

**Midwest Granite Private Limited  
Stand alone Financial Statements  
For the FY 2021-22**



**MIDWEST GRANITE PRIVATE LIMITED**

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**No.8-2-684/3/25&26, ROAD No:12, BANJARA HILLS,  
HYDERABAD – 500 034**



MAJETI & CO  
Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Midwest Granite Private Limited Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **Midwest Granite Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw your attention to Note 38 to the standalone financial statements in respect of Composite Scheme of Amalgamation (the "Scheme") between the Company and its subsidiaries, namely RDT Diamond Tools Private Limited and Midwest Mining Private Limited ("Transferor Companies"), from the appointed date of April 1, 2021, as approved by Regional Director vide its order dated November 29, 2022. However, the accounting treatment pursuant to the Scheme has been given effect to from the date required under Ind AS 103 - Business Combinations, which is the beginning of the preceding period presented i.e., April 1, 2020. Accordingly, the figures for the year ended March 31, 2021 have been restated to give effect to the aforesaid merger. Our opinion is not modified in respect of this matter.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the standalone financial statements and our auditor's report thereon.



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

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

### **Management's Responsibility for the Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31,2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses Unmodified opinion on the operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, is applicable only to public companies. Accordingly, the provisions of section 197(16) of the Act are not applicable to the company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The company has disclosed the impact of pending litigation on its financial position as stated in Note no. 33 to the Ind AS Financial Statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts, the company doesn't have derivative contracts;
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The Management of the Company has not proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Hence section 123 of the Act, is not applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For MAJETI & CO**

Chartered Accountants

Firm's Registration No: 015975S

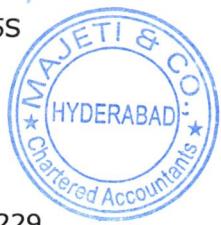


**Kowshik Anna**

Partner

Membership No: 244172

UDIN No: 23244172BGQKXQ6229



Place: Hyderabad

Date: December 23, 2022

#### **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **MIDWEST GRANITE PRIVATE LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For MAJETI & CO  
Chartered Accountants  
Firm's Registration No: 0159755



Kowshik Anna  
Partner  
Membership No: 244172  
UDIN: 23244172BGQKXQ6229



Place: Hyderabad  
Date: December 23, 2022

**Chartered Accountants  
Annexure B to Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i In Respect of the Company's Property Plant and Equipment and Intangible Assets:
  - a) A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment and right of use of assets.
  - B) The Company is maintaining proper records showing full particulars of Intangible Assets
- b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- 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 lakhs) | 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            | 27.16                              | 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 |
|                           | 39.33                              | Yarra Agro Estates pvt Ltd  | No   |                 |  |
|                           | 132.98                             | Reliance Granite Private Limited  | No   |                 |  |
|                           | 14.70                              | Victorian granite Private limited   | No   |                 |  |
|                           | 1.75                               | Ind Natali Granite Limited  | No   |                 |  |
|                           | 121.38                             | Opusasia Technologies Private Limited   | No   |                 |  |
| <b>Total(a)</b>           | <b>337.30</b>                      |   |  |                 |  |
|                           | 7.47                               | 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   |
|                           | 0.51                               |   | No   | From FY 2002-03 |  |
|                           | 2.91                               |   | No   | From FY 2006-07 |  |
|                           | 4.00                               |   | No   | From FY 2009-10 |  |
|                           | 2.00                               |   | No   | From FY 2011-12 |  |
| <b>Total(b)</b>           | <b>16.89</b>                       |   |  |                 |  |
| <b>Total(a+b)</b>         | <b>354.19</b>                      |   |  |                 |  |



**Annexure B to Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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- d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
  - e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise
- ii      a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. As explained to us and on the basis of the records examined by us the value of discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- 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 Lakhs)**

| Name of the Bank  | HDFC Bank Limited  |                    |                   |                |
|---|--|--------------------|-------------------|----------------|
| <b>Aggregate working capital limits sanctioned</b>        | 5,242.00   |                    |                   |                |
| <b>Nature of Current Asset offered as Security</b>        | 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 |
| <b>Amount disclosed as per quarterly return/statement</b> | 2,521.71   | 1,701.85           | 1,867.58          | 5440.89        |
| <b>Amount as per books of account</b>                     | 2,452.64   | 1,682.51           | 1,869.68          | 5384.11        |
| <b>Difference</b>   | 69.07  | 19.34              | (2.10)            | 56.78          |
| <b>Reasons for difference</b>                             | On Account of pending Reconciliation of customer balances at the time of submitting returns to the Bank.               |                    |                   |                |

- iii      a) During the year the company made investments in four companies, two mutual fund schemes and one limited liability partnership. The company has granted unsecured loans to three companies and one partnership firm and stood guarantee for three companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans, guarantees and securities to subsidiaries, joint ventures and associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below



**Annexure B to Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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| <b>Particulars</b>  | <b>Loans</b> | <b>Investment</b> | <b>Guarantees</b> |
|---|--------------|-------------------|-------------------|
| <b>Aggregate amount granted/ provided during the year 2021-22</b> |              |                   |                   |
| - Subsidiaries  | 513.01       | 224.96            | 340.22            |
| - Step- down Subsidiary   | -            | -                 | 479.23            |
| - Other parties   | 857.73       | 990.60            | -                 |

**Balance outstanding (gross) as at 31 March 2022 (balance sheet date) in respect of the above case**

|                         |          |        |        |
|-------------------------|----------|--------|--------|
| - Subsidiaries          | 2,297.13 | 288.13 | 340.22 |
| - Step- down Subsidiary | -        | -      | 479.23 |
| - Other parties         | 857.73   | 990.60 | -      |

- b) In our opinion and according to information and explanations given to us by the company's management and on the basis of our audit procedures, the investments made, guarantee provided, security given and the terms and conditions of all loans and advances in the nature of loans and guarantee provided are, prima facie, not prejudicial to Company's interest.
- 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.
- d) As there was not repayment schedule, we are not able to comment on any amount overdue by the subsidiaries in respect of loan given.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company. There were no loans /advances in nature of loans which fell due during the year and were renewed/ extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/ advances in nature of loan.
- 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.

| <b>Aggregate amount of loan given</b>                           | <b>All Parties</b> | <b>Promoters</b> | <b>Related Parties</b> |
|---|--------------------|------------------|------------------------|
| - Repayable on demand (A)                                       | 3070.63            | -                | 2212.90                |
| - Without agreement and Repayable on demand to subsidiaries (B) | 384.36             | -                | 384.36                 |
| <b>Total (A+B)</b>  | <b>3,454.99</b>    | <b>-</b>         | <b>2,597.26</b>        |
| <b>Percentage of loans</b>                                      |                    |                  | <b>75%</b>             |

- iv In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- v The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.



**Annexure B to Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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vi Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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

b) According to the information and explanations given to us and the records of the Company examined by us. The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute,

| <b>Nature of the Statute</b>                                | <b>Nature of Dues</b>                     | <b>Forum</b>  | <b>Period</b>  | <b>Amount (in Lakhs)</b>                         |
|---|---|---|--|--|
| Income tax Act, 1961  | Income tax and interest                   | Income Tax Appellate Tribunal, Hyderabad                                | 2003-04<br>2004-05<br>2005-06<br>2007-08<br>2009-10<br>2013-14 | 23.07<br>18.02<br>0.36<br>55.34<br>7.29<br>14.78 |
|   |   | Deputy Commissioner of Income Tax, Circle 76(2), Hyderabad              | 2014-15  | 3.77   |
|   |   | Commissioner of Income Tax, Appeals-IV, Hyderabad                       | 2015-16<br>2012-13<br>2019-20<br>2017-18<br>2018-19            | 23.69<br>19.98<br>21.88<br>119.29<br>5.60        |
| The Central Excise Act, 1944                                | Excise Duty, Redemption Fine and Penalty  | Customs, Excise and Service Tax   | 2006-2012  | 185.43   |
| Customs Act, 1962   | Customs duty, Redemption Fine and Penalty | Appellate Tribunal, Hyderabad   | 2006-2012  | 1307.41  |
| Telangana tax on entry of goods in to local areas act, 2001 | Entry tax                                 | Office of the Asst Commissioner (ST), Srinagar colony Circle, Hyderabad | 2013-14<br>2014-15<br>2015-16<br>2016-17<br>2017-18            | 51.85<br>53.92<br>69.44<br>46.44<br>24.26        |

viii According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as



**Annexure B to Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account

- ix      a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful Defaulter by any bank or financial institution or government or any government authority.
- c) According to the records of the Company examined by us and the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and Joint Ventures.  
We report that the Company did not have associate companies during the year.
- f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries and joint ventures.
- x      a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence reporting under clause 3(x)(b) is not applicable.
- xi     a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the



