscal 2024, compared with 1.80% in Fiscal 2023; and (ii) 1.97% of our total expenses in Fiscal 2024, compared with 2.04% in Fiscal 2023.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 2.96% to ₹221.80 million in Fiscal 2024 from ₹215.43 million in Fiscal 2023, primarily on account of additions to plant and machinery during the year. Our depreciation and amortization expense represented approximately: (i) 3.79% of our revenue from operations in Fiscal 2024, compared with 4.29% in Fiscal 2023; and (ii) 4.76% of our total expenses in Fiscal 2024, compared with 4.86% in Fiscal 2023.

Other expenses

Our other expenses increased by 1.61% to ₹1,251.66 million in Fiscal 2024 from ₹1,231.83 million in Fiscal 2023 consistent with the increase in our operational activities and revenue during this period. Our other expenses represented approximately: (i) 21.37% of our revenue from operations in Fiscal 2024, compared with 24.51% in Fiscal 2023; and (ii) 26.89% of our total expenses in Fiscal 2024, compared with 27.77% in Fiscal 2023.

Profit before tax for the year

As a result of the factors discussed above and due to cost optimization and increased revenue resulting in optimization of fixed overheads, our profit before tax for the year increased by 75.10% to ₹1,378.05 million in Fiscal 2024 from ₹786.99 million in Fiscal 2023. Our effective tax rate (total tax expense as a percentage of profit before tax) was 27.20% in Fiscal 2024 compared with 30.83% in Fiscal 2023. The corporate tax rate in India was 25.17% in Fiscal 2024 and 25.17% in Fiscal 2023.

Tax expenses

Our tax expenses increased by 54.48% to ₹374.81 million in Fiscal 2024 from ₹242.63 million in Fiscal 2023, primarily due to an increase in profit before tax for the year. Our tax expenses represented approximately: (i) 6.40% of our revenue from operations in Fiscal 2024, compared with 4.83% in Fiscal 2023; and (ii) 8.05% of our total expenses in Fiscal 2024, compared with 5.47% in Fiscal 2023.

Profit after tax for the year

As a result of the factors discussed above, our profit after tax for the year increased by 84.30% to ₹1,003.24 million in Fiscal 2024 from ₹544.36 million in Fiscal 2023.

FISCAL 2023 COMPARED TO FISCAL 2022

Income

Our total income decreased by 3.2% to ₹5,222.33 million in Fiscal 2023 from ₹5,394.83 million in Fiscal 2022 primarily due to a decrease in our revenue from operations.

Revenue from operations

Our revenue from operations decreased by 4.33% to ₹5,025.17 million in Fiscal 2023 from ₹5,252.37 million in Fiscal 2022, which was primarily due to the reasons set forth below:

Natural Stone Segment

Our revenue attributable to the Natural Stone Segment decreased by 3.78% to ₹4,831.92 million for Fiscal 2023 from ₹5,021.70 million in Fiscal 2022, primarily due to a temporary stoppage of production at certain Black Galaxy Granite mines in the quarter ended March 31, 2023, due to delays in making applications for renewal of regulatory licenses and applications for increase in authorized production levels, as a result of which production in Fiscal 2023 was lesser than production in Fiscal 2022.

Diamond Wire Segment

Our revenue attributable to the Diamond Wire Segment increased by 14.15% to ₹105.20 million for Fiscal 2023 from ₹92.16 million in Fiscal 2022, primarily due to an increase in sales.

Others

Our revenue attributable to the others segment decreased by 36.43% to ₹88.04 million for Fiscal 2023 from ₹138.51 million in Fiscal 2022, primarily due to a reduction in scrap sales.

Other income

Our other income increased by 38.40% to ₹197.16 million in Fiscal 2023 from ₹142.46 million in Fiscal 2022, which was primarily due to certain provisions no longer required being written back:

Expenses

Our expenses decreased by 0.59% to ₹4,435.39 million in Fiscal 2023 (representing approximately 88.26% of our revenue from operations in that year) from ₹4,461.91 million in Fiscal 2022 (representing approximately 84.95% of our revenue from operations in that year). The 0.59% decrease in our expenses was consistent with the 4.33% decrease in our revenue from operations during the same period. The primary reasons for the decrease in expenses are discussed below.

Quarry expenses

Our quarry expenses decreased by 0.50% to ₹635.00 million in Fiscal 2023 from ₹638.16 million in Fiscal 2022, primarily due to a reduction in output. Our quarry expenses represented approximately: (i) 12.64% of our revenue from operations in Fiscal 2023, compared with 12.15% in Fiscal 2022; and (ii) 14.32% of our total expenses in Fiscal 2023, compared with 14.30% in Fiscal 2022.

Seignorage and cess fees

Our seignorage and cess fees decreased by 7.56% to ₹953.61 million in Fiscal 2023 from ₹1,031.58 million in Fiscal 2022, primarily due to an (i) increase in the proportion of domestic sales in the sales mix (where seignorage and cess fees are borne by the customers); and (ii) an overall reduction in output. Our seignorage and cess fees represented approximately: (i) 18.98% of our revenue from operations in Fiscal 2023, compared with 19.64% in Fiscal 2022; and (ii) 21.50% of our total expenses in Fiscal 2023, compared with 23.12% in Fiscal 2022.

Cost of materials consumed

Our cost of material consumed decreased by 6.38% to ₹82.92 million in Fiscal 2023 from ₹88.57 million in Fiscal 2022, primarily due to decrease in material consumption as a result of reduction in operating activities during this period. Our cost of material consumed represented approximately: (i) 1.65% of our revenue from operations in Fiscal 2023, compared with 1.69% in Fiscal 2022; and (ii) 1.87% of our total expenses in Fiscal 2023, compared with 1.99% in Fiscal 2022.

Changes in inventories

Our changes in inventories decreased by 230.87% to ₹(114.85) million in Fiscal 2023 from ₹87.76 million in Fiscal 2022, primarily due to maintenance of a higher amount of closing stock compared to the previous Fiscal. Our changes in inventories represented approximately: (i) 2.29% of our revenue from operations in Fiscal 2023, compared with 1.67% in Fiscal 2022; and (ii) 2.59% of our total expenses in Fiscal 2023, compared with 1.97% in Fiscal 2022.

Consumption of Stores and spare parts

Our expenses on consumption of stores and spare parts increased by 21.53% to ₹909.18 million in Fiscal 2023 from ₹748.12 million in Fiscal 2022, primarily due to an increase in prices of diesel. Our expenses on consumption of stores and spare parts represented approximately: (i) 18.09% of our revenue from operations in Fiscal 2023, compared with 14.24% in Fiscal 2022; and (ii) 20.50% of our total expenses in Fiscal 2023, compared with 16.77% in Fiscal 2022.

Employee benefits expense

Our employee benefits expense decreased by 29.15% to ₹389.20 million in Fiscal 2023 from ₹549.33 million in Fiscal 2022, primarily due to (i) optimization of employee costs as a result of mechanization of mines, leading to the usage of machines instead of our labor workforce, which also helped contribute to an increased operational efficiency; and (ii) a reduction in managerial remuneration paid. Our employee benefits expenses represented approximately: (i) 7.75% of our revenue from operations in Fiscal 2023, compared with 10.46% in Fiscal 2022; and (ii) 8.77% of our total expenses in Fiscal 2023, compared with 12.31% in Fiscal 2022.

Finance costs

Our finance costs increased by 0.09% to ₹90.61 million in Fiscal 2023 from ₹90.53 million in Fiscal 2022, primarily due to our Company raising loans for capital expenditure and other general purposes. Our finance costs represented approximately: (i) 1.80% of our revenue from operations in Fiscal 2023, compared with 1.72% in Fiscal 2022; and (ii) 2.04% of our total expenses in Fiscal 2023, compared with 2.03% in Fiscal 2022.

Depreciation expense

Our depreciation expense increased by 22.17% to ₹215.43 million in Fiscal 2023 from ₹176.33 million in Fiscal 2022, primarily due to addition of mining equipment. Our depreciation expenses represented approximately: (i) 4.29% of our revenue from operations in Fiscal 2023, compared with 3.36% in Fiscal 2022; and (ii) 4.86% of our total expenses in Fiscal 2023, compared with 3.95% in Fiscal 2022.

Other expenses

Our other expenses increased by 22.43% to ₹1,231.83 million in Fiscal 2023 from ₹1,006.14 million in Fiscal 2022, primarily due to non-recurring job work executed in this period which resulted in incremental expenditure. Our other expenses represented approximately: (i) 24.51% of our revenue from operations in Fiscal 2023, compared with 19.16% in Fiscal 2022; and (ii) 27.77% of our total expenses in Fiscal 2023, compared with 22.55% in Fiscal 2022.

Profit before tax for the year

As a result of the factors discussed above, our profit before tax for the year decreased by 15.65% to ₹786.99 million in Fiscal 2023 from ₹933.01 million in Fiscal 2022. Our effective tax rate (total tax expense as a percentage of profit before tax) was 30.83% in Fiscal 2023 compared with 28.09% in Fiscal 2022. The corporate tax rate for India was 25.168% in Fiscal 2023 and 25.17% in Fiscal 2022.

Tax expenses

Our tax expenses decreased by 7.42% to ₹242.63 million in Fiscal 2023 from ₹262.08 million in Fiscal 2022, primarily due to a decrease in profit before tax for the year. Our tax expenses represented approximately: (i) 4.83% of our revenue from operations in Fiscal 2023, compared with 4.99% in Fiscal 2022; and (ii) 5.47% of our total expenses in Fiscal 2023, compared with 5.87% in Fiscal 2022.

Profit after tax for the year

As a result of the factors discussed above, our profit after tax for the year decreased by 18.86% to ₹544.36 million in Fiscal 2023 from ₹670.93 million in Fiscal 2022.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity requirements primarily relate to capital expenditure and working capital. We are required to undertake capital investment on a regular basis to purchase and upgrade our machinery and vehicles, among other things. Cash in the form of cash on hand, balance with bank in current accounts and deposits with original maturity of less than three months together represent our cash and cash equivalents.

As of March 31, 2024, we had ₹254.58 million in cash and cash equivalents and ₹27.33 million as bank balances other than cash and cash equivalents. We believe that our lines of credit and our working capital facilities provide us sufficient liquidity to meet our present requirements and anticipated requirements for working capital for 12 months following the date of this Draft Red Herring Prospectus. We do not anticipate any significant requirements towards capital expenditure in the near future, other than the capital expenditure requirements disclosed in “*Objects of the Offer*” beginning on page 109.

CASH FLOWS

The table below sets forth our cash flows for the periods indicated:

Particulars	Fiscal		
	2024	2023	2022
Net cash flows generated from/(used in) operating activities	1,279.07	(519.46)	1,433.12
Net cash flows generated from/(used in) investing activities	(635.89)	(174.59)	(988.43)
Net cash flows generated from/(used in) financing activities	(498.76)	448.11	(136.87)
Net increase in cash and cash equivalents	144.42	(245.94)	307.82
Cash and cash equivalents at the beginning of the year	110.16	356.10	48.28
Cash and cash equivalents at the end of the year	254.58	110.16	356.10

Fiscal 2024

Cash flows from operating activities

The net cash flow generated from operating activities in Fiscal 2024 was ₹1,279.07 million, while profit before tax was ₹1,378.05 million. The difference was attributable primarily to liabilities no longer required written back of ₹28.10 million, interest income of ₹13.53 million, profit on discard/ sale of property, plant and equipment of ₹28.86 million and dividend income of ₹1.01 million.

These were partially offset by adjustments for depreciation expense of ₹221.80 million, provisions for credit impaired trade receivable of ₹7.60 million, finance costs of ₹91.64 million, assets discarded of ₹16.17 million and balances written off of ₹4.83 million.

Further there were also working capital changes including increase in other current assets of ₹247.75 million, increase in trade receivables of ₹296.32 million, increase in other financial assets of ₹96.13 million and increase in other financial liabilities of ₹185.51 million. These were partially offset by increase in other liabilities of ₹199.70 million, decrease in inventories ₹202.19 million, increase in trade payables of ₹10.78 million and increase in provision of ₹3.66 million.

Cash flows from investing activities

The net cash flow used in investing activities in Fiscal 2024 was ₹635.89 million, which was attributable primarily to purchase of property, plant and equipment including capital advances of ₹630.90 million and net of purchase and sale of investments of ₹152.28 million.

These were partially offset by inflows of ₹163.42 million from proceeds from sale of property, plant and equipment and ₹13.53 million from interest received.

Cash flows from financing activities

The net cash flow used in financing activities in Fiscal 2024 was ₹498.76 million, which was attributable primarily to repayment of short term borrowings (net) of ₹238.47 million, payment of dividend of ₹150.26 million, payment of interest of ₹63.92 million and repayment of long term borrowings (net) of ₹47.46 million.

Fiscal 2023

Cash flows from operating activities

The net cash flow used in operating activities in Fiscal 2023 was ₹519.46 million, while profit before tax was ₹786.94 million. This was primarily attributable to working capital changes including increase in trade receivables of ₹558.37 million, decrease in other liabilities of ₹472.37 million, increase in other current assets of ₹157.04 million and liabilities no longer required written back of ₹8.19 million.

These were partially offset by adjustments for depreciation expenses of ₹215.43 million and finance costs of ₹90.61 million and bad debts written off of ₹43.30 million.

Cash flows from investing activities

The net cash flow used in investing activities in Fiscal 2023 was ₹174.59 million, which was attributable primarily to purchase of property, plant and equipment including capital advances of ₹444.52 million and net of purchase and sale of investments of ₹94.87 million.

These were partially offset by inflows of ₹257.13 million from deposits placed having original maturity of more than 3 months, net and ₹101.58 million from sale of property, plant and equipment.

Cash flows from financing activities

The net cash flow generated from financing activities in Fiscal 2023 was ₹448.11 million, which was attributable primarily to proceeds from short term borrowings (net) of ₹415.89 million and proceeds from long term borrowings (net) of ₹110.03 million, which was partially offset by interest paid of ₹86.45 million and dividend paid of ₹11.00 million.

Fiscal 2022

Cash flows from operating activities

The net cash flow generated from operating activities in Fiscal 2022 was ₹1,433.12 million, while profit before tax was ₹932.92 million. This was primarily attributable to increase in other liabilities of ₹529.32 million and adjustments for depreciation expense of ₹176.33 million, finance costs of ₹90.53 million and decrease in inventories of ₹88.09 million and provision for credit impaired trade receivable ₹30.61 million.

These were partially offset by decrease in other financial liabilities of ₹131.30 million and increase in other financial assets of ₹21.70 million.

Cash flows from investing activities

The net cash flow used in investing activities in Fiscal 2022 was ₹988.43 million, which was primarily attributed to purchase of property, plant and equipment including capital advances of ₹643.77 million, deposits placed having original maturity of more than 3 months net of ₹254.35 million and loan provided of ₹84.31 million and net of purchase and sale of investments of ₹99.56 million, which was partially offset by inflows of ₹83.68 million from sale of property, plant and equipment and interest received of ₹9.83 million.

Cash flows from financing activities

The net cash flow used in financing activities in Fiscal 2022 was ₹136.87 million, which was primarily attributable to interest paid of ₹88.11 million, repayment of short term borrowings (net) of ₹52.47 million and repayment of long term borrowings (net) of ₹9.18 million.

FINANCIAL INDEBTEDNESS

As of March 31, 2024, our outstanding borrowings aggregated to ₹1,204.83 million. The table below sets forth details of our outstanding borrowings as of March 31, 2024.

Category of Borrowing	₹ million)
Non-current	
Secured loans	
Term loan	703.25
Other parties	3.50
Unsecured loans	
Loan from related parties	3.45
From others	129.97
Current maturities of non current borrowings	(273.73)
Sub-total (A)	566.44
Current	
Working Capital Loans	364.66
Current maturities of non current borrowings	273.73
Sub-total (B)	638.39
Total (A+B)	1,204.83

Also see “*Risk Factors— Our financing arrangements contain certain restrictive covenants, and non-compliance with any of the covenants of our financing agreements could trigger an event of default*” on page 60.

CREDIT RATINGS

The cost and availability of capital is dependent, among other factors, on our short-term and long-term credit ratings. Ratings reflect a rating agency’s opinion of our financial strength, operating performance, strategic position and our ability to meet our obligations. Details of our credit ratings as on the date of this Draft Red Herring Prospectus are provided below:

Agency	Date of Credit Rating	Instrument	Rating/ Outlook
CRISIL	April 19, 2024	Issuer Rating	CRISIL A-/Stable

Also see “*Risk Factors— Our financing arrangements contain certain restrictive covenants, and non-compliance with any of the covenants of our financing agreements could trigger an event of default*” on page 60.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

The table below sets forth our undiscounted contractual maturities of significant financial liabilities as of March 31, 2024. These obligations primarily relate to our contractual maturities of significant financial liabilities such as borrowings, trade payables and other financial liabilities. The amounts are on a gross basis and undiscounted contractual cash flow includes contractual interest payment and excludes netting arrangements.

Undiscounted contractual maturities of significant financial liabilities as of March 31, 2024					
Particulars	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	566.44	273.73	292.71	0.00	566.44
Lease liabilities	36.63	6.55	10.00	20.08	36.63
Short-term borrowings	638.89	638.39	0.00	0.00	638.39
Trade payables	215.79	215.79	0.00	0.00	215.79
Other financial liabilities	199.81	199.81	0.00	0.00	199.81
Total	1,657.06	1,334.27	302.71	20.08	1,657.06

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

CONTINGENT LIABILITIES AND COMMITMENTS

Set out below are our contingent liabilities and commitments as of March 31, 2024.

Contingent Liabilities and commitments	(₹ million) As of March 31, 2024
<i>Contingent Liabilities</i>	
On account of Corporate guarantees	457.08
On account of Bank Guarantees	565.33
Income tax demands disputed/contested by the Company pending in appeal	151.42
Demand of Excise duty against the Company	19.32
Demand of Custom duty against the Company	261.90
Demand of Entry tax against the Company	96.69
On account of Bonds executed with Customs authorities	77.01
Demand of RCM on Royalty against the Company	26.89
Case of a past employee against the Company	0.76
APMDC - CLAUSE 17 case against the Company	9.72
Liquidator of BEML has filed Petition against the Company	106.70
Recovery Case against Debtor	4.13
Demand of royalty from office of ADMG - Telangana	74.38
<i>Capital Commitments</i>	
Unexecuted capital orders to the extent not provided for	163.69
Total	2,015.02

Also see “*Risk Factors—We have certain contingent liabilities and commitments which if materialized, may adversely affect our financial condition.*” on page 59.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Except as disclosed in our Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors. We do not enter into derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

We have engaged in the past, and may engage in the future, in transactions with related parties including our affiliates. Such transactions are for, among others, repayment of loans, remuneration, professional charges, rent paid, salaries, sale of goods. In addition, we have engaged in related party transactions with our Promoters, Key Managerial Personnel and Promoter Group which primarily relate to capital advances, receipt of loans, repayment of loans, remuneration payments, rent payments, professional charges. Our related party transactions (excluding related party transactions eliminated during the year) for the Fiscals 2024, 2023 and 2022, constituted 8.23%, 4.19% and 6.90%, respectively, as a percentage of our revenue from operations in those periods. For details, see Note 37 to our Restated Consolidated Financial Statements included in “*Restated Consolidated Financial Statements*” and “*Risk Factors—We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not adversely affect our financial condition and results of operations*” on pages 380 and 60, respectively.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk, interest rate risk, credit risk, liquidity risk, foreign currency risk and commodity risk in the normal course of our business. Our Board has overall responsibility for the establishment and oversight of our risk management framework. Our risk management policies are established to identify and analyze the risks faced, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Our risk management policies and systems are reviewed regularly to reflect changes in market conditions and our activities.

Credit risk

- i. *Credit risk management*

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the group'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 group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The group 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 group does a proper financial and credibility check on the landlords before taking any property on lease and has not had a single instance of non-refund of security deposit on vacating the leased property. The group 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 Group'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	Fiscal 2024	Fiscal 2023	Fiscal 2022	(₹ million)
Revenue from Top Customer	398.00	524.86	693.11	
Revenue from Top 5 customers (other than the above customer)	1,625.37	1,567.48	1,964.64	

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. See “—*Liquidity and Capital Resources*” and “—*Contractual obligations and commercial commitments*” on pages 432 and 435, respectively, for further details.

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 group exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates. The group 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 March 31,		
	2024	2023	2022
Variable rate borrowings	655.10	706.10	147.68
Fixed rate borrowings	549.73	784.66	813.00

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 constant, the group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(₹ million)		
	As at March 31,	2024	2023
Sensitivity			
1% increase in variable rate	(6.55)	(7.06)	(1.48)
1% decrease in variable rate	6.55	7.06	1.48

(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).

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) as on March 31, 2024. The Company's exposure to foreign currency changes for all other currencies is not material. Our management monitors the movement in foreign currency and our exposure to each foreign currency. For further details, see "*Risk Factors—Exchange rate fluctuations may adversely affect our business, financial conditions, cash flows and results of operations.*" on page 38.

(million, unless otherwise specified)				
Particulars	Amount in USD	Equivalent amount in ₹ for USD	Amount in Euro	Equivalent amount in ₹ for Euro
Trade receivable	12.04	1,003.61	0.02	0.00
Advance for purchases	0.64	52.75	0.01	1.05
Advance for purchases (capital)	0.25	21.05	0.03	2.51
Unhedged Assets	12.93	1,077.41	0.06	3.56
Advances from customers	7.02	576.97	0	0.00
Payable for supplies	0.15	12.80	0	0.00
Borrowings	0.99	82.61	0	0.00
Unhedged Liabilities	8.17	672.38	0	0.00

Other price and commodity risk

Inflationary factors such as increases in the costs of power and fuel costs may adversely affect our operating results. Fuel pricing can be volatile due to a number of factors beyond our control, and there are uncertainties inherent in estimating such variables, regardless of the methodologies and assumptions that we may use. Based on our analysis of the periods presented, we believe that inflation has not had a material effect on our operating results as inflationary increases in power and fuel have generally been offset through increases in price of our products.

OTHER QUALITATIVE FACTORS

Recent Accounting Changes

There are no recent accounting changes which would have been applicable to our Company from April 1, 2024.

Unusual or infrequent events of transactions

Other than as described below and elsewhere in this Draft Red Herring Prospectus, to our knowledge, there have been no other events or transactions that, may be described as "unusual" or "infrequent" and which materially affect or are likely to affect our revenue from operations.

Seasonality of business

Our operations may be adversely affected by unfavorable working conditions due to high temperatures during summer months and rain during monsoon that can impede our ability to carry on operations at our Mines and fully utilize our

resources, particularly during the first two quarters of a financial year. During periods of reduced activity due to unfavorable weather conditions, we may continue to incur operating expenses, but our revenues from operations may be reduced or its accrual may be delayed. Although such adverse weather conditions do not typically have a material impact on our revenue from operations, abnormally hot summer months or monsoon months could have a material impact. For further details, see “*Risk Factors—Our operations may be affected by changes in weather conditions and adverse weather conditions may have a material impact on our operations.*” on page 54.

Known trends or uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in “*Significant Factors Affecting Our Financial Condition and Results of Operations*” and the uncertainties described in “*Risk Factors*” on pages 31 and 406, respectively. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

Future relationship between cost and income

Other than as described in this Draft Red Herring Prospectus, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

New products or business segments

Other than as described in “*Our Business*” beginning on page 224, there are no plans to introduce any new products or business segments in the near future which are likely to materially affect our revenue from operations or profitability.

Significant dependence on a single or few customers

While we have a wide client base, a significant portion of our revenue is derived from certain key customers. For further details, see “*Risk Factors—We depend on certain key customers for a significant portion of our revenue from operations, with our top 10 customers contributing 48.37%, 53.51% and 59.69% of our revenue from operations in Fiscals 2024, 2023 and 2022, respectively. A decrease in the revenue we earn from such customers could adversely affect our business, results of operations, cash flows and financial condition*” on page 36.

Competition

For information on our competitive conditions and our competitors, see “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” beginning on pages 31, 163 and 224, respectively.

Significant Developments after March 31, 2024 that may affect our future results of operations

Except as disclosed below and as disclosed elsewhere in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since March 31, 2024 that materially and adversely affect or are likely to affect our operations, trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

- Pursuant to resolutions passed by our Board at their meeting held on May 15, 2024 and the Shareholders at their EGM held on June 11, 2024, our Company has sub-divided 966,069 equity shares of face value of ₹100 each to 19,321,380 Equity Shares of face value of ₹5 each. For further information, see “*Capital Structure—Share Capital History of our Company*” and “*History and Certain Corporate Matters—Amendments to the Memorandum of Association in last 10 years*” on pages 88 and 274, respectively.
- Pursuant to resolutions passed by our Board at their meeting held on July 5, 2024 and the Shareholders at their EGM held on July 9, 2024, our Company has approved the issuance of 14,491,035 Equity Shares of face value of ₹5 each as a part of bonus issue to the existing equity shareholders, whose name appears in the list of beneficial owners on the record date *i.e.*, July 9, 2024 in the ratio of 3 equity shares for 4 equity shares held, which were allotted on July 15, 2024. Equity Shares of face value ₹5 for each Equity Share of face value ₹5 held. For further information, see “*Capital Structure—Share Capital History of our Company*” on page 88.
- Pursuant to an agreement dated June 10, 2024, our Company transferred 2,309,500 equity shares of Midwest Gold Limited, our then subsidiary, to one of our Promoters, Mr. Kollareddy Rama Ragava Reddy, for an aggregate consideration of ₹52.54 million. Pursuant to this transfer, Midwest Gold Limited ceased to be a subsidiary of our

Company with effect from June 13, 2024. For further information, see “*History and Certain Corporate Matters—Details regarding Material Acquisitions or Divestments of Business/ Undertakings, Mergers, Amalgamation, any Revaluation of Assets, etc. in the last 10 Years*” on page 280.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no outstanding (i) criminal proceedings (including matters which are at the FIR stage where no cognizance has been taken by any court), (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct or indirect taxation matters, and (iv) litigation proceedings (including arbitration or other civil proceedings) that are otherwise material, in each case, involving our Company, our Subsidiaries, our Promoters and our Directors (“Relevant Parties”). Further, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Fiscals including any outstanding action.

For the purpose of identification of material litigation in (iii) and (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation involving the Relevant Parties to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to their resolution dated September 27, 2024:

All outstanding litigation or arbitration proceedings, involving the Relevant Parties (other than criminal proceedings or actions taken by statutory or regulatory authorities) shall be disclosed:

- a. *if the monetary amount of claim by or against the entity or person in any such pending proceeding exceeds the lower of the following (i) 2% of the turnover, as per the last annual restated consolidated financial statements of the Company; (ii) 2% of the net worth, as per the last annual restated consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative; or (iii) 5% of the average of the absolute value of the profit or loss after tax, as per the last three annual restated consolidated financial statements of the Company being ₹36.98 million (*i.e.*, lower of: (i) ₹117.12 million, being 2% of the turnover of the Company; (ii) ₹99.81 million, being 2% of the net worth of the Company, each as per the last annual restated consolidated financial statements of the Company; and (iii) ₹36.98 million, being 5% of the average of the absolute value of the profit or loss after tax, as per the last three annual restated consolidated financial statements of the Company) (“Materiality Amount”); or*
- b. *where the monetary liability is not quantifiable for any other outstanding litigation or arbitration proceedings, but the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company or where a decision in one case is likely to affect the decision in similar cases even though the amount involved in the individual cases may not exceed the Materiality Amount.*

Pre-litigation notices received by the Relevant Parties from third parties (excluding notices from governmental, statutory, regulatory, judicial, quasi-judicial, tax authorities or notices threatening criminal action) shall not be evaluated for materiality until the Relevant Parties are impleaded as defendants or respondents in proceedings before any judicial forum, arbitrator, tribunal or governmental authority.

There are no outstanding legal proceedings involving any of our Group Companies that have a material impact on our Company.

*Further, pursuant to a Board resolution dated September 27, 2024, our Board has considered and adopted a policy on materiality for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus according to which all creditors of our Company to whom the amount due from our Company exceeds 5% of the total trade payables of the Company as per the latest Restated Consolidated Financial Statements disclosed in this Draft Red Herring Prospectus are material creditors (*i.e.*, 5% of ₹215.79 million, which is ₹10.79 million based on the Restated Consolidated Financial Statements as at March 31, 2024).*

Further, for outstanding dues to any party which is a micro, small or a medium enterprise (“MSME”), the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.

Unless otherwise specified, the terms defined in the description of a particular litigation matter pertain to such matter only. Unless otherwise specified, the information provided below is as of the date of this Draft Red Herring Prospectus.

I. Litigation involving our Company

(a) Criminal proceedings against our Company

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Company.

Nil.

(b) Criminal proceedings by our Company

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Company other than as disclosed below.

1. Our Company filed a complaint under Sections 406, 420 and 506 of the Indian Penal Code, 1860 dated August 14, 2018 against J.C.R. Drillsol Private Limited (“**Accused 1**”) and its managing director (“**Accused 2**” and together with Accused 1, the “**Accused**”) before the IIIrd Additional Chief Metropolitan Magistrate, Nampally, Hyderabad (“**Court**”) in connection with their failure to deliver a reverse circulation drill rig to our Company despite payment of ₹14.13 million by our Company (such complaint, the “**Complaint**”). The Court issued a non-bailable warrant against the Accused on November 17, 2021, which was subsequently recalled by the Court on February 25, 2023, based on a petition filed by the Accused on February 23, 2023. The matter is currently pending.
2. Our Company filed a complaint dated April 30, 2024 under Section 190 and 200 of the Code of Criminal Procedure, 1973 against Mr. Cedric Fernandez (“**Accused**”) for an offence under Section 138 and 142 of the Negotiable Instruments Act, 1881 before the court of VI Metropolitan Magistrate, Hyderabad (“**Court**”) on account of dishonour of cheque of the Accused. Our Company entered into a lease agreement dated October 28, 2020, with Jesmajo Industrial Fabrications Karnataka Private Limited (“**Lessee**”) to lease our property in Bangalore to the Lessee for a period of three years (“**Lease Agreement**”). Under the Lease Agreement, the Lessee was obligated to pay a rent of ₹0.92 million monthly along with other applicable taxes. However, the Lessee defaulted on payment of rent from March 1, 2021, to July 1, 2023, and was liable to pay an amount of ₹35.12 million including default in rent and interest at the rate of 18% per annum (“**Balance Amount**”). Subsequently, our Company and the Lessee entered into negotiations for payment of the Balance Amount and executed a supplementary agreement dated July 3, 2023, wherein the Lessee undertook to pay an amount of ₹20.00 million in installments by way of a demand draft (“**Supplementary Agreement**”). It was further agreed between our Company and the Lessee that the remaining amount of ₹15.12 million will be waived off from the Balance Amount if the Lessee makes the payment as agreed in the Supplementary Agreement on time. The Accused, on account of being the director of the Lessee issued a cheque dated December 31, 2023, for ₹7.5 million in favor of our Company (“**Cheque**”) and by a letter dated December 31, 2023, to our Company stated that if the Lessee fails to make the payments as agreed in the Supplementary Agreement, then our Company can encash the Cheque. Our Company, acting on the instructions of the Accused, encashed the Cheque which was returned as dishonored on account of the account being blocked through memo dated March 1, 2024. Consequently, our Company issued a legal notice dated March 22, 2024, to the Accused and on receiving no response from the Accused initiated proceedings before the Court. Our Company prayed for *inter alia* imposition of a penalty for double the amount of the dishonored Cheque on the Accused and awarding such penalty as compensation to our Company on account of the default. The Court by way of its order dated September 6, 2024, issued a non-bailable warrant against the Accused. The matter is currently pending.

(c) Actions and proceedings initiated by statutory/regulatory authorities involving our Company

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions and proceedings initiated by statutory/regulatory authorities involving our Company other than as disclosed below.

1. Our Company received a summons dated December 13, 2023, from the Regional Labour Commissioner (Central), Hyderabad (“**RLC**” and such summons, the “**Summons**”) alleging non-payment of minimum wages in accordance with the Minimum Wages Act, 1948 (“**MW Act**”) to Mr. Bommagani Venkanna (“**Applicant**”) who was engaged as a night supervisor at one of our processing facilities. The Applicant claimed from our Company wages aggregating to ₹0.49 million (“**Claim**”). Our Company was directed to appear before the Deputy Chief Labour Commissioner, Hyderabad and our Company filed an interlocutory

application dated January 16, 2024, before the RLC challenging the maintainability of the Claim. The matter is currently pending.

2. Our Company received a notice of appearance dated December 4, 2023, from the Assistant Labour Commissioner (Central), Hyderabad based on a claim filed by Mr. Bommagani Venkanna (“**Applicant**”) on October 30, 2023, alleging incorrect calculation of the gratuity amount payable to him by our Company under the Payment of Gratuity Act, 1972 (“**PG Act**”), claiming an amount of ₹0.27 million from our Company (“**Claim**”). Our Company filed an interlocutory application dated February 9, 2024, before the Controlling Authority under the PG Act and the Assistant Labour Commissioner (Central), Mancherial regarding the maintainability of the Claim. The matter is currently pending.
3. Our Company filed a writ petition dated June 24, 2024 before the High Court of Telangana, Hyderabad (“**High Court**”) against the Assistant Director of Mines and Geology, Suryapet (“**ADMG**”) and others (“**Respondents**”) against the decision of the ADMG to stop granting dispatch permits to our Company for our mines located at survey numbers 192P, 202/P, 214/P and 215/P and survey number 202/P, 214/P and 215/P at Chimiryala Village, Kodad Mandal, Suryapet, Telangana (“**Kodad Mines**” and such writ petition the “**Writ Petition**”). Our Company received a show cause notice dated December 30, 2023 from the ADMG alleging that pursuant to an inspection of the Kodad Mines it was found that there was a difference between the extracted quantity of the minerals and the self-calculated quantity of minerals as disclosed by our Company, to evade the payment of seigniorage fee, thereby violating the Telangana Minor Mineral Concession Rules, 1966 (such notice, the “**SCN**”). Upon receiving the SCN, our Company submitted a letter dated January 18, 2024, to the ADMG seeking the relevant documents and evidence on which the SCN was based. The ADMG through its letter dated January 22, 2024, provided certain documents to our Company. While our Company was evaluating the documents received, the ADMG served a demand notice dated February 20, 2024, on our Company (“**Demand Notice**”). Our Company filed an appeal against the Demand Notice before the Director of Mines and Geology, Hyderabad on March 6, 2024 (“**Appeal**”). Both the proceedings pursuant to the Demand Notice and the Appeal are currently pending (“**Proceedings**”). Our Company further received a subsequent demand notice dated July 11, 2024 (“**Demand Notice II**”) from the ADMG. Through the Demand Notice II, the total amount claimed from our Company was ₹69.10 million. Additionally, despite the pending status of the Proceedings, the ADMG stopped granting dispatch permits for the Kodad Mines to our Company from April 22, 2024. Our Company filed the Writ Petition praying that in the interim the ADMG be directed to issue dispatch permits for the Kodad Mines and further, the decision of the ADMG to stop granting dispatch permits be set aside. The High Court through its order dated June 26, 2024 directed the Respondents to issue dispatch permits for our Kodad Mines. The matter is currently pending.
4. Our Company received the following show cause notices from the Assistant Director of Mines and Geology, Mahabubabad (“**ADMG**”) in relation to excessive mineral excavation in violation of the Telangana Minor Mineral Concession Rules, 1966 (“**SCNs**”):

S.No	SCN Date	Mine	Reply
1.	July 8, 2024	Survey numbers 191 and 194 of Theegalavani Village, Gudur Mandal, Mahabubabad (0.50 hectares)	Reply dated July 26, 2024, seeking additional documents and reports from the ADMG, including the survey report and furnishing additional information in relation to year wise despatch particulars.
2.	July 8, 2024	Survey Number 18, Arpanapally, Kesamudram, Mahabubabad (3.237 hectares)	Reply dated July 26, 2024, seeking additional documents and reports from the ADMG, including the survey report and furnishing additional information in relation to year wise despatch particulars.
3.	July 8, 2024	Survey numbers 190/A/2 and 191/A/AA of Theegalavani Village, Gudur Mandal, Mahabubabad (1.13 hectares)	Reply dated July 26, 2024, seeking additional documents and reports from the ADMG, including the survey report and furnishing additional information in relation to year wise despatch particulars.
4.	July 8, 2024	Survey Number 18, Arpanapally, Kesamudram, Mahabubabad (2.00 hectares)	Reply dated September 9, 2024, seeking additional documents and reports from the ADMG and furnishing additional information.
5.	July 4, 2024	Survey numbers 187, 188, 189 and 192 of Theegalavani Village, Gudur Mandal, Mahabubabad (4.234 hectares)	Reply dated September 9, 2024, seeking additional documents and reports from the ADMG and furnishing additional information.

Through the SCNs our Company was directed to submit documentary evidence of having paid the seigniorage fee to the Government for the extracted mineral quantity and to further explain why action should not be taken for imposing normal seigniorage fee along with five times penalty and other outstanding dues on the Company. The matters are currently pending.