**Annexure B to Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

- xii As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company. Hence reporting under clause 3(xii)(a), (b), (c) are not applicable.
- xiii The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone financial statements as required under Indian Accounting Standard (IND AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv
  - a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
  - b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi
  - a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
  - b) The Company has not conducted any non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company
  - c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
  - d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii The company has not incurred cash losses during the immediately preceding financial year and current financial year.
- xviii There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix According to the information and explanation given to us and on the basis of the financial Ratios (Also Refer Note 43 to the Ind AS Standalone Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not



**Annexure B to Independent Auditors' Report**

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx The company has spent requisite amount during the year as Corporate Social Responsibility under Section 135 of the Act.
- xxi The reporting under Clause 3(XXI) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For MAJETI & CO**

Firm Registration Number: 015975S  
Chartered Accountants

*A. Loughif*  
**Kowshik Anna**

Partner  
Membership Number: 244172  
UDIN No: 23244172BGQKXQ6229



Place: Hyderabad

Date: December 23, 2022.

MIDWEST GRANITE PRIVATE LIMITED

Balance sheet as at March 31, 2022

(All amounts in INR Lakhs, unless otherwise stated)

| Particulars                               | Note No. | As at March 31, 2022 | As at March 31, 2021 |
|---|----------|----------------------|----------------------|
| <b>ASSETS</b>                             |          |                      |                      |
| <b>I Non-current assets</b>               |          |                      |                      |
| (a) Property, plant and equipment         | 3        | 17,785.21            | 16,369.67            |
| (b) Capital work-in-progress              | 3        | 848.10               | 594.64               |
| (c) Intangible Assets                     | 4A       | 3.10                 | 3.43                 |
| (d) Right - of - use assets               | 4B       | 362.73               | 384.24               |
| (e) Financial assets                      |          |                      |                      |
| (i) Investments                           | 5        | 7,912.55             | 6,925.40             |
| (ii) Other financial assets               | 6        | 931.41               | 857.86               |
| (f) Deferred tax Assets (net)             | 7        | 273.28               | 243.46               |
| (g) Other non-current assets              | 8(i)     | 2,962.51             | 2,279.38             |
| <b>Total Non-current assets</b>           |          | <b>31,078.89</b>     | <b>27,658.08</b>     |
| <b>II Current assets</b>                  |          |                      |                      |
| (a) Inventories                           | 9        | 3,372.88             | 3,377.15             |
| (b) Financial assets                      |          |                      |                      |
| (i) Trade receivables                     | 10       | 2,845.32             | 1,660.80             |
| (ii) Cash and cash equivalents            | 11       | 546.44               | 385.03               |
| (iii) Bank balances other than (ii) above | 12       | 1,864.16             | 83.19                |
| (iv) Loans                                | 13 (i)   | 3,454.99             | 2,084.25             |
| (v) Others                                | 13 (ii)  | 48.48                | 25.48                |
| (c) Other current assets                  | 8(ii)    | 2,858.55             | 2,437.29             |
| (d) Current tax asset (net)               | 19 (i)   | 107.96               | -                    |
| <b>Total Current assets</b>               |          | <b>15,098.78</b>     | <b>10,053.19</b>     |
| <b>TOTAL ASSETS</b>                       |          | <b>46,177.67</b>     | <b>37,711.27</b>     |
| <b>EQUITY AND LIABILITIES</b>             |          |                      |                      |
| <b>III Equity:</b>                        |          |                      |                      |
| (a) Equity share capital                  | 14       | 74.31                | 74.31                |
| (b) Other equity                          |          | 29,968.73            | 24,870.96            |
| <b>Total Equity</b>                       |          | <b>30,043.04</b>     | <b>24,945.27</b>     |
| <b>LIABILITIES</b>                        |          |                      |                      |
| <b>IV Non-current liabilities</b>         |          |                      |                      |
| (a) Financial liabilities                 |          |                      |                      |
| (i) Borrowings                            | 15(i)    | 3,037.69             | 3,254.36             |
| (b) Provisions                            | 16(i)    | 326.72               | 311.62               |
| (c) Other non-current liabilities         | 17(i)    | 102.95               | 209.39               |
| <b>Total Non-current liabilities</b>      |          | <b>3,467.36</b>      | <b>3,775.37</b>      |
| <b>V Current liabilities</b>              |          |                      |                      |
| (a) Financial liabilities                 |          |                      |                      |
| (i) Borrowings                            | 15(ii)   | 2,786.91             | 2,803.83             |
| (ii) Trade payables:                      |          |                      |                      |
| - dues to micro and small enterprises     |          |                      |                      |
| - dues to others                          |          | 699.21               | 820.14               |
| (iii) Other financial liabilities         | 18       | 2,443.68             | 2,973.24             |
| (b) Other current liabilities             | 17(ii)   | 6,638.79             | 2,036.96             |
| (c) Provisions                            | 16(ii)   | 98.68                | 83.24                |
| (d) Current tax liabilities (net)         | 19(ii)   | -                    | 273.22               |
| <b>Total current liabilities</b>          |          | <b>12,667.27</b>     | <b>8,990.63</b>      |
| <b>Total liabilities</b>                  |          | <b>16,134.63</b>     | <b>12,766.00</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b>       |          | <b>46,177.67</b>     | <b>37,711.27</b>     |

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MAJETI & CO.,

Chartered Accountants

Firm's Registration Number:015975S

*A. Kowshik*

Kowshik Anna

Partner

Membership Number : 244172

Hyderabad

December 23, 2022



For and on behalf of Board

*K. Ranganayakamma*

K.Ranganayakamma

Chairman

DIN:00033569

*K. Ramachandra*

Director

DIN:00060086

**MIDWEST GRANITE PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2022**

(All amounts in INR Lakhs, unless otherwise stated)

| Particulars   | Note No. | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---|----------|--------------------------------------|--------------------------------------|
| I Revenue from operations   | 20       | 33,086.00                            | 22,027.65                            |
| II Other income   | 21       | 912.72                               | 1,476.87                             |
| <b>III Total Revenue (I+II)</b>   |          | <b>33,998.72</b>                     | <b>23,504.52</b>                     |
| <b>IV Expenses</b>  |          |                                      |                                      |
| (a) Quarry expenses   |          | 4,353.75                             | 2,978.91                             |
| (b) Consumption of stores and spare parts   |          | 5,526.70                             | 2,809.67                             |
| (c) Cost of raw material consumed   | 22       | 639.43                               | 468.73                               |
| (d) Purchase of stock-in-trade  |          | 453.89                               | 275.00                               |
| (e) Changes in inventories of finished goods and work-in-progress                 | 23       | 281.20                               | (874.62)                             |
| (f) Seignorage and Cess Fees  |          | 3,642.79                             | 2,097.12                             |
| (g) Employee benefits expense   | 24       | 4,187.18                             | 4,104.39                             |
| (h) Finance costs   | 25       | 539.29                               | 499.27                               |
| (i) Depreciation and amortisation expense   | 26       | 1,259.99                             | 1,471.94                             |
| (j) Other expenses  | 27       | 6,284.25                             | 4,602.11                             |
| <b>Total Expenses (IV)</b>  |          | <b>27,168.47</b>                     | <b>18,432.52</b>                     |
| <b>V Profit before tax (III- IV)</b>  |          | <b>6,830.25</b>                      | <b>5,072.00</b>                      |
| <b>VI Tax expense</b>   | 28       |                                      |                                      |
| (a) Current tax   |          | 1,770.25                             | 1,545.00                             |
| (b) Deferred tax  |          | (31.82)                              | (188.09)                             |
| <b>Total tax expense</b>  |          | <b>1,738.43</b>                      | <b>1,356.91</b>                      |
| <b>VII Profit after tax for the year (V-VI)</b>                                   |          | <b>5,091.82</b>                      | <b>3,715.09</b>                      |
| <b>VIII Other Comprehensive Income</b>  |          |                                      |                                      |
| (a) Items that will not be reclassified to profit or loss                         |          |                                      |                                      |
| (i) Remeasurements of post-employment benefit obligations                         |          | 7.95                                 | (22.67)                              |
| (ii) Income tax relating to items that will not be reclassified to profit or loss |          | (2.00)                               | 5.68                                 |
| <b>Other Comprehensive Income after tax for the year (VIII)</b>                   |          | <b>5.95</b>                          | <b>(16.99)</b>                       |
| <b>IX Total Comprehensive Income for the year (VII+VIII)</b>                      |          | <b>5,097.77</b>                      | <b>3,698.10</b>                      |
| <b>X Earnings per share (Par value of Rs.100 each)</b>                            |          |                                      |                                      |
| (a) Basic   |          | 6,851.86                             | 4,429.17                             |
| (b) Diluted   |          | 6,851.86                             | 4,429.17                             |