5. Our Company received a show cause notice dated April 15, 2024 from the Assistant Director of Mines and Geology, Suryapet in relation to our mine at survey numbers 192/P, 202/P, 214/P and 215/P of Chimiryala, Kodad Mandal, Suryapet over 4.95 hectares for alleged violations of the Telangana Minor Mineral Concession Rules, 1966 and the Granite Conservation and Development Rules, 1999. The alleged violations included *inter alia* certain of the dump yards situated at such mine falling out of the sanctioned quarry lease area and non-compliance with the approved mining plan for such mine. Our Company replied to the SCN on May 20, 2024. The matter is currently pending.
6. Our Company received a show cause notice dated April 15, 2024 from the Assistant Director of Mines and Geology, Suryapet in relation to our mine at survey numbers 202/P, 214/P and 215/P of Chimiryala, Kodad Mandal, Suryapet over 4.10 hectares for alleged violations of the Telangana Minor Mineral Concession Rules, 1966 and the Granite Conservation and Development Rules, 1999. The alleged violations included *inter alia* excess quantity of black granite being dispatched from such mine, certain of the dump yards situated at such mine falling out of the sanctioned quarry lease area and non-compliance with the approved mining plan for such mine. Our Company replied to the SCN on May 20, 2024. The matter is currently pending.
7. Victorian Granites Private Limited (“**Victorian Granites**”) (amalgamated into our Company pursuant to the 2014 Amalgamation Scheme) had filed a revision application dated January 2, 2007 before the Minister of Mines and Geology, Government of Andhra Pradesh, Hyderabad (“**Minister**”) under the Andhra Pradesh Minor Mineral Concession Rules, 1966 against the demand notice dated February 22, 2005 issued by the Assistant Director of Mines and Geology, Ongole levying a penalty of ₹3.39 million (“**Penalty**”) on Victorian Granites for the extraction of black granite from an area allegedly encroached by Victorian Granites (“**Revision Application**”). Victorian Granites paid the Penalty under protest and further filed an appeal dated March 14, 2005, before the Director of Mines and Geology, Hyderabad (“**Appeal**”). Despite several inquiries, the Appeal remained pending and consequently the Revision Application was filed. A hearing was conducted on February 21, 2007, before the Minister. The matter is currently pending.

(d) *Material civil litigation against our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against our Company other than as disclosed below.

Nil.

(e) *Material civil litigation by our Company*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by our Company other than as disclosed below.

1. Our Company filed a suit dated August 30, 2011, against BEML Midwest Limited (“**BEML Midwest**”), BEML Limited (“**BEML**”) and V.R.S Natrajan (collectively the “**Defendants**”) before the Court of the IInd Additional Chief Judge, City Civil Courts, Hyderabad for the recovery of ₹112.51 million along with interest from the Defendants (“**Suit**”). BEML Midwest had availed a loan of ₹425.00 million from the State Bank of Hyderabad, Overseas Branch, Somajiguda, Hyderabad (“**Bank**”) for the purpose of its export business (“**Loan**”). As security for the Loan, separate corporate guarantees were provided by our Company and BEML along with personal guarantees provided by Kollareddy Rama Raghava Reddy, one of our Promoters and Aja Babu, our erstwhile nominee director on the board of directors of BEML Midwest. As conditions to the Loan, BEML Midwest was mandated to effect regular exports during the subsistence of the Loan. Our Company submitted that, the then nominee directors of BEML along with V.R.S Natrajan (i) routed all the exports of BEML Midwest through BEML, (ii) made certain illegal investments using the funds of BEML Midwest and (iii) assigned loss making contracts of BEML to BEML Midwest. Additionally, BEML failed to pay dues to BEML Midwest for supply of iron ore. Subsequently, BEML Midwest defaulted on the payment of ₹388.53 million in relation to the Loan and the Bank initiated proceedings against our Company and others before the Debt Recovery Tribunal, Hyderabad which proceedings were settled by our Company through a one-time settlement of ₹99.00 million dated March 24, 2014. BEML filed its written statement in relation to the Suit on June 28, 2013. The matter is currently pending.
2. Our Company filed an interlocutory application dated January 2, 2024, before the National Company Law Tribunal, Hyderabad in the insolvency proceedings of BEML Midwest Limited (“**BEML Midwest**”) against a rejection letter dated December 9, 2023, through which the liquidator of BEML Midwest (“**Liquidator**”) rejected our claim as a financial creditor of BEML Midwest for outstanding dues of ₹186.82 million (“**Rejection Letter**”). BEML Midwest availed a loan of ₹425.00 million from the State Bank of Hyderabad, Overseas Branch, Somajiguda, Hyderabad (“**Bank**”) for the purpose of its export business (“**Loan**”). As security for the Loan, separate corporate guarantees were provided by our Company and BEML Limited along with personal guarantees provided by K Raghava Reddy, our promoter and Aja Babu, our erstwhile nominee director. Subsequently, BEML Midwest defaulted on the payment of ₹388.53 million in relation to the Loan and the Bank initiated proceedings against our Company and others before the Debt Recovery Tribunal, Hyderabad which proceedings were settled by our Company through a one-time settlement of ₹99.00 million acknowledged by the Bank pursuant to its letter dated March 24, 2014. On announcement of the liquidation of BEML Midwest, our Company submitted its claim as a financial creditor on November 28, 2023, which was rejected by the Liquidator through the Rejection Letter. The Liquidator filed a counter affidavit to our Application on May 3, 2024 (“**Counter**”) and our Company filed the rejoinder to the Counter on May 13, 2024. The matter is currently pending.

(f) *Other Material Proceedings involving our Company*

1. On September 14, 2020, our Board passed a resolution approving a buy-back of up to 18,000 equity shares with a face value of ₹100 each (“**Equity Shares**”) in response to requests received from certain members of our Company, who sought liquidity and an exit opportunity for the Equity Shares held by them in our Company (“**Buy-back BR**” and such buy-back the “**Buy-back**”). As noted in the Buy-back BR, since the number of Equity Shares being bought-back was less than 10% of the paid-up share capital and free reserves of the Company, prior consent of the shareholders was not required. The Buy-back offer was opened on September 30, 2020, and was closed on October 14, 2020, with the Buy-back being completed on October 23, 2020. The consideration was paid by our Company to the shareholders who participated in the Buy-back on October 21, 2020. In accordance with applicable law, our Company destroyed the share certificates received from the shareholders who participated in the Buy-back and completed the required filings with the

RoC in this regard. Subsequently, our Company allotted bonus shares in the ratio of 12 bonus Equity Shares for every one Equity Share held as on October 3, 2023, on October 3, 2023 (“**Bonus Issue**”).

On January 24, 2024, our Company received a letter from M.V.V. Nagi Reddy HUF, represented by its karta, M.V.V. Nagi Reddy, one of the shareholders who participated in the Buy-back (“**Nagi Reddy HUF**” and such letter, “**Letter 1**”), claiming that the Nagi Reddy HUF held 7,274 Equity Shares allegedly constituting 7.96% of our Company’s paid-up share capital. Letter 1 further stated that the records submitted by our Company to the RoC after the Buy-back were incorrect as they did not include the Nagi Reddy HUF as a shareholder and further claimed that the original share certificates for the 7,274 Equity Shares remained in their possession. Our Company responded to Letter 1 through a letter dated February 15, 2024 (“**Company Response**”) denying that the Nagi Reddy HUF owned 7,274 Equity Shares of our Company and clarified that the Nagi Reddy HUF’s 7,274 Equity Shares had been extinguished in the Buy-back in lieu of the consideration remitted to the Nagi Reddy HUF, and that the Nagi Reddy HUF ceased to be a shareholder of our Company from October 21, 2020. On March 2, 2024, the Nagi Reddy HUF sent another letter through an e-mail (“**Letter 2**”) denying the facts in the Company Response and alleging that our Company was being misled.

Subsequently, a company petition was filed by the Nagi Reddy HUF on March 19, 2024, before the National Company Law Tribunal, Hyderabad (“**NCLT**” and such petition the “**Petition**”), against, among others, our Company, our Promoters, and certain of our Directors, alleging oppression and mismanagement in relation to Buy-back. The Petition prayed for, *inter alia*, (i) a declaration that the Buy-back is *void ab initio* and the Bonus Issue is illegal and void; (ii) a direction for the rectification of the register of members of our Company by cancelling the Equity Shares issued under the Bonus Issue and to enter Nagi Reddy HUF as a holder of 7,274 Equity Shares; (iii) interim reliefs including, maintaining the *status quo* as at March 31, 2020, with regard to the shareholding pattern of our Company until disposal of the Petition and (iv) an order for investigation of our Company under Section 213 of the Companies Act. The matter is currently pending.

II. Litigation involving our Subsidiaries

(a) Criminal proceedings against our Subsidiaries

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Subsidiaries.

Nil.

(b) Criminal proceedings by our Subsidiaries

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Subsidiaries.

(c) Actions and proceedings initiated by statutory/regulatory authorities involving our Subsidiaries

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings initiated by statutory/regulatory authorities involving our Subsidiaries.

(d) Material civil litigation against our Subsidiaries

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of our Subsidiaries, other than as disclosed below.

1. Andhra Pradesh Granite (Midwest) Private Limited (“**A.P. Midwest**”) filed a writ appeal dated April 25, 2013 before the erstwhile High Court of Andhra Pradesh, Hyderabad (“**High Court**”) against the order dated December 21, 2012 passed by the High Court (“**Order**” and such writ appeal the “**Writ Appeal**”).

Our Company and Andhra Pradesh Mineral Development Corporation Limited (“**APMDC**”) had entered into a joint venture agreement dated June 4, 2007 to form A.P. Midwest (“**JV Agreement**”). AP. Midwest had sub-let a quarry lease from APMDC over a mine situated at survey number 55/5, RL Puram Village, Chimakurthy Mandal, Prakasam District. According to the JV Agreement, A.P. Midwest had to make certain regular payments as consideration to APMDC. Pursuant to certain observations made by the auditors of APMDC in relation to the calculation of consideration payable by A.P. Midwest, two demand notices (i) for

₹92.18 million dated July 25, 2011 and (ii) for ₹68.00 million dated December 1, 2011 were issued to A.P. Midwest for dues payable (“**Demand Notices**”). A.P. Midwest filed a writ petition dated February 6, 2012, against the Demand Notices and through the Order the writ was partly allowed while not upholding certain contentions of A.P. Midwest in relation to methods of calculation of seigniorage fee payable. Consequently, A.P. Midwest filed the Writ Appeal challenging the Order in so far as it was against A.P. Midwest.

Additionally, APMDC also filed a writ appeal dated April 15, 2013 before the Court challenging the Order in so far as it was against APMDC particularly on the counts that average of the seigniorage fee should not be paid category wise and that APMDC is not entitled to recover certain arrears. Both matters are currently pending.

(e) *Material civil litigation by our Subsidiaries*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of our Subsidiaries.

(f) *Other Material Proceedings involving our Subsidiaries*

1. Action Group Associates (“**Petitioner**”) filed a company petition dated October 4, 2019, before the National Company Law Tribunal, Hyderabad (“**NCLT**”) against BEML Midwest Limited (“**BEML Midwest**”) under Section 9 of the Insolvency and Bankruptcy Code, 2016 to initiate corporate insolvency resolution process (“**CIRP**”) against BEML Midwest (“**Petition**”). BEML Midwest had entered into a sales purchase contract dated April 2, 2008, with the Petitioner to buy and export iron ore (“**Contract**”). In furtherance to the Contract, the Petitioner supplied iron ore to BEML Midwest and raised invoices for the payment. However, BEML Midwest failed to clear the dues and payments. Consequently, the Petitioner filed an application before the High Court of Bombay, Goa bench to initiate arbitration proceedings against BEML Midwest. The arbitrator through its award dated October 11, 2018, directed BEML Midwest to pay an amount of ₹36.71 million along with an interest on the outstanding amount at the rate of 12% from March 31, 2009, to October 11, 2018. Subsequently, the Petitioner served a demand notice dated May 4, 2019, on BEML Midwest for a total amount of ₹82.93 million (“**Demand Notice**”) and on receiving no reply from BEML Midwest consequently filed the Petition. BEML Midwest was admitted into CIRP by the NCLT through order dated September 26, 2022. Further, the NCLT through its order dated October 20, 2023, ordered for the liquidation of BEML Midwest. The liquidation proceedings are currently pending.

III. Litigation involving our Directors

(a) *Criminal proceedings against our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Directors.

(b) *Criminal proceedings by our Directors*

1. Mr. Ratan Pillai (“**Appellant**”) filed a criminal appeal against Ms. Kukreti Soumya (“**Respondent No. 1**”) and others (“**Respondents**”) on November 5, 2019, before the court of the IIInd Additional Metropolitan Sessions Judge, Hyderabad against the order dated October 14, 2019 passed by the XIX Special Magistrate, Erramanzil, Hyderabad (“**Order**”) through which the Appellant was convicted to serve a simple imprisonment and was further directed to pay a fine of ₹1.5 million (“**Appeal**”). The Appellant had availed a loan of ₹3.00 million from Respondent No. 1 and had further executed a promissory note in favor of Respondent No. 1 (“**Loan**”). Subsequently, the Appellant sought to repay an amount of ₹0.5 million through cheque on October 4, 2016, towards partial discharge of the Loan. On further request by Respondent No. 1, the Appellant furnished two cheques for ₹0.2 million and ₹0.8 million on February 8, 2018, and February 17, 2018 respectively. However, when Respondent No. 1 presented the two cheques for encashment on February 19, 2018, the cheques were returned as dishonoured through a memo dated February 20, 2018, on account of insufficient funds in the account of the Appellant. Consequently, Respondent No. 1 issued a legal notice dated March 13, 2018, to the Appellant seeking repayment of the Loan. However, on receiving no response from the Appellant, Respondent No. 1 initiated proceedings before the court of XIX Special Magistrate, Erramanzil, Hyderabad and consequently, the Order was passed. The Appeal was filed on the grounds that the Appellant was falsely induced by the Respondent No. 1 to sign the promissory notes and cheques for ₹1.00 million falsely representing that the amount is an investment and

that the Appellant never availed the loan. The Appellant further prayed that the Order should be set aside. The matter is currently pending.

(c) *Actions and proceedings initiated by statutory/regulatory authorities involving our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings initiated by statutory/regulatory authorities involving any of our Directors.

(d) *Material civil litigation against our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of our Directors.

(e) *Material civil litigation by our Directors*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of our Directors.

IV. Litigation involving our Promoters

(a) *Criminal proceedings against our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against any of our Promoters other than as disclosed below.

1. BEML Limited (“**BEML**”) filed a complaint dated June 2, 2009, against Kollareddy Rama Raghava Reddy, one of our promoters, among others (collectively, the “**Accused**”) before the XIVth Additional Chief Metropolitan Magistrate, Hyderabad (“**Court**”) under sections 465, 467, 468 and 471 of the Indian Penal Code, 1860 alleging *inter alia* forgery, cheating and misappropriation of funds (“**Complaint**”). Our Company and BEML had entered into a shareholders partnership agreement dated September 17, 2005, to establish a joint venture BEML Midwest Limited (“**SPA**” and such joint venture, the “**JV**”). Under the SPA, BEML held 45% and our Company held 55% of the equity shares of the JV. In the Complaint, BEML alleged that the Accused (i) entered into a criminal conspiracy to forge documents and fraudulently operate the bank account of the JV with State Bank of Hyderabad, Overseas Branch, Somajiguda, Hyderabad (“**Bank**”), (ii) made false representations on behalf of the JV to enter into contracts with the Bank, (iii) submitted invoices with inflated purchase prices, advanced money and made fictitious payment to parties without proper contracts, and (iv) fabricated board minutes to enable the JV to enter into a forward contract with the Bank and (v) transferred a sum of ₹110.00 million to Reliance Granite Private Limited, wherein Kollareddy Rama Raghava Reddy and another Accused were directors, without proper board approvals (“**Actions**”). BEML alleged that the Actions of the Accused caused wrongful loss to the JV.

BEML further filed a petition dated June 2, 2009, before the Court praying that a summon be issued to the Registrar, Company Law Board, Chennai to produce the allegedly fabricated minutes of the meeting and the attendance register of the board of the JV and further summon the original documents from the Bank in relation to the application filed for opening the current account of the JV, forward contracts executed between the JV and the Bank, among other documents.

The Court by way of its order dated August 25, 2009, directed the Bank to file the original documents with the Court (“**Order**”). Aggrieved by the Order, the Bank filed a criminal revision case dated October 5, 2009, before the High Court of Andhra Pradesh, Hyderabad challenging the Order on the ground that the original documents are needed by the Bank to file recovery proceedings for an amount of ₹320.80 million in relation to the non-performing account of the JV. The High Court of Andhra Pradesh granted an interim suspension on the Order through its order dated October 6, 2009. The matter is currently pending.

2. BEML Limited (“**BEML**”) filed a criminal revision petition dated April 23, 2019, before the Court of Metropolitan Sessions Judge, Hyderabad (“**Court**”) against the order dated January 11, 2019, passed by the Additional Chief Metropolitan Magistrate, Hyderabad dismissing the complaint filed by BEML against our Promoter, Kollareddy Rama Raghava Reddy, our Company and others (“**Accused**” and such complaint the “**Complaint**”). BEML through its Complaint, alleged conspiracy and fraud on part of the Accused in carrying out certain transactions in relation to BEML Midwest Limited (“**BEML Midwest**”) including entering into a

forward contract with the State Bank of Hyderabad, Overseas Branch, Somajiguda, Hyderabad and transfer of ₹110.00 million to Reliance Granite Private Limited, a subsidiary of our Company. BEML had filed an FIR dated November 7, 2008, against the Accused and consequently an investigation was initiated. During the course of the investigation, the case was transferred to the Crime Investigation Department (“**CID**”) on July 25, 2011. The CID filed its report dated August 31, 2012, with the Court of VIth Additional Chief Metropolitan Magistrate, Nampally, Hyderabad concluding that the allegations made by BEML are of civil nature and further noted the allegations of misappropriation of funds and cheating could not be proved against the Accused (“**CID Report**”). Consequently, BEML filed a protest petition dated July 13, 2018, disputing the CID Report. The Court of VIth Additional Chief Metropolitan Magistrate, Hyderabad passed the order dated January 11, 2019, and dismissed the Complaint as dismissed for default. Consequently, BEML filed the revision petition. A notice was served to the Accused on February 11, 2020. The Court through its order dated March 14, 2022, set aside the order dated January 11, 2019 and allowed the revision petition. The matter is currently pending.

(b) *Criminal proceedings by our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Promoters.

(c) *Actions and proceedings initiated by statutory/regulatory authorities involving our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of our Promoters other than as disclosed below.

1. Our Promoter, Kollareddy Rama Raghava Reddy, received a notice dated July 17, 2015 (“**Notice**”) from the Central Bureau of Investigation (“**CBI**”) in relation to the formation and operations of our Subsidiary, BEML Midwest Limited (“**BEML Midwest**”).

Through the Notice, the CBI sought responses on various matters including (i) the eligibility of our Company to apply for the formation of the BEML Midwest as per the conditions stipulated in expression of interest floated by BEML Limited; (ii) the alleged diversion of ₹110.00 million to Reliance Granite Private Limited (“**Reliance Granite**”) and (iii) the details regarding a criminal matter filed by BEML Limited against our Promoter, Kollareddy Rama Raghava Reddy in relation to the alleged diversion of funds to Reliance Granite. A reply dated July 23, 2015, was submitted by our Promoter, Kollareddy Rama Raghava Reddy furnishing the information as sought by the CBI. Our Promoter further furnished some additional information as sought by the CBI pursuant to letters dated August 4, 2015 and August 10, 2015. There has been no further communication or correspondence from the CBI in relation to the Notice. For further details in relation to litigations involving BEML Midwest, see “*Litigation involving our Company—Material Civil Proceedings by our Company; Litigation involving our Subsidiaries—Other Material Proceedings involving our Subsidiaries*” and “*Litigation involving our Promoters—Criminal Proceedings against our Promoters*” and “*Risk Factors—Our Company and one of our Promoters, Mr. Kollareddy Rama Raghava Reddy, are involved in a dispute with BEML Limited (“BEML”), the joint venture partner in BEML Midwest Limited (“BEML Midwest”), one of our Subsidiaries which is currently under liquidation by order of the National Company Law Tribunal. In this connection, various legal proceedings have been initiated and the Ministry of Corporate Affairs, Government of India (“MCA”) had ordered an investigation into the affairs of BEML Midwest. The results of such investigation included certain adverse recommendations against Mr. Kollareddy Rama Raghava Reddy. Such proceedings, or any further regulatory actions in relation to this dispute, could adversely affect our and our Promoter’s reputation or divert the time and attention of our management, and accordingly, may affect our business and results of operations*” on pages 444, 446 and 33 respectively.

(d) *Disciplinary action imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals including outstanding action*

As of the date of this Draft Red Herring Prospectus, there are no disciplinary actions imposed by SEBI or stock exchanges against any of our Promoters in the last five Fiscals.

(e) *Material civil litigation against our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of our Promoters.

Nil.

(f) *Material civil litigation by our Promoters*

As of the date of this Draft Red Herring Prospectus, there are no outstanding material proceedings initiated by any of our Promoters.

V. Tax Proceedings involving our Company, Subsidiaries, Directors and Promoters

Details of outstanding tax proceedings involving our Company, Subsidiaries, Directors and Promoters as of the date of this Draft Red Herring Prospectus are disclosed below:

Nature of cases	No. of cases	Total amount involved (₹ in million)
Litigation involving our Company		
Direct tax	6	151.42
Indirect tax	8	216.24
Litigation involving our Directors		
Direct tax	-	-
Indirect tax	-	-
Litigation involving our Subsidiaries		
Direct tax	-	-
Indirect tax	2	188.55
Litigation involving our Promoters		
Direct tax	1	184.22
Indirect tax	-	-

*to the extent quantifiable

Description of certain material tax matters involving the Relevant Parties

(a) *Company*

Direct Tax

1. The P.R. Commissioner of Income Tax (“**P.R. Commissioner**”) filed an appeal on August 19, 2016 before the composite High Court of Andhra Pradesh and Telangana against the order dated March 4, 2016 passed by the Income Tax Appellate Tribunal, Hyderabad (“**ITAT**”) through which the ITAT decided in favour of our Company in relation to the returns filed by our Company for assessment year 2011-12 (“**Order**” and such appeal the “**HC Appeal**”). Our Company had filed returns for the assessment year 2011-12 admitting an income of ₹43.75 million after claiming deduction under Section 10-B of the Income Tax Act, 1960 for an amount of ₹79.28 million. The assessing officer through its order dated March 28, 2014, denied our Company’s claim for deduction under Section 10-B of the Income Tax Act, 1960. Our Company filed an appeal before the Commissioner of Income-tax (Appeals) (“**CIT-A**” and such appeal “**Appeal 1**”), who through its order dated December 16, 2014, decided the Appeal 1 in favour of our Company. The P.R. Commissioner challenged the order of the CIT-A in a separate appeal before the ITAT (“**Appeal 2**”) which dismissed Appeal 2 though the Order. Through the HC Appeal the P.R. Commissioner prayed that the Order be set aside. The matter is currently pending.

Indirect Tax

2. Our Company filed an appeal dated March 9, 2017 before the Customs, Excise and Service Tax Appellate Tribunal, Hyderabad against the order dated September 30, 2016, passed by the Office of the Commissioner of Central Excise and Service Tax, Nellore (“**Order**”) directing our Company to pay ₹156.54 million for violation of various government notifications along with redemption fines and penalties (such appeal the “**Appeal**”). Our Company’s production unit near Chimakurthy, Andhra Pradesh was established as an export oriented unit (“**EOU**”) under the EOU Scheme which grants an EOU engaged in the manufacture of goods for export, exemptions from excise and custom duties. These exemptions were granted by way of two notifications dated March 31, 2003 (“**Notifications**”). Further, our processing unit was recognized as an EOU pursuant to the letter of permission dated September 8, 2006, granted by the Office of the Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam (“**VSEZ**” and such letter, the

“**LoP**”). The LoP was further extended until March 24, 2027. Subsequently, our Company was served with show cause notices dated March 16, 2009, July 27, 2010, and September 13, 2012, by the Commissioner of Customs, Central Excise and Service Tax, Guntur to recover the amount of exemption availed towards excise and custom duties on the ground that the Notifications only granted exemptions to EOUs engaged in producing granite and not to EOUs exporting only rough blocks. Our Company replied to the show cause notice dated March 16, 2009 on October 15, 2009, and following a personal hearing held on January 21, 2016, the Order was passed. In the Appeal, our Company contended, among other grounds, that the EOU was considered to fall within the ambit of the Notifications by various other governmental authorities including the VSEZ and that the term ‘manufacture’ has a wider import and has further prayed to set aside the Order. The matter is currently pending.

(b) *Subsidiaries*

Indirect Tax

1. Andhra Pradesh Granite (Midwest) Private Limited (“**A.P. Midwest**”) filed an appeal dated March 9, 2017 before the Customs, Excise and Service Tax Appellate Tribunal, Hyderabad against the order dated September 30, 2016, passed by the Office of the Commissioner of Central Excise and Service Tax, Nellore (“**Order**”) directing A.P. Midwest to pay ₹59.25 million for violation of various government notifications along with redemption fines and penalties (such appeal the “**Appeal**”). Further, A.P. Midwest filed a petition dated March 9, 2017, for condonation of delay in filing the Appeal. A.P. Midwest’s production unit near Chimakurthy, Andhra Pradesh was established as an export oriented unit (“**EOU**”) under the EOU Scheme which grants an EOU engaged in the manufacture of goods for export, exemptions from excise and custom duties. These exemptions were granted by way of two notifications dated March 31, 2003 (“**Notifications**”). Further, our processing unit was recognized as an EOU pursuant to the letter of permission dated June 7, 2010, granted by the Office of the Development Commissioner, Visakhapatnam Special Economic Zone, Visakhapatnam (“**VSEZ**” and such letter, the “**LoP**”). Subsequently, A.P. Midwest was served with show cause notice dated January 3, 2013, by the Commissioner of Customs, Central Excise and Service Tax, Guntur to recover the amount of exemption availed towards excise and custom duties on the ground that the Notifications only granted exemptions to EOUs engaged in producing granite and not to EOUs exporting only rough blocks. A.P. Midwest replied to the show cause notice on February 5, 2013, and following a personal hearing held on January 21, 2016, the Order was passed. In the Appeal, A.P. Midwest contended, among other grounds, that the EOU was considered to fall within the ambit of the Notifications by various other governmental authorities including the VSEZ and that the term ‘manufacture’ has a wider import and has further prayed to set aside the Order. The matter is currently pending.
2. Andhra Pradesh Granite (Midwest) Private Limited (“**A.P. Midwest**”) filed three separate writ petitions before the composite High Court of Telangana and Andhra Pradesh (“**Composite High Court**”) against the assessment order dated May 1, 2018, passed by the Office of Commercial Tax Officer, Hyderabad levying entry tax on diesel procured by A.P. Midwest for the years 2012-13, 2013-14 and 2014-15 respectively (“**Impugned Order 1**”). The aggregate amount involved in these proceedings is ₹9.56 million (“**Demand Amount**”). The Composite High Court through its orders dated June 12, 2018 and June 14, 2018 granted an interim stay on the Impugned Order 1 and directed A.P. Midwest to pay 25% of the Demand Amount.

Further, A.P. Midwest filed three separate writ petitions before the High Court of Andhra Pradesh, Amravati (“**A.P. High Court**”) against the assessment order dated April 19, 2023, passed by the Office of Commercial Tax Officer, Ongole levying entry tax on diesel procured by A.P. Midwest for the years 2015-16, 2016-17, 2017-18 respectively (“**Impugned Order 2**”). The aggregate amount involved in these proceedings is ₹54.77 million (“**Demand Amount 2**”). The A.P. High Court through its order dated May 12, 2023, granted an interim stay on the Impugned Order 2 and directed A.P. Midwest to pay 25% of the Demand Amount 2. The matters are currently pending.

(c) *Promoters*

Direct Tax

1. Mr. Kollareddy Rama Raghava Reddy, one of our Promoters has filed an appeal dated December 24, 2019 before the Commissioner of Income Tax (Appeals), National Faceless Appeal Centre, New Delhi against the assessment order dated December 3, 2019 passed by the Assistant Commissioner of Income Tax, Circle 14(1), Hyderabad (“**Assistant Commissioner**”) for the assessment year 2017-18. The amount outstanding in

relation to these proceedings is ₹184.22 million (“**Order**” and such appeal the “**Appeal**”). The Assistant Commissioner has further issued a notice dated November 5, 2019, initiating penalty proceedings against Mr. Kollareddy Rama Raghava Reddy. Our Promoter through letters dated December 26, 2019 requested the Assistant Commissioner to defer the payment of the outstanding tax amount and to further keep the penalty proceedings in abeyance till the disposal of the Appeal. The matter is currently pending.

(d) Directors

Nil.

VI. Outstanding Dues to Creditors

In accordance with the SEBI ICDR Regulations, our Company, pursuant to a resolution dated September 27, 2024 of our Board, considers all creditors to whom the amount due by our Company exceeds 5% of the total trade payables as per the latest restated consolidated financial statements of the Company disclosed in this Draft Red Herring Prospectus as material creditors (*i.e.*, ₹10.79 million, which is 5% of ₹215.79 million based on the Restated Consolidated Financial Statements as of March 31, 2024). Details of outstanding dues owed to material creditors, MSME creditors and other creditors of our Company based on such determination are disclosed below.

Types of Creditors	Number of Creditors	Amount (₹ in million)
Material Creditors	2	48.64
MSME Creditors	32	30.03
Other Creditors	228	137.12
Total	252	215.79

The details of the outstanding dues to our material creditors have been made available on the website of our Company at www.midwest.in. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

VII. Material Developments since the Last Balance Sheet

Other than as disclosed below and in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 402, in the opinion of our Board, no circumstances have arisen since the date of our last balance sheet as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months:

1. Pursuant to resolutions passed by Board at their meeting held on May 15, 2024 and the Shareholders at their EGM held on June 11, 2024, the Company has sub-divided 966,069 equity shares of face value of ₹100 each to 19,321,380 Equity Shares of face value of ₹5 each.
2. Pursuant to resolutions passed by Board at their meeting held on July 5, 2024 and the Shareholders at their EGM held on July 9, 2024, the Company has approved the issuance of 14,491,035 Equity Shares of face value of ₹5 each as a part of bonus issue to the existing equity shareholders, whose name appears in the list of beneficial owners on the record date *i.e.*, July 9, 2024 in the ratio of 3 equity shares for 4 equity shares held, which were allotted on July 15, 2024.
3. Pursuant to an agreement dated June 10, 2024, the Company transferred 2,309,500 equity shares of Midwest Gold Limited, then subsidiary, to one of Promoters, Mr. Kollareddy Rama Raghava Reddy, for an aggregate consideration of ₹52.54 million. Pursuant to this transfer, Midwest Gold Limited ceased to be a subsidiary of Company with effect from June 13, 2024.

VIII. Other Confirmations

As of the date of this Draft Red Herring Prospectus, there are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of licenses, approvals, registrations and permits obtained by our Company and our Material Subsidiary for the purpose of undertaking its business activities. In view of these approvals, our Company can undertake this Offer and its business activities. Certain of our approvals may have expired or may expire in the ordinary course of business, from time to time and our Company has either already made an application to the appropriate authorities for renewal of such approvals or is in the process of making such renewal applications. For details in connection with the applicable regulatory and legal framework in India, see “Risk Factors” and “Key Regulations and Policies” beginning on pages 31 and 265, respectively.

I. Approvals in relation to the Offer

For details in relation to the approvals and authorizations in relation to the Offer, see “Other Regulatory and Statutory Disclosures—Authority for the Offer” on page 458.

II. Approvals in relation to our Business

A. Material approvals obtained by our Company

(a) Corporate approvals

1. Certificate of incorporation dated December 11, 1981 issued by the Registrar of Companies, Andhra Pradesh.
2. Fresh certificate of incorporation dated July 2, 2024 issued by the Registrar of Companies, Central Processing Centre pursuant to the change of our name from Midwest Granite Private Limited to Midwest Private Limited.
3. Fresh certificate of incorporation dated August 28, 2024 issued by the Registrar of Companies, Central Processing Centre upon conversion to a public limited company.
4. The corporate identity number of our Company is U14102TG1981PLC003317.
5. The legal identification number of our Company is 3358005RMVWW7MFTMC67.

(b) Tax Registrations

1. The permanent account number of our Company is AAACM9486D, issued by the Income Tax Department, Government of India.
2. The tax deduction number of our Company is HYDM00321G, issued by the Income Tax Department, Government of India.
3. We have obtained relevant registrations under the Central Goods and Services Tax Act, 2017, in the relevant states in India where we operate.
4. The importer exporter code of the Company is 0988008203.

(c) Material Licenses and Approvals

Our Company is required to obtain approvals in relation to its (i) Mines; (ii) processing and manufacturing facilities and (iii) stock yards.

1. Mining Approvals

In relation to our mining operations we are required to obtain in-principle mining lease, as applicable; approved mining plans; environmental clearances; consent to operate; consent to establish; grant order mining lease; lease deed with jurisdictional Additional District Magistrate; work order mining lease; approval for storage of diesel

and explosives, as applicable; license to operate heavy earthmoving machinery, as applicable; notice of opening of mine and notice of appointment of mines manager and other statutory personnel to DGMS.

2. Processing and Manufacturing facilities

In relation to our operations at our processing and manufacturing facilities we are required to obtain licenses under the Factories Act, 1948; clearances from the relevant fire departments; environmental clearances; consent to operate; consent to establish; no objection certificate for borewells, as applicable and approvals for establishment under the Special Economic Zones Act, 2005, as applicable.

3. Stock yards

In relation to our stock yards we are required to primarily obtain approvals under the Special Economic Zones Act, 2005, as applicable.

4. Labor approvals

We are required to obtain registrations under applicable labour law legislations including Contract Labour (Regulation and Abolition) Act, 1970; Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948 and the applicable state-level legislations on professional taxes in the locations where we have our operations.

5. Our Company has obtained the certificate of importer-exporter code and has been recognized as a 'two star' export house by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

B. Material approvals obtained by Andhra Pradesh Granite (Midwest) Private Limited ("APGM")

(a) *Corporate approvals*

1. Certificate of incorporation dated June 11, 2007 issued to APGM by the Registrar of Companies, Andhra Pradesh.
2. The corporate identity number of APGM is U14102TG2007PTC054390.
3. The legal identification number of APGM is 335800YKG52IVNWY9A11.

(b) *Tax registrations*

1. The permanent account number of APGM is AAGCA3570N, issued by the Income Tax Department, Government of India.
2. The tax deduction number of APGM is HYDA07962D, issued by the Income Tax Department, Government of India.
3. APGM has obtained relevant registrations under the Central Goods and Services Tax Act, 2017, in the relevant states in India where it operates.
4. The importer exporter code of APGM is 0907005497.

(c) *Material Licenses and Approvals*

APGM is required to obtain approvals in relation to its (i) Mines and (ii) processing and manufacturing facilities.

1. Mining Approvals

In relation to its mining operations APGM is required to obtain in-principle mining lease (as applicable); approved mining plans; environmental clearances; consent to operate; consent to establish; grant order mining lease; lease deed with jurisdictional Additional District Magistrate; work order mining lease; approval for storage of diesel

and explosives (as applicable); license to operate heavy earthmoving machinery (as applicable); notice of opening of mine and notice of appointment of mines manager and other statutory personnel to DGMS.

2. Processing and Manufacturing facilities

In relation to the operations at its processing and manufacturing facilities APGM is required to obtain licenses under the Factories Act, 1948; clearances from the relevant fire departments; environmental clearances; consent to operate; consent to establish; no objection certificate for borewells (as applicable) and approvals for establishment under the Special Economic Zones Act, 2005 (as applicable).

3. Labor approvals

APGM is required to obtain registrations under applicable labour law legislations including Contract Labour (Regulation and Abolition) Act, 1970; Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and the Employees' State Insurance Act, 1948 and the applicable state-level legislations on professional taxes in the locations where it has its operations.

III. Approvals in relation to our business which have been applied for but not yet obtained

A. Company

1. Mines

S.No	Location	Authority	License applied for but not yet obtained
<i>Operational mines</i>			
1.	Gundlamoola, Sidhout Mandal, YSR Kadapa District, Andhra Pradesh	District Mines and Geology Officer, Kadapa, Government of Andhra Pradesh	Mining Plan
		State Environment Impact Assessment Authority, Andhra Pradesh	Transfer of environment clearance in the name of the Company from Victorian Granites Private Limited*
2.	Theeglaveni Village, Gudur Mandal, Mahabubabad, Telangana (Lease number: ***/***/0010)	Director of Mines and Geology, Hyderabad, Telangana	Lease Deed with Assistant Director of Mines and Geology, Mahabubabad (Renewal)
<i>Non-operational mines</i>			
3.	Gorivimakulapalli, Ramakuppam Mandal, Chittoor District, Andhra Pradesh (Lease number: ****/R4-1/****)	Deputy Directors of Mines and Geology, Chittoor, Government of Andhra Pradesh	Mining Plan
4.	Gorivimakulapalli, Ramakuppam Mandal, Chittoor District, Andhra Pradesh (Lease number: ****/R5-1/****)	Deputy Directors of Mines and Geology, Chittoor, Government of Andhra Pradesh	Mining Plan
5.	Hathibelagal, Aluru Mandal, Kurnool District, Andhra Pradesh	Deputy Directors of Mines and Geology, Kurnool, Government of Andhra Pradesh	Mining Plan
6.	Gurthur, Thorur Mandal, Mahabubabad District, Telangana	Director of Mines and Geology, Hyderabad	Quarry Lease
		State Environment Impact Assessment Authority, Telangana	Environmental Clearance
			Consent to Establish
7.	Chimiryal, Kodad Mandal, Suryapet District, Telangana	Assistant Directors of Mines and Geology, Suryapet, Telangana	Quarry Lease
8.	Theegalaveni, Gudur Mandal, Mahabubabad District, Telangana	Director of Mines and Geology, Hyderabad	Quarry Lease
		State Environment Impact Assessment	Environmental Clearance

S.No	Location	Authority	License applied for but not yet obtained
	(Lease number: ***/***/003)	Authority, Telangana	
9.	Chejerla, Nakarikallu Mandal, Guntur District, Andhra Pradesh	State Environment Impact Assessment Authority, Andhra Pradesh	Environmental Clearance
10.	Hanumanthunipadu, Prakasam District, Andhra Pradesh	State Environment Impact Assessment Authority, Andhra Pradesh	Environmental Clearance

*By way of an order dated October 21, 2014, the High Court of Judicature at Hyderabad for the state of Telangana and for the state of Andhra Pradesh ("High Court") sanctioned a scheme of amalgamation of Ind Natali Granite Private Limited, Opusasia Technologies Private Limited, Reliance Granite Private Limited, Subhiksha Agro Farms Private Limited, Victorian Granites Private Limited, Yarra Agro Estates Private Limited (collectively, the "Transferor Companies") with our Company and their respective shareholders under Sections 391 and 394 of the Companies Act, 1956 ("2014 Amalgamation Scheme," and such amalgamation, "Amalgamation").