The accompanying notes are an integral part of the financial statements

**As per our report of even date**

**For MAJETI & CO.,**

Chartered Accountants

Firm's Registration Number:015975S

*Kowshik*

Kowshik Anna

Partner

Membership Number : 244172

Hyderabad

December 23,2022



**For and on behalf of Board**

*K.Ranganayakamma*

K.Ranganayakamma

Chairman

DIN:00033569

*K.Ramachandra*

K.Ramachandra

Director

DIN:00060086

**MIDWEST GRANITE PRIVATE LIMITED**  
**Statement of changes in equity for the March 31, 2022**  
(All amounts in INR Lakhs, unless otherwise stated)

**A. Equity share capital**

|                                 | Number of Shares | Amount           |
|---------------------------------|------------------|------------------|
| <b>As at March 31, 2020</b>     | 91,343           | 91,34,300        |
| Changes in equity share capital | (17,030)         | (17,03,000)      |
| <b>As at March 31, 2021</b>     | 74,313           | 74,31,300        |
| Changes in equity share capital | -                | -                |
| <b>As at March 31, 2022</b>     | <b>74,313</b>    | <b>74,31,300</b> |

**B. Other Equity**

|   | Reserves and Surplus |                  |                            |                 |                   |                    |
|---|----------------------|------------------|----------------------------|-----------------|-------------------|--------------------|
|   | Capital reserve      | Forfeited shares | Capital Redemption Reserve | General reserve | Retained earnings | Total Other Equity |
| <b>Balance as at April 01, 2020</b>                           | 175.81               | 0.66             | 1.00                       | 2,351.30        | 19,651.40         | 22,180.17          |
| Adjustment on account of Merger(Refer Note No. 38)            | 0.75                 | -                | -                          | -               | (80.93)           | (80.18)            |
| Buyback of equity shares, including tax thereon               |                      |                  | 17.03                      | (944.16)        | -                 | (927.13)           |
| <b>Total comprehensive income for the year</b>                |                      |                  |                            |                 | 3,715.09          | 3,715.09           |
| a) Profit for the year  |                      |                  |                            |                 | (16.99)           | (16.99)            |
| b) Other comprehensive income for the year, net of income tax |                      |                  |                            |                 | 3,715.09          | 3,715.09           |
| <b>Balance as at March 31, 2021</b>                           | 176.56               | 0.66             | 18.03                      | 1,407.14        | 23,268.57         | 24,870.96          |
| <b>Balance as at April 01, 2021</b>                           | 176.56               | 0.66             | 18.03                      | 1,407.14        | 23,268.57         | 24,870.96          |
| <b>Total comprehensive income for the year</b>                |                      |                  |                            |                 | 5,091.82          | 5,091.82           |
| a) Profit for the year  |                      |                  |                            |                 | 5.95              | 5.95               |
| b) Other comprehensive income for the year, net of income tax |                      |                  |                            |                 | 5,097.77          | 5,097.77           |
| <b>Total (a+b)</b>  |                      |                  |                            |                 | 5,097.77          | 5,097.77           |
| <b>Balance as at March 31, 2022</b>                           | 176.56               | 0.66             | 18.03                      | 1,407.14        | 28,366.34         | 29,968.73          |

The accompanying notes are an integral part of the financial statements

**Nature and purpose of reserves**

**(i) Capital reserve**

Capital reserve represents share application money received from allottees and forfeiture due to non payment of remaining call money within due date as per terms of issue.

**(ii) General reserve**

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

**(iii) Retained earnings**

This reserve represents the cumulative profits of the company. It includes land revaluation amount of Rs. 5,708 lakhs on Ind AS transition date which will not be available for declaration of dividend as per Companies (Declaration and payment of Dividend) Rules, 2014.

**(iv) Capital Redemption Reserve**

Capital redemption reserve is created when a company purchases its own shares out of free reserves. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve can be utilised in accordance with the provisions of section 69 of the Companies Act, 2013. Capital redemption reserve is not freely available for distribution.

**As per our report of even date**

For MAJETI & CO.,

Chartered Accountants

Firm's Registration Number:015975S

*D. Kowshik*

Kowshik Anna

Partner

Membership Number : 244172

Hyderabad

December 23, 2022



**For and on behalf of Board**

*R. Ranganayakamma*

K.Ranganayakamma

Chairman

DIN:00033569

*K. Ramachandra*

K.Ramachandra

Director

DIN:00060086

**MIDWEST GRANITE PRIVATE LIMITED**  
**Statement of Cash flows for the year ended March 31, 2022**

(All amounts in INR Lakhs, unless otherwise stated)

| Particulars  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--|--------------------------------------|--------------------------------------|
| <b>Cash flow from operating activities</b>   | 6,830.25                             | 5,072.00                             |
| <b>Profit before tax</b>   |                                      |                                      |
| Adjustments for:   |                                      |                                      |
| Depreciation and amortisation expense  | 1,259.99                             | 1,471.94                             |
| Finance costs  | 539.29                               | 499.27                               |
| (Profit)/Loss on sale of assets (net)  | (1.17)                               | 116.00                               |
| Unrealised foreign exchange (gain)/ loss (net)                                     | -                                    | 13.64                                |
| Net (gain)/loss arising on financial assets measured at FVTPL                      | (22.18)                              | (18.77)                              |
| Bad debts written off  | 7.65                                 | 29.99                                |
| Book deficit on assets discarded   | 22.98                                | 17.26                                |
| Provision for expected credit losses   | 34.73                                | 413.41                               |
| Provision for doubtful debts   | 372.67                               | 245.43                               |
| Loss on sale of Investments  | 123.43                               |                                      |
| Benefits accrued on Key Man insurances   | (51.61)                              | (100.44)                             |
| Provision no longer required written back  | (10.29)                              | (26.08)                              |
| Profit on redemption of non current investments                                    | -                                    | (25.00)                              |
| Fair value gain on foreign exchange forward contracts (net)                        | (23.00)                              | (25.48)                              |
| Provision for doubtful debts no longer required written back                       | -                                    | 3.01                                 |
| Balances written (back) / off (net)  | -                                    | (44.35)                              |
| Dividend income  | (0.51)                               | (0.06)                               |
| Interest income  | (142.94)                             | (49.34)                              |
| <b>Operating profit before working capital changes</b>                             | <b>8,939.29</b>                      | <b>7,592.43</b>                      |
| <b>Change in operating assets and liabilities</b>                                  |                                      |                                      |
| Trade receivables and other assets   | (1,833.35)                           | (735.30)                             |
| Inventories  | 4.27                                 | (1,243.13)                           |
| Trade payables, other liabilities and provisions                                   | 3,795.45                             | 1,119.79                             |
| <b>Cash generated from operating activities</b>                                    | <b>10,905.66</b>                     | <b>6,733.79</b>                      |
| Income tax paid  | (2,152.77)                           | (1,278.52)                           |
| <b>Net cash generated from operating activities</b>                                | <b>8,752.89</b>                      | <b>5,455.27</b>                      |
| <b>Cash flows from investing activities</b>  |                                      |                                      |
| Purchase of property, plant and equipment & Capital work in progress               | (4,139.19)                           | (3,042.98)                           |
| Sale proceeds from property, plant and equipment                                   | 410.91                               | 166.07                               |
| Sale proceeds from non current Investments   | 123.43                               | 154.96                               |
| Investment in Subsidiary   | (224.96)                             | (219.96)                             |
| Investment in Mutual Funds and other Companies                                     | (976.58)                             |                                      |
| Change in bank balances (having original maturity of more than three months) (net) | (1,774.32)                           | (2.38)                               |
| Interest received  | 46.50                                | 12.08                                |
| Loan given to subsidiaries and Other Parties                                       | (1,280.95)                           | (729.04)                             |
| Dividend income  | 0.51                                 | 0.06                                 |
| <b>Net cash ( outflow )from investing activities</b>                               | <b>(7,814.65)</b>                    | <b>(3,661.19)</b>                    |
| <b>Cash flows from financing activities</b>  |                                      |                                      |
| (Repayment)/ Proceeds of non current borrowings (net)                              | (451.22)                             | 1,155.62                             |
| (Repayment)/ Proceeds of current borrowings (net)                                  | 217.63                               | (969.61)                             |
| Payment of buyback of equity shares (including tax)                                | -                                    | (944.17)                             |
| Repayment of lease liability   | -                                    | (410.00)                             |
| Finance costs paid   | (543.24)                             | (509.70)                             |
| <b>Net cash inflow from financing activities</b>                                   | <b>(776.83)</b>                      | <b>(1,677.86)</b>                    |
| <b>Net (decrease) in cash and cash equivalents</b>                                 | <b>161.41</b>                        | <b>116.22</b>                        |
| Cash and cash equivalents at the beginning of the year                             | 385.03                               | 268.81                               |
| <b>Cash and cash equivalents at end of the year</b>                                | <b>546.44</b>                        | <b>385.03</b>                        |

**Notes:**

- The Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows.
- Taxes paid are treated as arising from operating activities.

The accompanying notes are an integral part of the financial statements

**As per our report of even date**

**For MAJETI & CO.,**

Chartered Accountants

Firm's Registration Number:015975S

*A.Kowshik*

Kowshik Anna

Partner

Membership Number : 244172

Hyderabad

December 23, 2022



**For and on behalf of Board**

*K.Ranganayakamma*

K.Ranganayakamma

Chairman

DIN:00033569

*K.Ramachandra*

K.Ramachandra

Director

DIN:00060086

# **MIDWEST GRANITE PRIVATE LIMITED**

## **Notes annexed to and forming part of the Financial Statements**

(All amounts in INR, unless otherwise stated)

### **1. Corporate Information**

- 1.1 Midwest Granite Private Limited (the Company or MGPL) is a Private limited company incorporated under the provisions of the erstwhile Companies Act, 1956 with the objectives of engaged in the business of (i)quarrying, manufacturing and processing and selling of Granite and; (ii) manufacturing of diamond wire rope; having its registered office at Hyderabad in the state of Telangana, India.
- 1.2 Midwest Granite Private Limited was incorporated on 11.12.1981.
- 1.3 These Standalone financial statements are approved and authorized for issue by the Board of Directors on December \_\_ 2022.

### **2. Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **2.1 Basis of Preparation of standalone financial statements**

##### **(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

##### **(ii) Historical cost convention**

The financial statements have been prepared as a going concern on accrual basis of accounting. The company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

##### **(iii) Merger**

The merger has been accounted for under 'Pooling of Interest Method' as prescribed under Appendix C of Indian Accounting Standard (Ind AS) 103 – Business Combinations. Accordingly, prior years' financial information in the financial statements have been restated. (refer Note 38 w.r.t. merger details)

##### **(iv) New standards and amendments**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

- a. Interest Rate Benchmark Reform - Phase 2 : Amendments to Ind AS 109 – Financial Instruments, Ind AS 107 – Financial Instruments : Disclosures, Ind AS 104 – Insurance Contracts and Ind AS 116 – Leases.
- b. Conceptual framework for financial reporting under Ind AS issued by ICAI
- c. Ind AS 103: Business combination
- d. Amendment to Ind AS 103- Business combination, Ind AS 116 - COVID-19 related rent concessions, Ind AS 105 - Non-current Assets held for sale and Discontinued Operations,



*[Handwritten signatures]*

## **MIDWEST GRANITE PRIVATE LIMITED**

### **Notes annexed to and forming part of the Financial Statements**

(All amounts in INR, unless otherwise stated)

Ind AS 16 – Property Plant and Equipment and Ind AS 28 – Investments in Associates and Joint Ventures.

These amendments had no impact on the financial statements of the Company

#### **(iv) Reclassification consequent to amendments to Schedule III**

The Ministry of Corporate Affairs amended the Schedule III to the companies Act,2013 on 24th March 2021 to increase the transparency and provide additional disclosure to users of financial statements. The amendments are effective from 01 April 2021.

Consequent to the above the company has classified current maturity of long-term borrowing borrowings (including interest accrued thereon) to short-term borrowing from other financial liability.

#### **(v) Current and non-current classification**

An asset is classified as current, if

- (i) It is expected to be realized or sold or consumed in the company's normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current, if

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be settled within twelve months after the reporting period;
- (iv) It has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per company's operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### **2.2 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. The Whole Time Director has been identified as the Chief Operating Decision Maker. Refer Note 35 for the segment information presented.

#### **2.3 Foreign currency transactions**

##### **a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). Indian Rupees is the functional currency of the company. The financial statements and all financial information are presented in Indian rupee (INR).



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## **MIDWEST GRANITE PRIVATE LIMITED**

### **Notes annexed to and forming part of the Financial Statements**

(All amounts in INR, unless otherwise stated)

#### **b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

#### **c) Derivatives**

The Company uses derivative financial instruments, such as forward exchange contracts to hedge its foreign currency risks. Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains/losses are recognised in Statement of Profit and Loss immediately.

#### **2.4 Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Estimation of expected credit loss on financial assets - Note 31(A) (I).
- Useful life of Property, Plant & Equipment - Note 2.7
- Recognition and measurement of defined benefit obligations - Note 2.16
- Estimation of current tax expense and payable
- Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19) - Note 31(D)

Estimates and judgements are continually evaluated. They are based on historical experience and other Factors, including expectations of future events that may have the financial impact of the company and that are believed to be reasonable under the circumstances. Estimates and judgements are continually evaluated. They are based on historical experience and other Factors, including expectations of future events that may have the financial impact of the company and that are believed to be reasonable under the circumstances.

#### **2.5 Revenue recognition**

##### **Sale of Products - Recognition & Measurement**

Revenue from the sale of products is recognised at the point in time when the products are delivered to the customer (as it is considered as that customer has obtained the control /



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## **MIDWEST GRANITE PRIVATE LIMITED**

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(All amounts in INR, unless otherwise stated)

legal title has been transferred) as per the terms of the contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's customers pay for products received in accordance with payment terms that are customary in the industry and do not have significant financing components.

For revenues disaggregated by geography and timing of recognition [refer note 20]

#### **Dividend Income**

Dividend income on investments is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in Other Income in the Statement of Profit and Loss.

#### **Interest Income**

Interest income on all financial assets measured at amortised cost, interest income is recognised using the effective interest rate (EIR) method, is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the expected credit loss).