IV. Approvals in relation to our business which have expired, and renewal applications are yet to be filed

A. Company

1. Mines

S.No	Location	Authority	License expired and renewal not applied for
<i>Operational Mines</i>			
1.	Munnelli and B.Koduru, B.Koduru Mandal, YSR Kadapa District, Andhra Pradesh	Directorate General of Mines Safety, Ministry of Labor and Employment, Government of India	Notice of appointment of mine manager and other statutory personnel
2.	Yerrabelligudem, Nellikuduru, Mahmudabad, Telangana (Lease number: ***/***/**85)	Deputy Director of Mines and Geology, Warangal, Telangana	Mining Plan
3.	Yerrabelligudem, Nellikuduru, Mahmudabad, Telangana (Lease number: ***/***/**86)	Deputy Director of Mines and Geology, Warangal, Telangana	Mining Plan

V. Approvals required for our business but not yet applied for as on the date of this Draft Red Herring Prospectus

Nil.

VI. Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company has obtained the following intellectual property related registrations:

Particulars	Issuing Authority	Registered/Applied for/Unregistered	Trademark Number/Application Number	Registrant/Applicant	Date of registration/application	Period of Validity	Relevant act/rules/regulations under which license has been obtained
Trademark for the word 'Midwest' as produced below: MIDWEST	Trade Mark Registry, Government of India	Registered	5407489	Midwest Granite Private Limited	April 13, 2022	April 13, 2032	Class 19 (Building, Materials, not of metal) under Trade Marks Act, 1999
		Applied	6639430	Midwest Limited	September 24, 2024	-	Class 37 (Mining Extraction, Mining Services, Mining For Precious Stones, Mining For Diamonds) under Trade Marks Act, 1999

Particulars	Issuing Authority	Registered/Applied for/Unregistered	Trademark Number/Application Number	Registrant/Applicant	Date of registration/application	Period of Validity	Relevant act/rules/regulations under which license has been obtained
Trademark for the logo as produced below: 		Applied	6639431	Midwest Limited	September 24, 2024	-	Class 19 (Building, Materials, not of metal) under Trade Marks Act, 1999
		Applied	6639430	Midwest Limited	September 24, 2024	-	Class 37 (Mining Extraction, Mining Services, Mining For Precious Stones, Mining For Diamonds) under Trade Marks Act, 1999

For risks associated with our intellectual property, see “*Risk Factors—Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation*” on page 63.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to a resolution dated September 19, 2024 and our Shareholders have approved the Fresh Issue pursuant to a special resolution dated September 19, 2024. This Draft Red Herring Prospectus has been approved by our Board pursuant to their resolution dated September 30, 2024.

Our Company may consider a Pre-IPO Placement aggregating up to ₹500.00 million prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement shall be undertaken in consultation with the BRLMs and the price of the securities allotted pursuant to the Pre-IPO Placement shall be determined by our Company, in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the size of the Fresh Issue. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus. Prior to the completion of the Offer and if the Pre-IPO Placement is undertaken, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

The Offer for Sale has been authorized, severally and not jointly, by the Selling Shareholders as disclosed in “*The Offer*” beginning on page 72.

Our Board has taken on record the participation of Selling Shareholders in the Offer for Sale, pursuant to a resolution dated September 30, 2024.

The Equity Shares being offered by the Selling Shareholders in the Offer for Sale have been held by them for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI or other Governmental Authorities

Our Company, our Promoters, the Selling Shareholders, the other members of the Promoter Group and our Directors have not been prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

The companies with which our Promoters or Directors are or were associated as promoters, directors or persons in control have not been debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Except Mr. Rana Som, our Chairman and Independent Director, who is associated with Sumedha Fiscal Services Limited as a director (which is registered with SEBI as a broker and as a merchant banker), none of our Directors are associated with the securities market in any manner and no outstanding action has been initiated against them by the SEBI in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of the Promoter Group and the Selling Shareholders (to the extent applicable to them) are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, in relation to our Company, as of the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, as disclosed below.

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), *i.e.*, as of and for the Fiscals 2024, 2023 and 2022, of which not more than 50% of the net tangible assets are held in monetary assets.
- Our Company has an average operating profit of ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), *i.e.*, Fiscals 2024, 2023 and 2022 with operating profit in each of these preceding three years.
- Our Company has a net worth of at least ₹10 million, calculated on a restated and consolidated basis in each of the preceding three full years (of 12 months each), *i.e.*, Fiscals 2024, 2023 and 2022; and
- While our Company has changed its name in the last one year, there has been no change in the activity of the Company, and at least 50% of our revenue, calculated on a restated and consolidated basis, has been earned by us in the one preceding full year under the same activity.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profit and net worth derived from the Restated Consolidated Financial Statements included in this Draft Red Herring Prospectus as of, and for the three immediately preceding Financial Years are disclosed below.

Derived from the Restated Consolidated Financial Statements

Particulars	As of and for the Fiscals ended on March 31,		
	2024	2023	2022
	(₹ million)		
Net tangible assets (A) ⁽¹⁾	3,108.58	2,270.12	1,753.43
Pre-tax operating profit (B) ⁽²⁾	1,292.63	680.44	881.08
Net worth (C) ⁽³⁾	4,219.29	3,349.24	2,747.35
Total monetary assets (D) ⁽⁴⁾	281.91	134.01	637.08
Monetary assets as a percentage of the net tangible assets (D)/(A)	9.07%	5.90%	36.33%

(1) Net tangible assets have been defined in Section 2(1)(gg) of the SEBI ICDR Regulations as the sum of all net assets of the Company, excluding intangible assets as defined in Indian Accounting Standard (Ind AS) 38.

(2) Operating Profit = Net profit after Tax + Finance Cost + Tax Expense – Other Income. Net profit/(loss) after tax is excluding Other comprehensive income and prior to allocation of share to Non-controlling Interest.

(3) Net worth has been defined under Section 2(1)(hh) of the SEBI ICDR Regulations as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(4) Monetary assets means cash and cash equivalents, bank balance other than cash and cash equivalents and non-current bank balances.

We are currently eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulation 6(1) of the SEBI ICDR Regulations, to the extent applicable.

Our Company has operating profit in each of the Fiscals 2024, 2023 and 2022 as indicated in the table above. Our average restated operating profit for Financial Years 2024, 2023 and 2022 is ₹ 951.38 million.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allotees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which the entire application monies shall be refunded in accordance with the SEBI ICDR Regulations and timelines specified under other applicable laws. None of the Selling Shareholders shall be liable to reimburse our Company for any interest paid by it on behalf of the Selling Shareholders on account of any delay with respect to Allotment of the respective portion of the Offered Shares offered by such Selling Shareholder in the Offer for Sale, or otherwise, unless such delay is solely accountable to such Selling Shareholder.

Our Company is in compliance with conditions specified in Regulations 5 and 7(1) of the SEBI ICDR Regulations to the extent applicable and will ensure compliance with Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING DAM CAPITAL ADVISORS LIMITED, INTENSIVE FISCAL SERVICES PRIVATE LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS ARE, SEVERALLY AND NOT JOINTLY, RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES OR THE RESPECTIVE PORTION OF THE EQUITY SHARES BEING OFFERED BY THEM IN THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, BEING DAM CAPITAL ADVISORS LIMITED, INTENSIVE FISCAL SERVICES PRIVATE LIMITED AND MOTILAL OSWAL INVESTMENT ADVISORS LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 30, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made in relation to our Company or the Offer other than those confirmed by them in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Each of the Selling Shareholders accepts no responsibility for any statements made other than those specifically made by the respective Selling Shareholder in relation to itself and its respective portion of the Offered Shares. Except when specifically directed in this Draft Red Herring Prospectus, anyone placing reliance on any other source of information, including our Company's website, www.midwest.in or any website of our Promoters, any member of the Promoter Group, Group Companies or affiliates of our Company or the Selling Shareholders, would be doing so at their own risk.

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholders (to the extent that the information required pertains to itself and its respective portion of the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, the Selling Shareholders and the BRLMs for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the

Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, each of the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, its Subsidiaries, the Selling Shareholders, and our Group Companies, and their respective directors and officers, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, its Subsidiaries, the Selling Shareholders, and their respective group companies, directors, officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Equity Shares in the Offer shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer in Respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), systemically important NBFCs registered with the RBI or trusts under applicable trust law and who are authorized under their constitution to hold and invest in equity shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, National Investment Fund, insurance funds set up and managed by the army, navy and air force of the Union of India, insurance funds set up and managed by the Department of Posts, Government of India and to NBFC-SI, Eligible FPIs, AIFs, FVCIs, Eligible NRIs and other eligible foreign investors, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, state industrial development corporations and registered multinational and bilateral development financial institutions.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

This Draft Red Herring Prospectus shall not constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered hereby in any jurisdiction including India. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform themselves about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus.

Bidders are advised to ensure that any Bid from them should not exceed investment limits or the maximum number of Equity Shares that could be held by them under applicable law.

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Hyderabad, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the BSE and NSE. Applications will be made to the Stock Exchanges for obtaining listing and trading permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI. For avoidance of doubt, no liability to make any payment of interest shall accrue to any Selling Shareholder unless the delay in making any of the payments hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is solely and directly attributable to such Selling Shareholder. The Selling Shareholders undertake to provide such reasonable assistance as may be requested by our Company, in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the legal counsel to our Company as to Indian Law, the Bankers to our Company, the BRLMs, our Statutory Auditors, the Registrar to the Offer, the Syndicate Members, CRISIL, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s), the Sponsor Banks and the Monitoring Agency to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed (as applicable) along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents that have been obtained have not been withdrawn as of the date of this Draft Red Herring Prospectus.

Experts

Our Company has not obtained any expert opinions other than as disclosed below.

Our Company has received written consent dated September 30, 2024 from M S K A & Associates, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated September 27, 2024 on the Restated Consolidated Financial Statements; and (ii) their report dated September 29, 2024 on the statement of special tax benefits available to our Company, Andhra Pradesh Granite (Midwest) Private Limited and their respective shareholders in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated September 11, 2024 from G.Lakshminarayana, MAusIMM, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of (i) the JORC Report and (ii) the Coal JORC Report.

Our Company has received written consent dated September 18, 2024 from Geovale Services Private Limited, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their audit report titled “*Audit Report on JORC Compliant reports on DSG and Quartz mines in India and Maiden Heavy Mineral Sand resources in Sri Lanka for Midwest Granite Pvt Ltd*” dated July 24, 2024, on the JORC Report and our resource reporting practices.

Our Company has received written consent from E. Raghunath, independent chartered engineer, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in connection with their certificate dated September 24, 2024 on the installed capacity and capacity utilization of our Company.

Our Company has received written consent dated September 28, 2024 from Majeti & Co., independent chartered accountant to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificates in connection with the Offer.

Our Company has received written consent dated September 18, 2024 from Divya Mohta, practicing company secretary, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated September 30, 2024 in connection with the Offer.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed Subsidiaries or listed associates. Our Company has one listed Group Company, Midwest Gold Limited, and no capital issue has been made by Midwest Gold Limited during the last three years. Other than as disclosed in the section ‘*Capital Structure*’ on page 87, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Details of Public or Rights Issues by our Company

Our Company has not made public issues or rights issues during the last five years.

Performance vis-à-vis objects – Details of Public or Rights Issues by listed subsidiaries/listed Promoter of our Company

Our Company does not have any listed Subsidiaries or listed Promoters.

Price Information of Past Issues Handled by the BRLMs

1. DAM Capital Advisors Limited

1. Price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited:

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1	Bansal Wire Industries Limited ⁽¹⁾	7,450.00	256.00	July 10, 2024	356.00	+37.40%, [-0.85%]	Not applicable	Not applicable
2	Le Travenues Technology Limited ⁽²⁾	7,401.02	93.00	June 18, 2024	135.00	+86.34%, [+4.42%]	+67.63%, [+7.23%]	Not applicable
3	Enter Healthcare Solutions Limited ⁽²⁾	16,000.00	1,258.00 [#]	February 16, 2024	1,245.00	-19.65%, [+0.30%]	-19.84% [+0.77%]	-2.19%, [+9.02%]
4	Capital Small Finance Bank Limited ⁽²⁾	5230.70	468.00	February 14, 2024	435.00	-25.25%, [+1.77%]	-26.09%, [+1.33%]	-31.44%, [+10.98%]
5	Epack Durable Limited ⁽²⁾	6,400.53	230.00	January 30, 2024	225.00	-19.96%, [+1.64%]	-9.76%, [+3.64%]	+14.04%, [+14.33%]
6	Credo Brands Marketing Limited ⁽²⁾	5,497.79	280.00	December 27, 2023	282.00	-9.89%, [-1.86%]	-35.86%, [+1.10%]	-39.34%, [+7.18%]
7	ESAF Small Finance Bank Limited ⁽²⁾	4,630.00	60.00 ^{\$}	November 10, 2023	71.90	+12.87%, [+ 7.58%]	+31.18%, [+11.17%]	+0.77%, [+13.26%]
8	JSW Infrastructure Limited ⁽²⁾	28,000.00	119.00	October 3, 2023	143.00	+41.34%, [-2.93%]	+75.04%, [+10.27%]	+106.30%, [+12.42%]
9	Yatra Online Limited ⁽²⁾	7,750.00	142.00	September 28, 2023	130.00	-11.06%, [-2.63%]	-0.21%, [+8.90%]	+7.64%, [+11.18%]
10	Rishabh Instruments Limited ⁽¹⁾	4,907.83	441.00	September 11, 2023	460.05	+20.12%, [-1.53%]	+13.24%, [+4.87%]	+5.94%, [+12.49%]

Source: www.nseindia.com and www.bseindia.com

^{\$}A discount of ₹ 5 per equity share was provided to eligible employees bidding in the employee reservation portion.

[#]A discount of ₹ 119 per equity share was provided to eligible employees bidding in the employee reservation portion

(1) NSE was the designated stock exchange for the said issue.

(2) BSE was the designated stock exchange for the said issue.

Notes:

(a) Issue size derived from prospectus / basis of allotment advertisement, as applicable

- (b) Price on NSE or BSE is considered for the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable
- (c) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
- (d) Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
- (e) The Nifty 50 or S&P BSE SENSEX index is considered as the benchmark index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable
- (f) Not applicable – Period not completed

2. Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount - as on 30th calendar days from listing date			Nos. of IPOs trading at premium - as on 30th calendar days from listing date			Nos. of IPOs trading at discount - as on 180th calendar days from listing date			Nos. of IPOs trading at premium - as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-25	2	14,851.02	-	-	-	1	1	-	-	-	-	-	-	-
2023-24	9	87,066.85	-	1	5	-	1	2	-	2	1	1	-	5
2022-23	4	32,735.54	-	1	1	-	1	1	-	1	1	1	-	1

Source: www.nseindia.com and www.bseindia.com

Notes:

- a. The information is as on the date of this offer document
- b. The information for each of the financial years is based on issues listed during such financial year.
- c. Since 30 or 180 calendar days from listing date has not elapsed for few issues, hence data for same is not available.

2. Intensive Fiscal Services Private Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Intensive Fiscal Services Private Limited

S. No.	Issue name	Issue size (in ₹ million)	Offer Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Bazaar Style Retail Limited [^]	8,346.75	389	September 6, 2024	389.00	-	-	-
2.	Gopal Snacks Limited [#]	6,500.00	401	March 14, 2024	350.00	-18.13% [+1.57%]	-19.35% [+4.60%]	-18.63% [+11.58%]
3.	Yatharth Hospital & Trauma Care Services Limited	6,865.51	300	August 07, 2023	304.00	+23.30% [-0.26%]	+20.58% [-2.41%]	+26.23% [+9.30%]
4.	Bikaji Foods International Limited*	8,808.45	300	November 16, 2022	321.15	+28.65% [-0.29%]	+26.95% [-2.50%]	+24.17% [+0.08%]

* A discount of ₹ 15 per equity Share was offered to eligible employees bidding in the employee reservation portion.

A discount of ₹ 38 per equity Share was offered to eligible employees bidding in the employee reservation portion.

[^] A discount of ₹ 35 per equity Share was offered to eligible employees bidding in the employee reservation portion.