#### **2.6 Leases**

##### **As a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that



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## **MIDWEST GRANITE PRIVATE LIMITED**

### **Notes annexed to and forming part of the Financial Statements**

(All amounts in INR, unless otherwise stated)

rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

#### **As a lessor**

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

## **2.7 Property, Plant and Equipment**

### **i) Recognition and measurement**

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

### **ii) Subsequent expenditure**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate in property, plant and equipment the cost of replacing part of such an item when the cost is incurred if the recognised criteria are met. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All



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## **MIDWEST GRANITE PRIVATE LIMITED**

### **Notes annexed to and forming part of the Financial Statements**

(All amounts in INR, unless otherwise stated)

other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### **iii) Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

#### **iv) Depreciation expense**

Depreciation is charged on straight line basis so as to write off the depreciable amount of the asset over the useful lives specified in Schedule II to the Act. The useful life of the assets is periodically reviewed and re-determined based on a technical evaluation and expected use.

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

Leasehold improvements and Leasehold Land are amortised over the lease period. Deprecation is provided at one hundred percent for assets costing less than Rs.5000/-

### **2.8 Intangible assets and amortization**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

| <b>Nature of Asset</b> | <b>Useful Life</b> |
|------------------------|--------------------|
| Software               | 3 Years            |

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### **2.9 Financial Instruments**

#### **Classification, initial recognition and measurement**

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

##### **(i) Financial Assets**

###### **Classification:**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.



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## MIDWEST GRANITE PRIVATE LIMITED

### Notes annexed to and forming part of the Financial Statements

(All amounts in INR, unless otherwise stated)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### At initial recognition

The Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### Subsequent measurement - Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- i. **At amortised cost:** Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.
- ii. **At fair value through other comprehensive income (FVOCI):** Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payment of principle and interest on the principle amount outstanding and selling financial assets.
- iii. **At fair value through profit or loss (FVTPL):** Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.

#### Investments in subsidiaries, joint ventures and associates

Investment in subsidiaries, Joint ventures and associates are measured at cost less impairment loss, if any.

#### Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.



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## **MIDWEST GRANITE PRIVATE LIMITED**

### **Notes annexed to and forming part of the Financial Statements**

(All amounts in INR, unless otherwise stated)

#### **Cash and cash equivalents**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **(ii) Financial liabilities**

##### **Classification, initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

##### **Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

##### **Trade and other payables**

Trade and other payables represent liabilities for goods and services prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

##### **Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

##### **Derecognition of financial instruments**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial



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## **MIDWEST GRANITE PRIVATE LIMITED**

### **Notes annexed to and forming part of the Financial Statements**

(All amounts in INR, unless otherwise stated)

asset the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. On de-recognition of a financial liability the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

#### **Offsetting financial instruments**

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

#### **Financial guarantee contracts**

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee or the estimated amount that would be payable to a third party for assuming the obligations.

#### **As Guarantor**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

#### **As Beneficiary**

Financial guarantee contracts are recognised as a financial asset at the time the guarantee is taken. The asset is initially measured at fair value and subsequently amortised over the guarantee period.

Where guarantees in relation to loans or other payables are provided by company for no compensation, the fair values are accounted for as contributions and recognised as part of equity.

#### **2.10 Impairment of Assets**

##### **Financial assets**

The Company assesses at each date of balance sheet impairment, if any, of a financial asset or a group of financial assets. The company uses, in accordance with Ind AS 109, 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). Expected credit losses are measured through a loss allowance at an amount equal to: The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or Full lifetime



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## MIDWEST GRANITE PRIVATE LIMITED

### Notes annexed to and forming part of the Financial Statements

(All amounts in INR, unless otherwise stated)

expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

**For trade receivables** Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

**For other assets**, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### Non-financial assets

Property, Plant and Equipment with finite life are evaluated for recoverability when there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and impairment loss is recognised in the profit or loss.

#### 2.11 Equity instruments

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

#### 2.12 Inventories

Stores and spares are valued at lower of cost, calculated on weighted average basis, and net realisable value.

Finished goods, Stock-in-trade and work-in-progress are valued at lower of cost and net realisable value. Cost includes materials, direct labour, other direct costs and appropriate portion of variable and fixed overhead expenditure, computed on normal capacity. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value.

#### 2.13 Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemptions in accordance with the prevailing tax laws for the year.

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



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## **MIDWEST GRANITE PRIVATE LIMITED**

### **Notes annexed to and forming part of the Financial Statements**

(All amounts in INR, unless otherwise stated)

Current tax assets and current tax liabilities are presented in the statement of financial position after off-setting the taxes paid or deemed to be paid and current income tax expenses for the year.

#### **Deferred income taxes**

Deferred tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow total or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

Deferred tax assets and liabilities are offset when it relates to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis

#### **2.14 Provisions, contingent liabilities and contingent asset**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability



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# MIDWEST GRANITE PRIVATE LIMITED

## Notes annexed to and forming part of the Financial Statements

(All amounts in INR, unless otherwise stated)

that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 2.15 Employee benefits

#### (i) Short term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### (ii) Other long-term employee benefit obligations

The liabilities for accumulating compensated absences not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of expected future payments to be made in respect of services provided using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

##### (a) Defined benefit plans-Gratuity obligations

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

##### (b) Defined contribution plans

Provident Fund: The Company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the



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## **MIDWEST GRANITE PRIVATE LIMITED**

### **Notes annexed to and forming part of the Financial Statements**

(All amounts in INR, unless otherwise stated)

contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

State Plans: Employer's contribution to Employee State Insurance plan is charged to Statement of Profit and Loss as and when due.

#### **2.16 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, and not distributed on or before the end of the reporting period. Dividend is recognised as a liability in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

#### **2.17 Earnings per share**

Basic earnings per share are calculated by dividing the profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For calculating diluted earnings per share, the profit or loss after tax for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### **2.18 Commitments**

Commitments include bonds executed with external authorities.

#### **2.19 Rounding of amounts**

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

#### **2.20 Recent accounting pronouncements (Standards issued but not yet effective)**

##### **Ind AS 16 – Property Plant and equipment**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

##### **Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets**

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

##### **Ind AS 103: Business combination**

The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities



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MIDWEST GRANITE PRIVATE LIMITED

Notes to the Financial statements

(All amounts in INR Lakhs, unless otherwise stated)

Note 3: Property, plant and equipment (Own Assets)