Notes:

a. Issue Size derived from Prospectus/final post issue reports, as available.

b. The S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the Issuer at the time of the issue.

c. Price on BSE is considered for all the above calculations as per the Designated Stock Exchange disclosed by the Issuer at the time of the issue.

d. In case 30th/90th/180th day is not a trading day, closing price on of the previous trading day has been considered.

e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available

2. Summary statement of price information of past issues handled by Intensive Fiscal Services Private Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2024-25*	1	8,346.75	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	2	13,365.51	-	-	1	-	-	1	-	-	1	-	1	-
2022-23	1	8,808.45	-	-	-	-	1	-	-	-	-	-	-	1

*The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

3. Motilal Oswal Investment Advisors Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Motilal Oswal Investment Advisors Limited

Sr No.	Issue name	Designated Stock Exchange	Issue size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	P N Gadgil Jewellers Limited	NSE	11,000.00	480.00	September 17, 2024	830.00	NA	NA	NA
2.	R K Swamy Limited (6)	BSE	4,235.60	288.00	March 12, 2024	252.00	-1.30% [+1.86%]	-6.70% [+4.11%]	-17.57% [+10.20%]
3.	Happy Forgings Limited	NSE	10,085.93	850.00	December 27, 2023	1000.00	+14.06% [-1.40%]	+4.44% [+2.04%]	+42.78% [+8.53%]
4.	Cello World Limited (5)	NSE	19,000.00	648.00	November 06, 2023	829.00	+21.92% [+7.44%]	+32.99% [+12.58%]	+40.57% [+15.78%]
5.	Updater Services Limited	BSE	6,400.00	300.00	October 04, 2023	299.90	-13.72% [-1.76%]	+9.05% [+10.80%]	6.77% [+12.92%]
6.	Sai Silks (Kalamandir) Limited	BSE	12,009.98	222.00	September 27, 2023	230.10	+8.09% [-4.49%]	+25.09% [+7.54%]	-12.30% [+10.15%]
7.	Rishabh Instruments Limited	NSE	4907.83	441.00	September 11, 2023	460.05	+20.12% [-1.53%]	+13.24% [+4.87%]	+5.94% [+12.49%]
8.	IKIO Lighting Limited	BSE	6,065.00	285.00	June 16, 2023	391.00	+44.77% [+4.22%]	+23.84% [+6.44%]	+23.86% [+9.73%]
9.	Radiant Cash Management Limited	NSE	2,566.41	94.00	January 04, 2023	103.00	+2.55% [-2.40%]	2.23% [-3.75%]	-1.31% [+6.35%]
10.	Tamilnad Mercantile Bank Limited	BSE	8,078.40	510.00	September 15, 2022	510.00	-8.43% [-3.36%]	+2.14% [+4.34%]	-11.07% [-1.33%]

Notes:

1. The S&P CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index, depending upon the Designated Stock Exchange.
2. Price is taken from NSE or BSE, depending upon Designated Stock Exchange for the above calculations.
3. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
4. Not applicable – Period not completed.

5. A discount of Rs. 61 per Equity Share was offered to eligible employees bidding in the employee reservation portion.
6. A discount of Rs. 27 per Equity Share was offered to eligible employees bidding in the employee reservation portion.

2. Summary statement of price information of past issues handled by Motilal Oswal Investment Advisors Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2024-25*	1	11,000.00	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	7	62,704.34	-	-	2	-	1	4	-	-	1	-	2	4
2022-23	3	16,265.81	-	-	1	-	-	2	-	-	2	-	-	1

* The information is as on the date of the DRHP.

The information for each of the financial years is based on issues listed during such financial year.

Notes: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available

Data for number of IPOs trading at premium/discount taken at closing price on NSE or BSE on the respective date, depending upon the Designated Stock Exchange

[remainder of page has been intentionally left blank]

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs, as provided in the table below.

S. No.	Name of the BRLM	Website
1.	DAM Capital Advisors Limited	www.damcapital.in
2.	Intensive Fiscal Services Private Limited	www.intensivesfiscal.com
3.	Motilal Oswal Investment Advisors Limited	www.motilaloswalgroup.com

Stock Market Data of Equity Shares

This being an initial public offer of Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as of the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular dated March 16, 2021, read with the SEBI circulars dated June 2, 2021 and April 20, 2022 (to the extent these have not been rescinded by the SEBI RTA Master Circular), the SEBI ICDR Master Circular and the SEBI RTA Master Circular, and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares.

SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (to the extent this circular has not been rescinded by the SEBI RTA Master Circular) and the SEBI RTA Master Circular in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period.

In the event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount, in addition to the compensation paid by the respective SCSBs, for the period of such delay.

All Offer-related grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted.

The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and the Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders.

Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs or the Sponsor Banks including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Our Company has also appointed Mr. Rohit Tibrewal, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see “*General Information*” beginning on page 79.

The Selling Shareholders have, severally and not jointly, authorized the Company Secretary and Compliance Officer of our Company, and the Registrar to the Offer to redress, on their behalf, any complaints or investor grievances received from Bidders in respect of their respective portion of the Offered Shares.

Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

Disposal of Investor Grievances by Our Company

Our Company shall, post the filing of this Draft Red Herring Prospectus, apply for the authentication on the SCORES in terms of the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014, the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 2, 2019, the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and the SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022, issued by SEBI in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary for the redressal of routine investor grievances shall be seven days from the date of receipt of the complaint.

In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and there are no investor complaints pending as of the date of this Draft Red Herring Prospectus.

Our Company has constituted a Stakeholders’ Relationship Committee comprising, Rana Som (Chairperson), Kukreti Soumya and Uma Priyadarshini Kollareddy as members to review and redress shareholder and investor grievances. See “*Our Management–Committees of the Board–Stakeholders’ Relationship Committee*” on page 306.

Disposal of investor grievances by listed group companies and listed subsidiary

As of the date of this Draft Red Herring Prospectus, we do not have any listed subsidiaries. Our listed Group Company, Midwest Gold Limited has no investor grievances pending, as of the date of this DRHP.

Exemption from complying with any provisions of securities laws granted by the SEBI

Our Company has not applied for or received any exemption from complying with any provisions of securities laws from SEBI.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

Other than (a) listing fees, audit fees and expenses of the statutory auditors (other than to the extent attributable to the Offer) and expenses in relation to product or corporate advertisements of our Company, i.e., any corporate advertisements consistent with the past practices of our Company (other than expenses in relation to the marketing and advertising undertaken specifically for the Offer) which will be solely borne by our Company; and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred with respect to the Offer, regulatory fees, fees to intermediaries and third parties, shall be shared among our Company and the Selling Shareholders in proportion of the gross proceeds received for the Fresh Issue and the Offered Shares sold by each Selling Shareholder in the Offer for Sale, respectively, as may be applicable in compliance with applicable law. All Offer relates fees, costs and expenses to be borne by the Selling Shareholders shall be deducted from their respective portion of the Offer proceeds and only the balance amount will be paid to the respective Selling Shareholder. For details in relation to Offer expenses, see “*Objects of the Offer*” beginning on page 109.

Ranking of the Equity Shares

The Equity Shares being Offered, Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allotees, upon Allotment of Equity Shares, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page 504.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, our Memorandum of Association, our Articles of Association and provisions of the SEBI Listing Regulations and other applicable law. Dividends, if any, declared by our Company after the date of Allotment (including pursuant to the transfer of Equity Shares in the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of the Articles of Association*” beginning on pages 320 and 504, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹5 and the price at the lower end of the Price Band is ₹[●] per Equity Share (“**Floor Price**”) and at the higher end of the Price Band is ₹[●] per Equity Share (“**Cap Price**”). The Offer Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Offer Price, Price Band (including Employee Discount, if any) and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs and advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and [●] edition of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at

the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting rights, unless prohibited by law;
- right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- right to receive offers for rights Equity Shares and be allotted bonus Equity Shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- right of free transferability, subject to applicable law; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, our Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Description of Equity Shares and Terms of the Articles of Association*” beginning on page 504.

Allotment only in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialized form. The trading of the Equity Shares shall only be in the dematerialized segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated June 14, 2024 among our Company, NSDL and the Registrar to the Offer; and
- tripartite agreement dated May 23, 2024 among our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialized form in multiples of [●] Equity Shares subject to a minimum Allotment of [●] Equity Shares. For details of basis of allotment, see “*Offer Procedure*” beginning on page 482.

Employee Discount

Employee discount, if any, may be offered to Eligible Employees Bidding in the Employee Reservation Portion respectively. Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment at Bid Amount, that is, Bid Amount (net of Employee Discount, if any, as applicable), if any, as applicable at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion respectively at the Cut-Off Price have to ensure payment at the Cap Price, less employee discount, if any, as applicable, at the time of making a Bid.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Hyderabad, Telangana, India.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 and the relevant rules notified thereunder, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON	[●] ⁽²⁾⁽³⁾

⁽¹⁾ Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be [●], i.e., one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

⁽²⁾ Our Company may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

⁽³⁾ The UPI mandate end time and date shall be 5:00 p.m. on the Bid / Offer Closing Date.

An indicative timetable in respect of the Offer is disclosed below.

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA*	On or about [●]
Allotment of Equity Shares/ Credit of Equity Shares to dematerialized accounts of Allotees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15 % per annum of the of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent these have not been rescinded by the SEBI RTA Master Circular), the SEBI ICDR Master Circular and the SEBI RTA Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs and relevant intermediaries, to the extent applicable.*

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with the SEBI ICDR Master Circular (to the extent these have not been rescinded by the SEBI RTA Master Circular) and the SEBI RTA Master Circular.

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI are taken, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders confirms that they shall extend all reasonable support and co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI.

Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

SEBI, through the circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable mandatorily for all public issues opening on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on a mandatory T+3 days listing basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with listing timelines and activities prescribed by the SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Submission of Bids (Other than Bids from Anchor Investors)

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Offer Closing Date*	
Submission of electronic applications (online ASBA through 3-in-1 accounts) – For RIBs, Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic application (bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST

Submission of electronic applications (syndicate non-retail, non-individual applications of QIBs and NIBs)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (direct bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (syndicate non-retail, non-individual applications where Bid Amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12.00 p.m. IST
Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories [#]	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST

*UPI mandate end time and date shall be at 5 p.m. on the Bid/Offer Closing Date.

QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their Bids.

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion.

On the Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date until the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 12:00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids and any revision in Bids will be accepted only during Working Days during the Bid/ Offer Period and revision shall not be accepted on Saturdays, Sundays and public holidays. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the Bid information to the Registrar to the Offer for further processing. Further, as per letter no. list/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public/bank holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. Further, the Cap price shall be at least 105% of the Floor Price. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working

Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar unforeseen circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and the terminals of the Syndicate Members and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Banks, as applicable.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; and (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable laws, our Company and the Selling Shareholders shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI ICDR Master Circular. If there is a delay beyond the prescribed time, our Company, its Directors who are officers in default, and the Selling Shareholders shall pay interest at the rate prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

The requirement of minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

After achieving the above minimum subscription, if however, there is under-subscription in achieving the total Offer size, the Equity Shares will be allotted in the following order:

- (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue is subscribed;
- (ii) upon (i), all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder); and
- (iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allotees to whom the Equity Shares will be Allotted shall be not less than 1,000, failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws. None of the Selling Shareholders shall be liable to reimburse our Company for any interest paid by it on behalf of the Selling Shareholders on account of any delay with respect to Allotment of the respective portion of the Offered Shares offered by such Selling Shareholder in the Offer for Sale, or otherwise, unless such delay is solely accountable to such Selling Shareholder.

Arrangements for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialized form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, lock-in of the Promoters' contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 103 and as provided under our Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of Equity Shares and on their consolidation/splitting, except as provided in our Articles of Association. For details, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 504.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares of face value of ₹5 each for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating up to ₹6,500.00 million, comprising a Fresh Issue of up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹2,500.00 million by our Company and an Offer for Sale of up to [●] Equity Shares of face value of ₹5 each Equity Shares aggregating up to ₹4,000.00 million by the Selling Shareholders, the details of which are set out below.

S. No.	Name of the Selling Shareholder	Number of Equity Shares offered / Amount
1.	Kollareddy Rama Raghava Reddy	Up to [●] Equity Shares of face value ₹5 each aggregating up to ₹3,600 million
2.	Guntaka Ravindra Reddy	Up to [●] Equity Shares of face value ₹5 each aggregating up to ₹400 million

In accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, the Offer may include an Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹[●] million, for subscription by Eligible Employees. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer less the Employee Reservation Portion is the Net Offer. The Offer and the Net Offer would constitute [●] % and [●] % of our post-Offer paid-up Equity Share Capital. The face value of our Equity Shares is ₹5 each.

Our Company may, in consultation with the BRLMs, consider further issue of specified securities for cash consideration aggregating up to ₹500.00 million, prior to filing of the Red Herring Prospectus with the RoC. The price of the specified securities allotted pursuant to the Pre-IPO Placement shall be determined by our Company in consultation with the BRLMs. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement, if undertaken, shall not exceed 20% of the size of the Fresh Issue. Prior to the completion of the Offer and if the Pre-IPO Placement is undertaken, our Company shall appropriately intimate the subscribers to the Pre-IPO Placement, prior to allotment pursuant to the Pre-IPO Placement, that there is no guarantee that our Company may proceed with the Offer or the Offer may be successful and will result in listing of the Equity Shares on the Stock Exchanges. Further, relevant disclosures in relation to such intimation to the subscribers to the Pre-IPO Placement (if undertaken) shall be appropriately made in the relevant sections of the RHP and Prospectus.

The Offer is being made through the Book Building Process and in compliance with Regulation 32(1) of the SEBI ICDR Regulations.

Particulars	Eligible Employees#	QIBs ^{(3) (5)}	Non-Institutional Bidders ⁽⁵⁾	Retail Individual Bidders ⁽⁵⁾
Number of Equity Shares available for Allotment/allocation ⁽¹⁾	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for allocation	The Employee Reservation Portion shall constitute up to [●] % of the Offer Size.	Not more than 50.00% of the Net Offer being available for allocation to QIB Bidders. However, up to 5.00% of the Net QIB Portion will be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be	Not less than 15.00% of the Net Offer, subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (ii) two-thirds of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1,000,000.	Not less than 35.00% of the Net Offer.

Particulars	Eligible Employees#	QIBs^{(3) (5)}	Non-Institutional Bidders⁽⁵⁾	Retail Individual Bidders⁽⁵⁾
		eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs in the remaining Net QIB Portion.	Provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders	
Basis of Allotment/allocation if respective category is oversubscribed	Proportionate#;unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹ 200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000.	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <ul style="list-style-type: none"> (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Balance [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above <p>Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.⁽⁴⁾</p>	<p>(a) One-third of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two-thirds of the Non-Institutional Portion shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. For further details, see “Offer Procedure” beginning on page 482.</p>	The allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For further details, see <i>Offer Procedure</i> beginning on page 482.
Mode of Bidding ⁽²⁾	<p>Only through the ASBA process (including the UPI Mechanism, as applicable) (except for Anchor Investors)</p> <p>SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹500,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000 shall be required to use the UPI Mechanism</p>			

Particulars	Eligible Employees#	QIBs^{(3) (5)}	Non-Institutional Bidders⁽⁵⁾	Retail Individual Bidders⁽⁵⁾
Minimum Bid	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹ 500,000 (which will be less Employee Discount, if any)	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, (excluding the Anchor Portion) subject to applicable limits to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB Portion), subject to applicable limits to Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Non-Institutional Portion	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Portion
Trading Lot	One Equity Share			
Mode of Allotment	Compulsory in dematerialized form			
Who can apply ⁽⁶⁾	Eligible Employees (such that the Bid Amount does not exceed ₹ 500,000)	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with the SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250.00 million, pension fund with minimum corpus of ₹250.00 million registered with the	Resident Indian individuals, Eligible NRIs, HUFs (in the name of <i>karta</i>), companies, corporate bodies, scientific institutions, societies, trusts and any individuals, corporate bodies and family offices including FPIs which are individuals, corporate bodies and family offices which are re-categorized as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of <i>karta</i>).

Particulars	Eligible Employees#	QIBs^{(3) (5)}	Non-Institutional Bidders⁽⁵⁾	Retail Individual Bidders⁽⁵⁾
		Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.		
Terms of Payment	<p>In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids⁽⁷⁾</p> <p>In case of other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Banks through the UPI Mechanism (for RIBs or individual investors Bidding under the Non-Institutional Portion for an amount of more than ₹200,000 and up to ₹500,000) that is specified in the ASBA Form at the time of submission of the ASBA Form.</p>			

#Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ 500,000 (net of Employee Discount, if any, as applicable). However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000 (net of Employee Discount, if any, as applicable). In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any, as applicable), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any, as applicable). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Further, an Eligible Employee Bidding in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. Our Company may, in consultation with the BRLMs, offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date

- (1) Assuming full subscription in the Offer.
- (2) Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the SEBI has mandated that ASBA applications in the Offer will be processed only after the Bid Amounts are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors and all modes through which the Applications are processed, accept ASBA Forms in their electronic book building platform only with a mandatory confirmation on the Bid Amounts blocked.
- (3) The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price.
- (4) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the Anchor Investor Allocation Price, which price shall be determined by our Company in consultation with the BRLMs. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" on page 482.

- (5) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, on a proportionate basis. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "Terms of the Offer" on page 471.*
- (6) *If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the members of the Syndicate, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*
- (7) *Anchor Investors are not permitted to use the ASBA process. Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.*

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Employee Discount, if any, will be offered to Eligible Employees Bidding in the Employee Reservation Portion. Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, if any, at the time of making a Bid.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “**General Information Document**”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids through the UPI Mechanism.

Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) Issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in Allotment or refund.

The SEBI by its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Further, SEBI by its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent these have not been rescinded by the SEBI RTA Master Circular, the SEBI ICDR Master Circular and the SEBI RTA Master Circular, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

Pursuant to the SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the time period for listing of equity shares pursuant to a public issue has been reduced from six Working Days to three Working Days, and as a result, the final reduced timeline of T+3 days has been made effective using the UPI Mechanism for applications by UPI Bidders (“**UPI Phase III**”). Accordingly, subject to any circulars, clarification or notification issued by the SEBI from time to time (including in connection with SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023), this Offer will be undertaken pursuant to the processes and procedures prescribed under UPI Phase III, subject to any circulars, clarifications or notifications which may be issued by the SEBI.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed by the Registrar along with the SCSBs only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Stock Exchanges shall, for all categories of investors and other reserved categories and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the application amount for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking.

Our Company, the Selling Shareholders and the BRLMs are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed

the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulations 31 and 32(1) of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders in accordance with the SEBI ICDR Regulations, out of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,00,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹1,00,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to [●] Equity Shares, aggregating up to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up equity share capital subject to valid Bids being received at or above the Offer Price, net of Employee Discount, if any.

Further, in accordance with and subject to Regulation 33 of the SEBI ICDR Regulations, up to [●] Equity Shares of face value ₹5 each, aggregating to ₹[●] million, may be made available for allocation on a proportionate basis only to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

All potential Bidders (except Anchor Investors) are required to mandatorily utilize the ASBA process providing details of their respective ASBA accounts, and UPI ID (in case of UPI Bidders) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for UPI Bidders using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and the press releases dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in

addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. The SEBI in its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, has reduced the time period for listing of equity shares pursuant to a public issue from six Working Days to three Working Days. This Offer will be undertaken pursuant to the processes and procedures prescribed under UPI Phase III, subject to any circulars, clarifications or notifications which may be issued by the SEBI.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (the “UPI Streamlining Circular”) (to the extent these have not been rescinded by the SEBI RTA Master Circular) and the SEBI RTA Master Circular, SEBI ICDR Master Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streamlining Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. Our Company will be required to appoint Sponsor Banks to act as conduits between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the UPI Bidders using the UPI.

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- a) a syndicate member;
- b) a stock broker recognised with a registered stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- c) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
- d) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity)

For further details, refer to the “*General Information Document*” available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than UPI Bidders using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only

be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked including details as prescribed in Annexure II of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Since the Offer is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIBs (other than UPI Bidders) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular shall be applicable for all categories of investors viz. RIB, QIB and NIB and also for all modes through which the applications are processed.

The prescribed color of the Bid cum Application Form for the various categories is as disclosed below.

Category	Color of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* Excluding electronic Bid cum Application Form

Notes:

- (1) *Electronic Bid Cum Application Forms and the abridged prospectus will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).*
- (2) *Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*
- (3) *Bid cum Application Forms for Eligible Employees shall be available at the Registered Office of the Company.*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. For ASBA Forms (other than through UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate the UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction

has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The BRLMs shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Offer for analyzing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in the SEBI circular dated March 16, 2021, as amended pursuant to the SEBI circulars dated June 2, 2021 and April 20, 2022 (to the extent these have not been rescinded by the SEBI RTA Master Circular) and the SEBI RTA Master Circular.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that trading members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹500,000 and NIB and QIB bids above ₹200,000, through SCSBs only.

For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 p.m. on the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, UPI Bidders Bidding through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, pursuant to the NSE circular dated August 3, 2022 with reference no. 25/ 2022, there shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued. Further, bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 p.m. on the Bid/Offer Closing Date.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such banks provide a written confirmation on compliance with the UPI Circulars.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Banks shall host a web portals for intermediaries (closed user group) from the date of Bid/Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Electronic registration of Bids

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 p.m. for Retail Individual Bidders and 4:00 p.m. for NIB and QIB on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the Bid information to the Registrar to the Offer for further processing.
- d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

Participation by the Promoters, the members of the Promoter Group, the BRLMs, the Syndicate Members and persons related to Promoters/the members of the Promoter Group/the BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion, as may be applicable to such Bidders, and such subscription may be on their own account or on behalf of their clients. All categories

of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any associate of the BRLMs can apply in the Offer under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associates of the BRLMs;
- (ii) insurance companies promoted by entities which are associates of the BRLMs;
- (iii) AIFs sponsored by the entities which are associates of the BRLMs;
- (iv) FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLMs; or
- (v) pension funds sponsored by entities which are associates of the BRLMs

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, among the Anchor Investor and the BRLMs.

Further, except for the sale of Equity Shares by the Promoter Selling Shareholder and the Promoter Group Selling Shareholder in the Offer, our Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer.

However, a QIB who has any of the following rights in relation to our Company shall be deemed to be a person related to our Promoters or the members of the Promoter Group of our Company:

- (i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or the members of the Promoter Group of our Company;
- (ii) veto rights; or
- (iii) right to appoint any nominee director on the Board.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity-related instruments of any single company, provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and Eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in color). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in color).

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 502.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-debt Instruments Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA Non-debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for NBFCs is 100% under the automatic route and accordingly, the applicable limit with respect to our Company is 100%.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments(as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued

only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, *inter alia*, the following conditions:

- (i) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- (ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi investment manager structure in accordance with the SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids (“**MIM Bids**”). FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as “**MIM Structure**”). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments (“**ODI**”) which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form “*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*”

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “**FPI Group**”) shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

Bids by SEBI-registered AIFs, VCFs and FVCIs

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA NDI Rules. The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, *inter alia*, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations continue to be regulated by such regulations until the existing fund or scheme managed by the fund is wound up. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs, subject to the conditions prescribed by SEBI. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs, subject to the conditions prescribed by SEBI. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or

scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, AIFs, FPIs and FVCIs, and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Master Directions - the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated May 12, 2023, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banking company's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The banking company is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. A banking company would require a prior approval of the RBI to make investment in a (i) subsidiary or a financial services company that is not a subsidiary (with certain exceptions prescribed); and (ii) non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in para 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the banking company; and mutual funds managed by asset management companies controlled by the banking company, more than 20% of the investee company's paid-up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investment made by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid-up share capital and reserves.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars issued bearing reference numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required

to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid, without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000 (which will be less Employee Discount, if any). Allotment in the Employee Reservation Portion will be as detailed in the section “*Offer Structure*” beginning on page 477.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form.
- Only Eligible Employees (excluding such persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.
- Eligible Employees are required to mention their employee number at the relevant place in the Bid cum Application Form.
- In case of joint bids, the Sole/ First Bidder shall be an Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Only those Bids, which are received at or above the Offer Price (net of Employee Discount, if any, as applicable), would be considered for allocation under the Employee Reservation Portion.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter.
- If the aggregate demand in the Employee Reservation Portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- Bids by Eligible Employees in the Employee Reservation Portion, (subject to complying with the eligibility criteria and applicable limits) and in the Retail Portion or Non-Institutional Portion shall not be treated as multiple Bids.
- Any unsubscribed portion remaining in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion, subject to applicable law.
- As per the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, Eligible Employees bidding in the Employee Reservation Portion can Bid through the UPI Mechanism.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of Employee Discount, if any, as applicable), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any, as applicable). If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see “*Offer Procedure*” on page 482.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by pension funds registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws, with minimum corpus of ₹250 million and provident funds with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLMs, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company, in consultation with the BRLMs may deem fit.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, or as will be specified in the Red Herring Prospectus and the Prospectus.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

- (i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.
- (v) Our Company, in consultation with the BRLMs may finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100.00 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100.00 million but up to ₹2,500.00 million, subject to a minimum Allotment of ₹50.00 million per Anchor Investor; and (c) in case of allocation above ₹2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 million, and

- an additional 10 Anchor Investors for every additional ₹2,500.00 million, subject to minimum Allotment of ₹50.00 million per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
 - (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
 - (viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor pay-in date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.
 - (ix) 50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares shall be locked-in for a period of 30 days from the date of Allotment.
 - (x) Neither the BRLMs(s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs) shall apply under the Anchor Investors Portion.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgement slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, the Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Do's:

- A. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
- B. Ensure that you have Bid within the Price Band;
- C. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
- D. Ensure that you (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (*i.e.*, bank account number) in the Bid cum Application Form if you are not a UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

- E. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;
- F. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.
- G. Bidders Bidding shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
- H. UPI Bidders Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
- I. Ensure that you have funds equal to or more than the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
- J. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with the Syndicate Member, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
- K. The ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;
- L. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the First Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
- M. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- N. Ensure that you request for and receive a stamped Acknowledgment Slip in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
- O. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;
- P. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;
- Q. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular (no. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- R. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- S. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

- T. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents, including a copy of the power of attorney, if applicable, are submitted;
 - U. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;
 - V. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for UPI Bidders Bidding through UPI Mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI Mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders bidding through UPI Mechanism) and PAN available in the Depository database;
 - W. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);
 - X. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;
 - Y. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process.
 - Z. In case of UPI Bidders, once the Sponsor Banks issues the Mandate Request, the UPI Bidders would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
- AA. UPI Bidders Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
- BB. Ensure that when applying in the Offer using the UPI Mechanism, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
- CC. In case of ASBA Bidders (other than 3-in-1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000;
- DD. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which UPI Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount in the UPI Bidder’s ASBA Account;
- EE. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
- FF. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
- GG. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
- HH. UPI Bidders Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorizes the Sponsor Banks to block the Bid Amount mentioned in the Bid cum Application Form;
- II. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 5:00 p.m. on the Bid/ Offer Closing Date;

JJ. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices who are FPIs and registered with SEBI for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Portion for allocation in the Offer;

KK. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

LL. Ensure that the Demographic Details are updated, true and correct in all respects; and

MM. Ensure that your PAN is linked with your Aadhaar card, and that you are in compliance with notification dated February 13, 2020 and the press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023, each issued by the Central Board of Direct Taxes.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

- A. Do not Bid for lower than the minimum Bid size;
- B. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
- C. Do not Bid/revise the Bid Amount to an amount calculated at less than the Floor Price or higher than the Cap Price;
- D. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹500,000 (for Bids by Eligible Employees Bidding in the Employee Reservation Portion (net of Employee Discount, if any, as applicable));
- E. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
- F. Do not pay the Bid Amount in cheques, demand drafts, cash, money order, postal order or by stock invest;
- G. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
- H. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
- I. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- J. Do not submit the Bid for an amount more than funds available in your ASBA account;
- K. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidders. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;
- L. Do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;
- M. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;
- N. If you are a QIB, do not submit your Bid after 3 p.m. on the Bid/Offer Closing Date for QIBs;
- O. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹500,000;
- P. Do not Bid for Equity Shares in excess of what is specified for each category;
- Q. In case of ASBA Bidders and UPI Bidders using UPI mechanism, do not submit more than one Bid cum Application Form per ASBA Account or UPI ID, respectively;
- R. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

- S. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;
- T. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- U. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- V. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations, or under the terms of the Red Herring Prospectus;
- W. Do not submit the General Index Register (GIR) number instead of the PAN;
- X. Do not submit incorrect details of the DP ID, Client ID, the PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
- Y. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;
- Z. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;
- AA. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;
- BB. Anchor Investors should not Bid through the ASBA process;
- CC. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;
- DD. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
- EE. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;
- FF. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
- GG. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism; and
- HH. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post-Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” beginning on page 79.

Further, helpline details of the BRLMs pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 (to the extent this circular has not been rescinded by the SEBI RTA Master Circular), the SEBI RTA Master Circular and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 are set out in the table below:

S. No.	Name of the BRLM	Helpline (email)	Telephone
1.	DAM Capital Advisors Limited	complaint@damcapital.in	+91 22 4202 2500
2.	Intensive Fiscal Services Private Limited	grievance.ib@intensivesfiscal.com	+91 22 2287 0443
3.	Motilal Oswal Investment Advisors Limited	moiaplredressal@motilaloswal.com	+91 22 7193 4380

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Banks);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular no. CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs Bidding in the Retail Portion with Bid Amount of a value of more than ₹200,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids by QIBs uploaded after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, Bidders shall be entitled to compensation in the manner specified in the SEBI circular dated March 16, 2021 read with SEBI circular dated March 31, 2021 and SEBI circulars dated June 2, 2021 and April 20, 2022 (to the extent these have not been rescinded by the SEBI RTA Master Circular), the SEBI ICDR Master Circular and the SEBI RTA Master Circular, as applicable to the RTAs in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” beginning on page 79.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the RIBs, NIBs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis. Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 200,000 and up to ₹ 1,000,000, and (ii) two-third of the portion available to Non-

Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares.

The allotment of Equity Shares to each Retail Individual Bidder and Non-Institutional Bidder shall not be less than the minimum bid lot, subject to the availability of shares in the Retail Portion and Non-Institutional Bidder, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Accounts for Anchor Investors

Our Company, in consultation with the BRLMs, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Account(s). For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favor of:

- (a) In case of resident Anchor Investors: “[●]”; and
- (b) In case of Non-Resident Anchor Investors: “[●]”.

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper, and [●] edition of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, before 9:00 p.m. IST, on the second Working Day after the Bid/ Offer Closing Date, provided such final listing and trading approval from each of BSE and NSE is received prior to 9:00 p.m. IST on such day. In the event that the final listing and trading approval from each of BSE and NSE is received post 9:00 p.m. IST on the second Working Day after the Bid/ Offer Closing Date, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, following the receipt of final listing and trading approval from each of BSE and NSE.

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement not later than one Working Day after the date of commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and the [●] edition of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalization of the Offer Price but prior to the filing of Prospectus.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the ‘Prospectus’. The Prospectus will contain

details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
 - (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
 - (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***
- shall be liable for action under Section 447.”***

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI or under any applicable law shall be taken;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- except for the Pre-IPO Placement, no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.;
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges; and
- if our Company, in consultation with the BRLMs withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, it shall be required to file a fresh draft red herring prospectus with the SEBI.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, undertake the following:

- they are the legal and beneficial owners of the respective Equity Shares offered by them in the Offer for Sale;
- the respective Equity Shares offered by them in the Offer for Sale are free and clear of any encumbrances and shall be transferred to the successful Bidders within the time specified under applicable law.

- they have authorized our Company to take such necessary steps in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of Equity Shares offered by them in the Offer for Sale;
- they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;
- they shall comply with all applicable laws, including the Companies Act, the SEBI ICDR Regulations, the FEMA and all applicable circulars, guidelines and regulations issued by the SEBI and the RBI, each in relation to the respective Equity Shares offered by them in the Offer for Sale to the extent that such compliance is the obligation of such Selling Shareholders;
- they shall provide reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to their portion of the Offered Shares; and
- they shall provide reasonable assistance to our Company and the BRLMs to ensure that the Equity Shares offered by them in the Offer shall be transferred to the successful Bidders within the specified time period under applicable law.

Utilization of Net Proceeds

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Net Proceeds shall be disclosed, and continue to be disclosed until the time any part of the proceeds of the Net Proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Net Proceeds, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserve the right to not proceed with the Offer, in whole or part thereof, after the Bid/Offer Opening Date but before the Allotment. In the event that our Company, in consultation with the BRLMs, decide not to proceed with the Offer, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLMs through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks, as applicable, to unblock the Bid Amounts in the bank accounts of the ASBA Bidders and the BRLMs shall notify the Escrow Collection Bank to release the Bid Amounts of the Anchor Investors and any other investors, as applicable, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company, in consultation with the BRLMs, withdraws the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a fresh issue or offer for sale of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final RoC approval of the Prospectus after it is filed with the RoC and (ii) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government of India has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as of and prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. As on date, under the FDI Policy, up to 100% foreign investment under the automatic route is currently permitted for our Company.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure—Bids by Eligible NRIs*” and “*Offer Procedure—Bids by FPIs*” on page 488.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period.

For further details, see “*Offer Procedure*” beginning on page 482.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in ‘offshore transactions’ as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

The Articles have been adopted pursuant to a special resolution passed by the shareholders of our Company in the extraordinary general meeting held on July 15, 2024, in substitution for, and to the exclusion of, the earlier articles of association of the Company.

No material clause of the Articles of Association that has a bearing on the Offer and on the disclosures in this Draft Red Herring Prospectus has been excluded.

Share capital

Authorized share capital – The authorized share capital of the Company shall be as specified in Clause V of the Memorandum of Association of the Company with the power to increase or reduce such capital from time to time in accordance with the Articles and as per the applicable laws for the time being in force in this regard and also with the power to divide the shares in the capital for the time being into equity share capital and preference share capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act, the Articles and other applicable laws. The Company may issue the following kinds of shares in accordance with the Articles, the Act, the Rules and other applicable laws:

- a) Equity Share Capital; and
- b) Preference Share Capital

Shares under control of Board of Directors – Subject to the provisions of Section 62 of the Act and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may issue, allot or otherwise dispose off the same to such persons, on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 53 of the Act) at a discount and at such times as the Directors think fit and with sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit. Provided that option or right to call for shares shall not be given to any person or persons without the sanction of the Company in the general meeting.

Subject to the provisions of the Act and the Articles, the Board may issue and allot shares in the capital of the Company on full payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be.

Different class of shares – If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. To every such separate meeting, the provisions of the Articles relating to general meetings shall mutatis mutandis apply. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Issue and redemption of Preference Shares – Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.

Increase in share capital – If the Board or the Company, as the case may be, proposes to increase the subscribed capital of the Company by the issue of further shares, then the Board or the Company may, in accordance with the Act and the Rules, issue further shares to:

(a) the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:

- i. The offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days (or such lesser number of days as may be prescribed under the Act or the Rules, or other applicable law) and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue, or such other time as may be prescribed under applicable law;

- ii. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (i) shall contain a statement of this right;
 - iii. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company; or
- (b) to employees under a scheme of employees' stock option, subject to a special resolution passed by the Company and subject to such conditions as may be prescribed under applicable law; or
- (c) to any persons, if authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b) above, either for cash or for a consideration other than cash, in accordance with applicable law.

Further issue of shares – A further issue of securities may be made in any manner whatsoever as the Board may determine including by way of preferential allotment or private placement subject to and in accordance with the Act and the Rules and other applicable law.

Issue of Sweat Shares – The Company shall have power to issue sweat equity shares to its employees or Directors for cash or against consideration (other than cash) for providing know-how or making available rights in the nature of intellectual property rights or value additions by whatever name called, subject to the provisions of Section 54 of the Act and any other related provisions as may be required for the time being in force.

Issue of Bonus Shares – The Company may issue bonus shares by way of capitalization profits or out of securities premium or otherwise in accordance with the Act and the Rules and other applicable provisions for the time being in force.

Issue of Shares to employees – The Company may issue shares to employees including its Directors other than independent directors and such other persons as the rules may allow, under any employee stock option scheme, employee stock purchase scheme or any other scheme, if authorized by the Members in general meeting subject to the provisions of the Act, the Rules and other applicable laws for the time being in force.

Debentures – Any debentures, debenture-stock or other securities may be issued at a discount (subject to the compliance with the provision of Section 53 of the Act), premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting or postal ballot, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting or through postal ballot by a special resolution.

Commission and brokerage - Subject to applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended from time to time. The Company may also, on any issue of shares or debentures, pay such brokerage as may be lawful.

Lien on shares

First lien – The Company shall, subject to applicable law, have a first and paramount lien — (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share and no equitable interest in any share shall be created upon the footing and condition that Article 19(i)(a) will have full effect; and (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares. The fully paid-up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Waiver of lien in case of transfer of shares – Unless otherwise agreed, the registration of transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares / debentures. Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Sale of shares with lien – The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien. Provided that no sale shall be made: (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. The foregoing provisions of the Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.

Calls on shares

Board of Directors may make call – (i) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. (ii) Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. (iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances. (iv) A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments. (v) A call may be revoked or postponed at the discretion of the Board. (vi) The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

When interest on call or instalments payable – (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine. (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

Amount payable at fixed time or by instalment to be treated as call – (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (ii) In case of non-payment of such sum, all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Payment in anticipation of calls may carry interest – (i) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (ii) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. The Board may at any time repay the amount so advanced. Nothing contained in this Article 29(b) shall confer on the Member any right to participate in profits or dividends or any voting rights in respect of the monies so paid by him until the same would, but for such payment become presently payable by him. The

foregoing provisions of the Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.

Transfer of shares

Instrument of transfer – (i) A common form of transfer shall be used and the instrument of transfer of any share in the Company shall be in writing which shall be duly executed by or on behalf of both the transferor and transferee and all the provisions of the Act for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under applicable law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

Board may refuse to register transfer – The Board may, subject to the right of appeal conferred by the Act, decline to register – (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien. Subject to the provisions of Section 58 of the Act, the Articles and any other applicable provisions of the Act for the time being in force, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the Company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within thirty days from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on the relevant Shares.

Conditions for not declining registration of transfer – The Board may decline to recognize any instrument of transfer unless – (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Act; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares. Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and transferee has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnify as the Board may think fit.

Closure of transfer books, etc – On giving of previous notice of at least seven days or such lesser period in accordance with Section 91 of the Act and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Power of transfer of Securities – The Board may delegate the power of transfer of Securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s). Provided that the delegated authority shall report on transfer of Securities to the Board in each meeting.