|  | Free hold Land<br>(Refer note ii<br>below) | Improvements<br>to Leasehold<br>Premises | Buildings     | Plant and<br>Equipment | Mining<br>Equipment | Furniture<br>and<br>Fixtures | Vehicles      | Office<br>Equipment | Electrical<br>Installation | Computers    | Water<br>works | Total            | Capital work-in-<br>progress |
|--|--|--|---------------|------------------------|---------------------|------------------------------|---------------|---------------------|----------------------------|--------------|----------------|------------------|------------------------------|
| <b>Year ended March 31, 2021</b>                   |  |  |               |                        |                     |                              |               |                     |                            |              |                |                  |                              |
| <b>Gross carrying amount</b>                       |  |  |               |                        |                     |                              |               |                     |                            |              |                |                  |                              |
| Opening Gross carrying amount                      | 8,247.07                                   | 176.60                                   | 689.05        | 602.71                 | 7,612.31            | 166.36                       | 755.01        | 173.54              | 337.27                     | 95.33        | 61.87          | 18,917.12        | 400.11                       |
| Adjustment on account of Merger(Refer Note No. 38) | -  | 19.34                                    | -             | 418.39                 | -                   | 14.19                        | 16.70         | 18.53               | 6.38                       | 3.51         | -              | 497.04           | -                            |
| Additions  | 129.47                                     | -  | 4.00          | 24.55                  | 2,262.02            | 15.03                        | 27.37         | 6.09                | 79.57                      | 11.91        | 18.62          | 2,578.63         | 194.53                       |
| Disposals/Discard                                  | 4.19                                       | -  | -             | -                      | 995.09              | 0.09                         | 16.30         | 0.05                | 0.20                       | 31.72        | 0.03           | 1,047.67         | -                            |
| Closing gross carrying amount                      | 8,372.35                                   | 195.94                                   | 693.05        | 1,045.65               | 8,879.24            | 195.49                       | 782.78        | 198.11              | 423.02                     | 79.03        | 80.46          | 20,945.12        | 594.64                       |
| <b>Accumulated depreciation</b>                    |  |  |               |                        |                     |                              |               |                     |                            |              |                |                  |                              |
| Opening accumulated depreciation                   | -  | 56.33                                    | 221.82        | 435.20                 | 2,428.23            | 114.38                       | 380.61        | 124.58              | 162.05                     | 78.72        | 20.77          | 4,022.69         | -                            |
| Adjustment on account of Merger(Refer Note No. 38) | -  | 4.62                                     | -             | 202.62                 | -                   | 3.14                         | 4.76          | 11.26               | 3.11                       | 2.30         | -              | 231.81           | -                            |
| Depreciation charge during the year                | -  | 17.75                                    | 17.58         | 54.18                  | 847.13              | 8.85                         | 66.89         | 16.76               | 28.13                      | 7.95         | 4.07           | 1,069.29         | -                            |
| Disposals/Discard                                  | -  | -  | -             | -                      | 709.21              | 0.09                         | 8.67          | 0.05                | 0.19                       | 30.13        | -              | 748.34           | -                            |
| Closing accumulated depreciation                   | -  | 78.70                                    | 239.40        | 692.00                 | 2,566.15            | 126.28                       | 443.59        | 152.55              | 193.10                     | 58.84        | 24.84          | 4,575.45         | -                            |
| <b>Net carrying amount as at March 31, 2021</b>    | <b>8,372.35</b>                            | <b>117.24</b>                            | <b>453.65</b> | <b>353.65</b>          | <b>6,313.09</b>     | <b>69.21</b>                 | <b>339.19</b> | <b>45.56</b>        | <b>229.92</b>              | <b>20.19</b> | <b>55.62</b>   | <b>16,369.67</b> | <b>594.64</b>                |
| <b>Year ended March 31, 2022</b>                   |  |  |               |                        |                     |                              |               |                     |                            |              |                |                  |                              |
| <b>Gross carrying amount</b>                       |  |  |               |                        |                     |                              |               |                     |                            |              |                |                  |                              |
| Opening Gross carrying amount                      | 8,372.35                                   | 195.94                                   | 693.05        | 1,045.65               | 8,879.24            | 195.49                       | 782.78        | 198.11              | 423.02                     | 79.03        | 80.46          | 20,945.12        | 594.64                       |
| Additions  | 647.75                                     | -  | 470.11        | 317.14                 | 1,545.62            | 5.49                         | 30.36         | 6.81                | 39.19                      | 9.69         | 14.24          | 3,086.40         | 848.10                       |
| Disposals/Discard                                  | -  | -  | -             | 213.68                 | 718.29              | -                            | 100.20        | 16.79               | -                          | 33.99        | -              | 1,082.95         | 594.64                       |
| Closing gross carrying amount                      | 9,020.10                                   | 195.94                                   | 1,163.16      | 1,149.11               | 9,706.57            | 200.98                       | 712.94        | 188.13              | 462.21                     | 54.73        | 94.70          | 22,948.57        | 848.10                       |
| <b>Accumulated depreciation</b>                    |  |  |               |                        |                     |                              |               |                     |                            |              |                |                  |                              |
| Opening accumulated depreciation                   | -  | 78.70                                    | 239.40        | 692.00                 | 2,566.15            | 126.28                       | 443.59        | 152.55              | 193.10                     | 58.84        | 24.84          | 4,575.45         | -                            |
| Additions  | -  | 17.75                                    | 31.14         | 65.87                  | 993.17              | 9.21                         | 57.71         | 17.21               | 32.06                      | 9.12         | 4.91           | 1,238.15         | -                            |
| Disposals/Discard                                  | -  | -  | -             | 192.02                 | 326.18              | -                            | 83.63         | 16.08               | -                          | 32.33        | -              | 650.24           | -                            |
| Closing accumulated depreciation                   | -  | 96.45                                    | 270.54        | 565.85                 | 3,233.14            | 135.49                       | 417.67        | 153.68              | 225.16                     | 35.63        | 29.75          | 5,163.36         | -                            |
| <b>Net carrying amount as at March 31, 2022</b>    | <b>9,020.10</b>                            | <b>99.49</b>                             | <b>892.62</b> | <b>583.26</b>          | <b>6,473.43</b>     | <b>65.49</b>                 | <b>295.27</b> | <b>34.45</b>        | <b>237.05</b>              | <b>19.10</b> | <b>64.95</b>   | <b>17,785.21</b> | <b>848.10</b>                |

Notes to Property, plant and equipment

1) Refer note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

2) Refer note 39 for information on property, plant and equipment provided as security by the company.



**MIDWEST GRANITE PRIVATE LIMITED**

Notes to the Financial statements

(All amounts in INR Lakhs, unless otherwise stated)

**3) Aging of capital work-in-progress as at March 31,2022**

|                                    | Amount in capital work-in-progress for |            |           |                      |               |
|------------------------------------|--|------------|-----------|----------------------|---------------|
|                                    | Less than<br>1 Year                    | 1- 2 Years | 2-3 years | More than<br>3 Years | Total         |
| (a) Projects in Progress           | 848.10                                 | -          | -         | -                    | <b>848.10</b> |
| (b) Projects temporarily Suspended | -                                      | -          | -         | -                    | <b>848.10</b> |

**4) Aging of capital work-in-progress as at March 31,2021**

|                                    | Amount in capital work-in-progress for |            |           |                      |               |
|------------------------------------|--|------------|-----------|----------------------|---------------|
|                                    | Less than<br>1 Year                    | 1- 2 Years | 2-3 years | More than<br>3 Years | Total         |
| (a) Projects in Progress           | 194.53                                 | 239.11     | 154.58    | 6.42                 | <b>594.64</b> |
| (b) Projects temporarily Suspended | -                                      | -          | -         | -                    | <b>594.64</b> |

5)The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

| Description   | Gross carrying value    |                         | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter / director | Property held since which date  | Reason for not being held in the name of the company   |
|---------------|-------------------------|-------------------------|---------------------------------|--|---|--|
|               | As at<br>March 31, 2022 | As at<br>March 31, 2021 |                                 |  |   |  |
| FreeHold Land | 27.16                   | 27.16                   | 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 |
|               | 39.33                   | 39.33                   | Yarra Agro Estates pvt ltd      | No   |   |  |
|               | 132.98                  | 132.98                  | Reliance Granite pvt ltd        | No   |   |  |
|               | 14.70                   | 14.70                   | Victorian granite pvt ltd       | No   |   |  |
|               | 1.75                    | 1.75                    | Ind Natali Granite Limited      | No   |   |  |
|               | 121.38                  | 121.38                  | Opusasia Technologies pvt ltd   | No   |   |  |
|               | 7.47                    | 7.47                    | Not Applicable                  | No   | From FY 2001- From FY 2002- From FY 2006- From FY 2009- From FY 2011- | Title Deeds not available with the Company   |
|               | 0.51                    | 0.51                    |                                 | No   |   |  |
|               | 2.91                    | 2.91                    |                                 | No   |   |  |
|               | 4.00                    | 4.00                    |                                 | No   |   |  |
|               | 2.00                    | 2.00                    |                                 | No   |   |  |
| <b>Total*</b> | <b>354.19</b>           | <b>354.19</b>           |                                 |  |   |  |

\*Gross Carrying value excludes Revaluation Reserve



*[Handwritten signatures]*

MIDWEST GRANITE PRIVATE LIMITED

Notes to the Financial statements

(All amounts in INR Lakhs, unless otherwise stated)

**Note 4A: Intangible Assets (Own Assets)**

|  | Software     |
|--|--------------|
| <b>Year ended March 31, 2021</b>                           |              |
| <b>Gross carrying amount</b>                               |              |
| Opening Gross carrying amount                              | 62.01        |
| <b>Closing gross carrying amount</b>                       | <b>62.01</b> |
| <b>Accumulated depreciation</b>                            |              |
| Opening accumulated depreciation                           | 58.15        |
| Depreciation charge during the year                        | 0.43         |
| <b>Closing accumulated depreciation</b>                    | <b>58.58</b> |
| <b>Net carrying amount as at March 31, 2021</b>            | <b>3.43</b>  |
| <b>Year ended March 31, 2022</b>                           |              |
| <b>Gross carrying amount</b>                               |              |
| Opening Gross carrying amount                              | 62.01        |
| Additions during the year                                  | -            |
| <b>Closing gross carrying amount</b>                       | <b>62.01</b> |
| <b>Accumulated depreciation</b>                            |              |
| Opening accumulated depreciation                           | 58.58        |
| Depreciation charge during the year                        | 0.33         |
| <b>Closing accumulated depreciation</b>                    | <b>58.91</b> |
| <b>Net carrying amount as at year ended March 31, 2022</b> | <b>3.10</b>  |