The provisions of the foregoing Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Transmission of shares

Title of Shares of deceased holder – (i) On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Registration of persons entitled to Shares – (i) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent Member could have made. (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency. (iii) The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

Notice in writing – (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Dividends and other advantages – A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

The provisions of the foregoing Articles relating to transmission by operation of law shall mutatis mutandis apply to any other Securities including debentures of the Company. In case of transfer and transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Forfeiture of shares

If call or instalment not paid, notice may be given – If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

Terms of forfeiture – The notice aforesaid shall – (i) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

Shares may be forfeited in default of payment – If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

Board's power to annul the forfeiture – (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

Members liable to pay money owed to the Company at the time of forfeiture – (i) A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

Declaration of forfeiture – (i) A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; (ii) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the share; and (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

Cancellation of certificates – Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relevant shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering them on such terms as they think fit

Forfeiture to apply in case of non-payment of any sum payable at fixed time – The provisions of the Articles relating to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

The provisions of the foregoing Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Alteration of capital

Increase of share capital – The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

Consolidation, conversion and sub-division – Subject to the provisions of Section 61 of the Act, the Company may, by ordinary resolution, – (i) consolidate all or any of its share capital into shares of larger amount than its existing shares; (ii) convert all or any of its fully paid-up shares into stock, and reconverit that stock into fully paid-up shares of any denomination; (iii) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived; and (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

Conversion of Shares to stock – Where shares are converted into stock, – (i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. (iii) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

Reduction of Capital – The Company may, by a special resolution, as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, – (i) its share capital; and/or (ii) any capital redemption reserve account; and/or (iii) any securities premium account; and/or (iv) any other reserve in the nature of share capital.

General meetings

Annual General Meeting – In accordance with the provisions of the Act, the Company shall in each year hold Annual General Meeting and shall specify the meeting as such in the notices convening such meetings.

Extraordinary General Meeting – All general meetings other than annual general meeting shall be called extraordinary general meetings.

Calling an Extraordinary General Meeting – (i) The Board may, whenever it thinks fit, call an extraordinary general meeting. (ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

Presence of Quorum – No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business.

Quorum for general meetings – Save as provided in the Articles, the quorum for the general meetings shall be as provided in Section 103 of the Act.

Chairperson of the meetings – The chairperson, if any, of the Board shall preside as chairperson at every general meeting of the Company.

Directors to elect a Chairperson – If there is no such chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of the Directors to be chairperson of the meeting.

Members to elect a Chairperson – If at any meeting no Director is willing to act as chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall, choose one of their Members to be chairperson of the meeting.

Casting vote of Chairperson – On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the chairperson shall have a second or casting vote.

Adjournment of meeting

Adjournment of Quorum for Shareholders' Meeting is not met – (i) If the quorum prescribed in Section 103(2) of the Act is not met within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same day in the next week at same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (iii) If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the Members present shall be a quorum, and may transact the business for which the meeting was called.

Notice of adjourned meeting – (i) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (ii) Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

Entitlement to vote on show of hands and on poll – Subject to any rights or restrictions for the time being attached to any class or classes of shares, – (a) on a show of hands, every Member present in person shall have one vote; and (b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

Voting through electronic means – A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

Vote of joint holders – (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

Vote of Members of unsound mind – A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any Member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.

Vote in respect of shares of deceased or insolvent Members – Subject to the provisions of the Act and other provisions of the Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Business may proceed pending poll – Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

Restriction on voting rights – No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

No objection to be raised to the qualification of the voter – (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

Proxies when to be deposited – The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the Office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

Form of proxy – An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.

Validity of votes given by proxy notwithstanding death or insanity – A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Passing Resolutions by Postal Ballot – (a) Notwithstanding any of the provisions of the Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other applicable law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot. (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law.

Board of Directors

Composition of the Board of Directors – Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen). The Company shall also comply with the provisions of the Act, and the Rules and the provisions of the SEBI Listing Regulations, as applicable to the Company, with respect to constitution of the Board. The same individual may, at the same time, be appointed as the chairperson of the Company as well as the managing director or chief executive officer of the Company.

Remuneration of the Directors – (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. (ii) The remuneration payable to the Directors, including any managing director or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act and rules made there under and provisions of the SEBI Listing Regulations, as applicable to the Company. (iii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them – (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or (b) in connection with the business of the Company.

Sitting fees – Every Director shall be paid a sitting fee of such sum and subject to the ceiling as may be prescribed by the Central Government from time to time for each meeting of the Board of Directors or of any committee attended by such Director. The Board may, from time to time, decide quantum of sitting fees payable to a Director for attendance at the Board Meeting or of any committee thereof within the overall maximum limits prescribed apart from travelling and other expenses.

Instruments to be signed, drawn, accepted, endorsed, or otherwise executed in the Director's name – All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

Additional Director – (i) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. (ii) Such person, subject to applicable laws, rules or regulations, shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

Alternate Director – (i) The Board may appoint an alternate director to act for a Director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director. (ii) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. (iii) If the term of office of the Original Director is determined before he so returns to India, any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director, and not to the alternate director.

Casual vacancy – (i) If the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by Members in the immediate next general meeting. (ii) The Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated.

Foreign register – The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

Independent Directors – The Company shall have such number of independent directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other applicable law, as may be applicable. Further, the appointment of such independent directors shall be in terms of the aforesaid provisions of law and subject to the requirements prescribed under the SEBI Listing Regulations. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

Register of Directors – (a) The Company shall keep at its Office, a Register containing the particulars of its directors, managing directors, manager, secretaries and other persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects. (b) The Company shall in respect of each of its directors and key managerial personnel keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

Independent Director

Appointment of Independent Directors – The Board of Directors may appoint such number of independent directors as may be required to be appointed under Act, and under SEBI Listing regulations as amended from time to time and as applicable to the Company.

Qualifications for appointment and term – (i) Independent directors shall possess such qualification as required under the Act and under the SEBI Listing Regulations as amended from time to time and as applicable to the Company. (ii) Independent Director shall be appointed for such period as prescribed under relevant provisions Act, Schedules thereof under SEBI Listing regulations as amended from time to time and as applicable to the Company.

Powers of the Board

The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association

and the Articles and to any regulations, not being inconsistent with the memorandum of association and the Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made

Proceedings of the Board

Meeting of the Board – (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

Quorum of meeting – The quorum for a Board meeting shall be as provided in the Act and once the Company is listed, also as provided in SEBI Listing Regulations and Directors participating through electronic mode in a meeting shall be counted for the purposes of quorum. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or any other mode as may be permitted by the Act and Rules.

Notice of meeting – At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with the Articles by a shorter notice in case of any emergency.

Voting – (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (ii) In case of an equality of votes, the chairperson of the Board, if any, shall have a second or casting vote.

Continuing Directors to act in case of vacancy – The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

Electing a Chairperson – (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their Members to be Chairperson of the meeting. (iii) Any Director so appointed to the office of Chairperson shall not be deemed to have vacated the said office of Chairperson, by reason only that he retires or vacates at any Annual General Meeting of the Company and is re-elected at the same meeting.

Committees of the Board – (i) The Board of the Company shall in accordance with the Act, Rules or any other law and the provisions of the SEBI Listing Regulations, as amended from time to time, form such committees as may be required in the manner specified therein, if the same are applicable to the Company. (ii) The participation of Directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or any other mode as may be permitted by the Act and Rules and the SEBI Listing regulations, as applicable.

Chairperson of the committees – (i) A committee may elect a Chairperson of its meetings. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

Meeting and adjournment of committees – (i) A committee may meet and adjourn as it thinks fit. (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson of the committee shall have a second or casting vote. (iii) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly pointed and was qualified to be a director.

Resolution – Save as otherwise expressly provided in the Act, a resolution in writing, signed by a majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Minutes – The Company shall prepare and maintain minutes of Meeting of the Board, Committees and shareholder as per the provisions of the Act and other applicable provisions, as amended from time to time.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

Appointment – Subject to the provisions of the Act, (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Managing Director/ Whole- Time Director/ Executive Director

Appointment – Subject to the provisions of Section 203 of the Act and of the Articles, the Board shall have the power to appoint from time to time any full-time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company.

Remuneration – The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairperson of the Board as the Managing Director / whole time director or executive director of the Company.

Resignation and removals – Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall, subject to the provisions of any contract between such director and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company

Retirement – Except Managing Director of the company, all other directors excluding Independent Directors are liable to retire by rotation.

Role of the Managing Director – Subject to the provisions of section 179 and 180 of the Act, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. The Managing Director shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

Powers to Borrow

Borrowing Powers of the Board – (i) The Board of Directors may from time to time but with consent of the Company in general meeting as may be required under section 180 of the Act read with the Rules, by a resolution passed at a Meeting of the Board raise any money or any monies or sums of money for the purpose of the Company; provided that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 180 of the Act and the Rules. The Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, at such times and in such manner and upon such terms and conditions as they deem fit by the issue of debt instruments, debentures, or perpetual annuities, debenture stock, promissory notes, or by opening current accounts, or by receiving deposits and advances with or without security, or by issue of bonds and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge, the whole or any part of the undertaking property, rights, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities in accordance with the acts, rules and regulations as applicable to the Company.

(ii) Provided that the Directors may by resolution at a meeting of the Board delegate the power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director or Whole-Time Director or Manager subject to the limits up to which the money may be so borrowed as may be specified in the said resolution.

Dividends and Reserve

Declaration of dividends – The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.

Interim dividends – Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Members such interim dividends of such amount on such class of shares and at such times, as it may think fit.

Establish reserve funds – (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Dividend shall be proportionate to – (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

Amount payable – The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the Company. (ii) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

Manner of remittance – (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. (iii) Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

Notice of dividend – Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

No dividend shall bear interest against the company.

Unpaid or unclaimed dividend – (i) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank. (ii) The Company shall, within a period of ninety days of making any transfer of an amount under sub-clause (i) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be prescribed (iii) If any default is made in transferring the total amount referred to in sub-clause (i) or any part thereof to the Unpaid Dividend Account of the Company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent. per annum and the interest accruing on such amount shall ensure to the benefit of the Members of the Company in proportion to the amount remaining unpaid to them. (iv) Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under Section 125 of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer. (v) All shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of the Investor Education and Protection Fund subject to the provisions of the Act and the Rules. (vi) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC, and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and will also be available for inspection on our website at www.midwest.in from the date of the Red Herring Prospectus until the Bid/Offer Closing Date except for such documents or agreements executed after the Bid/ Offer Closing Date).

A. Material Contracts for the Offer

1. Offer Agreement dated September 30, 2024 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated September 28, 2024 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Bankers to the Offer and the Registrar to the Offer.
4. Syndicate Agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.
5. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.
6. Share Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders and the Share Escrow Agent.
7. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, each as amended.
2. Certificate of incorporation dated December 11, 1981 issued to our Company by the Registrar of Companies, Andhra Pradesh, in the name of Midwest Granite Private Limited.
3. Fresh certificate of incorporation dated July 2, 2024 consequent upon change of name from Midwest Granite Private Limited to Midwest Private Limited issued to our Company by the Registrar of Companies, Central Processing Centre.
4. Fresh certificate of incorporation dated August 28, 2024 consequent upon conversion into a public limited company issued to our Company by the Registrar of Companies, Central Processing Centre.
5. Resolution of our Board dated September 19, 2024 authorizing the Offer and other related matters.
6. Resolution of our Shareholders dated September 19, 2024 authorizing the Offer and other related matters.
7. Resolution of our Board dated September 27, 2024 taking on record the participation of Selling Shareholders in the Offer for Sale.
8. Resolution of our Board dated September 30, 2024 approving this Draft Red Herring Prospectus.

9. Consent letters of the Selling Shareholders for participation in the Offer for Sale, as detailed in “*The Offer*” beginning on page September 28, 2024.
10. Copies of the annual reports of our Company as of and for the Financial Years 2024, 2023 and 2022.
11. Report titled “*Assessment of the granite, quartz and heavy mineral sand industry*” dated September, 2024 issued by CRISIL MI&A and consent dated September 27, 2024 issued by CRISIL MI&A with respect to the report.
12. Consents of our Directors, the BRLMs, the Selling Shareholders, the legal counsel to our Company as to Indian Law, the Registrar to the Offer, the Bankers to our Company, the Company Secretary and Compliance Officer, the Syndicate Members, Monitoring Agency and the Bankers to the Offer in their respective capacities.
13. Written consent dated September 30, 2024 from M S K A & Associates, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated September 27, 2024 on the Restated Consolidated Financial Statements; and (ii) their report dated September 29, 2024 on the statement of special tax benefits available to our Company, Andhra Pradesh Granite (Midwest) Private Limited and their respective shareholders in this Draft Red Herring Prospectus.
14. Executive summary of the technical assessment report titled “*JORC Report on Techno-Economic Assessment of Dimension Stone Granite Reserves, High grade Quartz Deposits in India and Heavy Mineral Sand Resources in Sri Lanka*”, dated June 22, 2024 by G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code (the “**JORC Report**”).
15. Executive summary of the technical assessment report titled “*Technical Report on Economic Feasibility of Coal Reserves in 5086C Moatize Coalfield, Mozambique*” dated August 31, 2024 prepared by G.Lakshminarayana, MAusIMM, a recognized competent person under the JORC Code (“**Coal JORC Report**”).
16. Audit report titled “*Audit Report on JORC Compliant reports on DSG and Quartz mines in India and Maiden Heavy Mineral Sand resources in Sri Lanka for Midwest Granite Pvt Ltd*” dated July 24, 2024, on the JORC Report and our resource reporting practices (“**Geovale Audit Report**”)
17. Written consent dated September 11, 2024 from G.Lakshminarayana, MAusIMM, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of (i) the JORC Report and (ii) the Coal JORC Report.
18. Written consent dated September 18, 2024 from Geovale Services Private Limited, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of the Geovale Audit Report.
19. Certificate dated September 24, 2024 from E. Raghunath, independent chartered engineer, in connection with the installed capacity and capacity utilization of our Company, and providing their consent to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013.
20. Written consent dated September 28, 2024 from Majeti & Co., independent chartered accountant to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificates in connection with the Offer.
21. Written consent dated September 18, 2024 from Divya Mohta, practicing company secretary, to include their name in this Draft Red Herring Prospectus and be named as an “expert” as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated September 30, 2024 in connection with the Offer.

22. Cost assessment report dated September 27, 2024 for the Phase-II Quartz Processing Plant, prepared by Dun & Bradstreet in connection with the Offer.
23. Cost assessment report dated September 27, 2024 for the Proposed Solar Installation, prepared by Dun & Bradstreet in connection with the Offer.
24. Written consent from Dun & Bradstreet, in relation to (i) the cost assessment report dated September 27, 2024 for the Phase-II Quartz Processing Plant, and (ii) the cost assessment report dated September 27, 2024 for the Proposed Solar Installation, each prepared in connection with the Offer.
25. The examination report dated September 27, 2024 of the Statutory Auditors on the Restated Consolidated Financial Statements.
26. The report dated September 29, 2024 of the Statutory Auditors, on the statement of special tax benefits available to our Company, Andhra Pradesh Granite (Midwest) Private Limited and their respective shareholders.
27. Certificate relating to key performance indicators dated September 30, 2024 issued by Majeti & Co., Chartered Accountants.
28. Scheme of amalgamation of Ind Natali Granite Private Limited, Opusasia Technologies Private Limited, Reliance Granite Private Limited, Subhiksha Agro Farms Private Limited, Victorian Granites Private Limited, Yarra Agro Estates Private Limited with our Company and their respective shareholders, along with the valuation report dated March 27, 2014 issued by PVRK Nageswara Rao & Co., Chartered Accountants in this regard.
29. Scheme of amalgamation of RDT Diamond Tools Private Limited and Midwest Mining Private Limited into our Company.
30. Joint venture agreement between our Company and Andhra Pradesh Mineral Development Corporation Limited dated June 4, 2007, as amended by the supplementary agreement dated February 15, 2014.
31. Share purchase agreement dated June 10, 2024 between our Company and Mr. Kollareddy Rama Raghava Reddy in relation to the Midwest Gold Divestment.
32. Share Purchase Agreement dated September 27, 2024 between our Company, Kollareddy Ranganayakamma and SVADHA India Emerging Opportunities Scheme 1.
33. Shareholders' resolution dated September 19, 2024 approving the terms of remuneration of Kollareddy Ramachandra, our Whole-time Director and Chief Executive Officer.
34. Resolution of the shareholders of the APGM dated September 24, 2022 approving the terms of remuneration of Kollareddy Ramachandra, our Whole-time Director and Chief Executive Officer, in his capacity as the managing director of APGM.
35. Shareholders' resolution dated September 19, 2024 approving the terms of remuneration of Kukreti Soumya, one of our Whole-time Directors.
36. Shareholders' resolution dated September 19, 2024 approving the terms of remuneration of Uma Priyadarshini Kollareddy, one of our Whole-time Directors.
37. Tripartite agreement dated June 14, 2024 among our Company, NSDL and the Registrar to the Offer.
38. Tripartite agreement dated May 23, 2024 among our Company, CDSL and the Registrar to the Offer.
39. Due diligence certificate dated September 30, 2024 addressed to the SEBI from the BRLMs.

40. Undertaking dated [●] submitted by the BRLMs to the SEBI in connection with disclosure of the Pre-IPO Placement by way of a public advertisement and in the Price Band advertisement.
41. Undertaking dated [●] submitted by the BRLMs to the SEBI in relation to utilization of the proceeds of the Pre-IPO Placement.
42. In-principle listing approvals dated [●] and [●] issued by the BSE and the NSE, respectively.
43. SEBI observation letter bearing number [●] dated [●] addressed to the BRLMs from the SEBI.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

Mr. Rana Som

Chairman and Independent Director

Place: Kolkata

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

Mr. Kollareddy Ramachandra

Whole-time Director and Chief Executive Officer

Place: Hyderabad

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

Mrs. Kukreti Soumya

Whole-time Director

Place: Hyderabad

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

Mrs. Uma Priyadarshini Kollareddy

Whole-time Director

Place: Hyderabad

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

Mr. Duvva Pavan Kumar

Independent Director

Place: Hyderabad

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

Ms. Smita Amol Lahoti

Independent Director

Place: Pune

Date: 30.09.2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements, disclosures and undertakings in this Draft Red Herring Prospectus are true and correct.

SIGNED BY:

Mr. Dilip Kumar Chalasani

Chief Financial Officer

Place: Hyderabad

Date: 30.09.2024

DECLARATION

The undersigned Selling Shareholder hereby confirms that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as one of the Selling Shareholders and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY KOLLAREDDY RAMA RAGHAVA REDDY

Date: 30.09.2024

Place: Hyderabad

DECLARATION

The undersigned Selling Shareholder hereby confirms that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as one of the Selling Shareholders and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

SIGNED BY GUNTAKA RAVINDRA REDDY

Date: 30.09.2024

Place: Hyderabad