**Note: 4B Right of use assets**

| Particulars                                     | Land          | Mining Equipment | Total           |
|---|---------------|------------------|-----------------|
| <b>Year ended March 31, 2021</b>                | 427.26        | 826.48           | 1,253.74        |
| Additions                                       | -             | -                | -               |
| <b>Closing gross carrying amount</b>            | <b>427.26</b> | <b>326.48</b>    | <b>1,253.74</b> |
| <b>Accumulated depreciation</b>                 | 21.51         | 445.77           | 467.28          |
| Depreciation for the year                       | 21.51         | 380.71           | 402.22          |
| <b>Closing accumulated depreciation</b>         | <b>43.02</b>  | <b>826.48</b>    | <b>869.50</b>   |
| <b>Net carrying amount as at March 31, 2021</b> | <b>384.24</b> | -                | <b>384.24</b>   |
| <b>Year ended March 31, 2022</b>                | 427.26        | -                | 427.26          |
| Additions                                       | -             | -                | -               |
| <b>Closing gross carrying amount</b>            | <b>427.26</b> | -                | <b>427.26</b>   |
| <b>Accumulated depreciation</b>                 | 43.02         | -                | 43.02           |
| Depreciation for the year                       | 21.51         | -                | 21.51           |
| <b>Closing accumulated depreciation</b>         | <b>64.53</b>  | -                | <b>64.53</b>    |
| <b>Net carrying amount as at March 31, 2022</b> | <b>362.73</b> | -                | <b>362.73</b>   |

The Company has entered into leases for its mining Equipment and leasehold lands. Lease of Mining Equipment's are generally have lease terms of 3 years and lands generally have lease terms of 33 years.

The Company also has certain leases of buildings and mining equipment with lease terms of 12 months or less and lease of office equipment's with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these. The weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 7.75%.

**Note: 4C Lease liability**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Opening Balances of Lease Liability</b> | -                       | 395.44                  |
| Accretion of interest                      | -                       | 14.56                   |
| Payments                                   | -                       | (410.00)                |
| <b>Closing Balances Lease Liability</b>    | -                       | -                       |

Refer significant accounting policies for approach followed by the Company for transition to Ind AS 116.

- a) There are no restrictions or covenants imposed by leases.
- b) Refer note 26 for rental expense recorded for short-term leases and low value leases for the year ended 31 March 2022 and for the year ended 31 March 2021.
- c) There are no amounts payable toward variable lease expense recognised for the year ended 31 March 2022 and for the year ended 31 March 2021.
- d) The maturity analysis of lease liabilities are disclosed in note .
- e) There are no leases which have not yet commenced to which the lessee is committed (if any).



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 5: Non-Current Investments**

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Investment in equity instruments (Unquoted):</b>   |                         |                         |
| <b>-In Subsidiaries (at cost unless stated otherwise)</b>                                   |                         |                         |
| Reliance Diamond Tools Private Limited  |                         |                         |
| 23,50,000 (2021: 23,50,000) Equity Shares of Srilankan Rs.10/- each, fully paid             | 103.40                  | 103.40                  |
| Andhra Pradesh Granite (Midwest) Private Limited  |                         |                         |
| 84,99,990 (2021: 84,99,990) Equity Shares of Rs.10/- each, fully paid                       | 850.00                  | 850.00                  |
| BEML Midwest Limited  |                         |                         |
| 66,17,200 (2021: 66,17,200) Equity Shares of Rs.10/- each                                   | 661.72                  | 661.72                  |
| Less: Impairment in value of investment   | (661.72)                | (661.72)                |
| Midwest Holdings Limited  |                         |                         |
| 18,79,514 (2021: 18,79,514) Equity Shares of GBP 1/- each, fully paid                       | 1,301.18                | 1,301.18                |
| Amaya Smart Technologies Private Limited  |                         |                         |
| 9,77,499 (2021: 9,79,499) Equity Shares of Rs.10/- each, fully paid                         | 97.75                   | 97.75                   |
| Less: Impairment in value of investment   | (97.75)                 | (97.75)                 |
| Midwest Neostone Private Limited  |                         |                         |
| 87,10,000 (2021: 82,50,000) Equity Shares of Rs.10/- each, fully paid                       | 871.00                  | 871.00                  |
| Midwest Mining Private Limited  |                         |                         |
| 9,99,790 (2021: 9,99,790) Equity Shares of Rs.10/- each, fully paid                         | -                       | -                       |
| Less: Impairment in value of investment   | -                       | (10.29)                 |
| Midwest Quartz Private Limited  |                         |                         |
| 1,49,990 (2021: Nil) Equity Shares of Rs.10/- each, fully paid                              | 15.00                   | -                       |
| Astral Granite Private Limited  |                         |                         |
| 1,49,990 (2021: Nil) Equity Shares of Rs.10/- each, fully paid                              | 208.46                  | -                       |
| <b>-In Joint venture (at cost unless stated otherwise):</b>                                 |                         |                         |
| South Coast Infrastructure Development Company of Andhra Pradesh Limited                    |                         |                         |
| 25,000 (2021: 25,000) Equity Shares of Rs.10/- each, fully paid                             | 2.50                    | 2.50                    |
| <b>SMW Granites LLP (at cost unless stated otherwise)</b>                                   |                         |                         |
| <b>Name of the Partner - Share in Profit (%)</b>  |                         |                         |
| Midwest Granite Private Limited - 50%   |                         |                         |
| Srikanth Daliya -50%  |                         |                         |
| <b>Total Capital of the LLP - Rs.80,00,000</b>  |                         |                         |
| <b>Investment in equity instruments (Quoted):</b>   |                         |                         |
| <b>-In Subsidiaries (at cost unless stated otherwise)</b>                                   |                         |                         |
| Midwest Gold Limited  |                         |                         |
| 23,09,500 (2021: 23,09,500) Equity Shares of Rs.10 each, fully paid                         | 224.09                  | 224.09                  |
| <b>-In Other Companies (at fair value through Profit and loss):</b>                         |                         |                         |
| Aditya Birla Fashion and Retail Limited   |                         |                         |
| 5,200 (2021: 5,200) Equity shares of Rs.10/- each, fully paid                               | 15.70                   | 10.47                   |
| Grasim Industries Limited   |                         |                         |
| 1,500 (2021: 1,500) Equity shares of Rs.2/- each, fully paid                                | 24.97                   | 21.78                   |
| Aditya Birla Capital Limited  |                         |                         |
| 2,100 (2021: 2,100) Equity shares of Rs.10/- each, fully paid                               | 2.26                    | 2.51                    |
| <b>-In Mutual Funds (at fair value through Profit and loss):</b>                            |                         |                         |
| Reliance ETF Liquid BeES - Kotak Demat A/c  |                         |                         |
| 19484.706 Units of Rs.1000/- each, fully paid   | 24.98                   | -                       |
| Kotak Pre IPO Opportunities Fund - Investment   |                         |                         |
| 2501.031 Units of Rs.1000/- each, fully paid  | 208.87                  | -                       |
| <b>-In Other Companies (at cost unless stated otherwise)</b>                                |                         |                         |
| National Stock Exchange Ltd   |                         |                         |
| 5500 Equity shares of Rs.1/- each, fully paid   | 156.75                  | -                       |
| Midwest Energy Private Limited  |                         |                         |
| 1,000 (2021: 2,70,080) Equity shares of Rs.10/-each, fully paid                             | 0.10                    | 246.97                  |
| <b>Investment in preference shares (Unquoted):</b>  |                         |                         |
| <b>-In Subsidiaries (at cost unless stated otherwise)</b>                                   |                         |                         |
| Midwest Energy Private Limited - Preference Shares of Rs.100 each (6,00,000Nos)             |                         |                         |
| 60,00,000 9% Non-Cumulative Preference Shares of Rs.10/- each, fully paid                   | 600.00                  | -                       |
| Midwest Holdings Limited  |                         |                         |
| 47,93,911 (2021: 47,93,911) 14% Non- Cumulative Preference Shares of USD 1 each, fully paid | 3,178.62                | 3,178.62                |



*[Handwritten signatures]*

**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Investment in LLP (Unquoted):</b>                       |                         |                         |
| -In Subsidiaries (at cost unless stated otherwise)         |                         |                         |
| Deccan Silica LLP  | 64.67                   | 63.17                   |
| <b>Name of the Partner - Share in Profit (%)</b>           |                         |                         |
| Midwest Granite Private Limited -75%                       |                         |                         |
| Rama Raghava Reddy Kollareddy -20.50%                      |                         |                         |
| Ravindra Reddy Guntaka -2.25%                              |                         |                         |
| M.V.V.Nagi Reddy -2.25%                                    |                         |                         |
| <b>Total Capital of the LLP -Rs. 73,48,095/-</b>           |                         |                         |
| <b>Investment in partnership firms (Unquoted):</b>         |                         |                         |
| (at cost unless stated otherwise)                          |                         |                         |
| Baahula Minerals   | 20.00                   | 20.00                   |
| <b>Name of the Partner -Share in Profit (%)</b>            |                         |                         |
| Suman Madhavarapu -25%                                     |                         |                         |
| Maithesh Rao Tannera -25%                                  |                         |                         |
| Midwest Granite Private Limited -50%                       |                         |                         |
| <b>Total Capital of the firm -Rs.40,00,000/-</b>           |                         |                         |
| <b>Total Non-current investments</b>                       | <b>7,912.55</b>         | <b>6,925.40</b>         |
| Market value of quoted investments (Other than Subsidiary) | 276.78                  | 34.76                   |
| Aggregate carrying amount of unquoted investments          | 8,171.15                | 7,436.31                |
| Aggregate amount of impairment                             | 759.47                  | 769.76                  |
| Aggregate amount of quoted investments                     | 224.92                  | 224.92                  |

Note:5(i) Carrying value of investment in equity shares all subsidiaries, it is at the cost of acquisition.

**Note 6: Other Non Current Financial Assets**

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| (Unsecured , Considered good)                    |                         |                         |
| Keyman Insurance premium and benefits receivable | 930.65                  | 841.93                  |
| CST receivable                                   | 0.76                    | 15.93                   |
| <b>Total Other Non Current Financial Assets</b>  | <b>931.41</b>           | <b>857.86</b>           |

**Note 7: Deferred tax Assets / (Liabilities) (net)**

The balance comprises temporary differences attributable to:

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Deferred tax asset:</b>                           |                         |                         |
| Arising on account of temporary differences in:      | (358.12)                | (288.02)                |
| Deferred tax asset:                                  | 631.40                  | 531.48                  |
| <b>Net deferred tax assets / (liabilities) (net)</b> | <b>273.28</b>           | <b>243.46</b>           |

**Note 7 (a): Deferred tax Assets / (Liabilities) (net)**

The balance comprises temporary differences attributable to:

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Deferred tax liability:</b>                       |                         |                         |
| Arising on account of temporary differences in:      |                         |                         |
| Property, plant and equipment                        | (113.08)                | (66.87)                 |
| Keyman insurance premium and benefits receivable     | (234.23)                | (212.40)                |
| Financial assets measured at FVTPL                   | (10.81)                 | (8.75)                  |
|  | <b>(358.12)</b>         | <b>(288.02)</b>         |
| <b>Deferred tax asset:</b>                           |                         |                         |
| Expenses allowable on the basis of payment           | 81.27                   | 79.73                   |
| Provision for impairment of investments              | 191.14                  | 193.73                  |
| Provision for expected credit loss allowances        | 124.58                  | 119.28                  |
| Provision for doubtful debts                         | 152.21                  | 60.52                   |
| Provision for gratuity                               | 82.20                   | 78.22                   |
|  | <b>631.40</b>           | <b>531.48</b>           |
| <b>Net deferred tax assets / (liabilities) (net)</b> | <b>273.28</b>           | <b>243.46</b>           |

**Note 7(b): Reconciliation of deferred tax Assets (net)**

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Opening balance</b>  | <b>243.46</b>           | <b>67.20</b>            |
| Adjustment on account of Merger(Refer Note No. 38)            | -                       | (17.51)                 |
| Tax (income)/expense recognised in profit and loss            | 31.82                   | 188.09                  |
| Tax (income)/expense recognised in other comprehensive income | (2.00)                  | 5.63                    |
| <b>Deferred tax Asset (net)</b>                               | <b>273.28</b>           | <b>243.46</b>           |



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**MIDWEST GRANITE PRIVATE LIMITED**  
**Notes to the Financial statements**  
 (All amounts in INR Lakhs, unless otherwise stated)

**Note 8: Other Assets**

**(i) Non-current assets**

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| (Unsecured , Considered good)                        |                         |                         |
| Capital advances                                     |                         |                         |
| Considered good                                      | 1,792.79                | 1,280.19                |
| Considered doubtful                                  | 407.17                  | 34.50                   |
| Less : Provision for doubtful advances               | (407.17)                | (34.50)                 |
| <b>Advances other than capital advances:</b>         |                         |                         |
| Security deposits                                    | 572.15                  | 400.12                  |
| Prepaid income tax (Net of provision for income tax) | 584.23                  | 584.60                  |
| Other receivables                                    |                         |                         |
| Considered good                                      | 13.34                   | 14.47                   |
| Considered doubtful                                  | 65.00                   | 65.00                   |
| Less : Provision for doubtful advances               | (65.00)                 | (65.00)                 |
| <b>Total other non-current assets</b>                | <b>2,962.51</b>         | <b>2,279.38</b>         |

**(ii) Current Assets**

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| (Unsecured , Considered good)                     |                         |                         |
| <b>Advances other than capital advances:</b>      |                         |                         |
| Balances with government authorities              |                         |                         |
| Considered good                                   | 1,280.35                | 1,075.89                |
| Considered doubtful                               | 53.94                   | -                       |
| Less : Provision for doubtful advances            | (53.94)                 | -                       |
| Prepaid expenses                                  | 248.48                  | 315.14                  |
| Supplier Advances (goods, services and expenses ) |                         |                         |
| Considered good                                   | 1,329.72                | 1,046.26                |
| Considered doubtful                               | 140.98                  | 140.98                  |
| Less : Provision for doubtful advances            | (140.98)                | (140.98)                |
| <b>Total other current assets</b>                 | <b>2,858.55</b>         | <b>2,437.29</b>         |

**Note 9: Inventories (Valued at Lower of cost and net realisable value )**

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Raw Material                            | 167.50                  | 181.35                  |
| Work-in-progress                        | 22.97                   | 370.12                  |
| Finished goods                          | 2,120.03                | 2,054.08                |
| Stores and spares                       | 1,062.38                | 771.60                  |
| <b>Total inventories</b>                | <b>3,372.88</b>         | <b>3,377.15</b>         |
| <b>Included above, stock-in-transit</b> |                         |                         |
| Finished goods                          | 1,339.42                | 1,541.38                |

Note 9 (a): Inventories are hypothecated as security against working capital borrowings. (Refer Note :39)

Note 9(b): The quarterly returns or statements filed by the company with such banks are in agreement with the books of account other than those as set out below

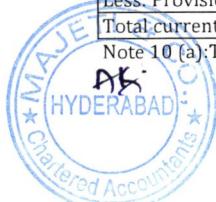
|   |  |                       |                   |                |
|---|--|-----------------------|-------------------|----------------|
| Name of the Bank                                    | HDFC Bank Limited  |                       |                   |                |
| Aggregate working capital limits sanctioned         | 5242.00 Lakhs  |                       |                   |                |
| Nature of Current Asset offered as Security         | Refer Note 15.2  |                       |                   |                |
| Quarter ended                                       | June 30,<br>2021   | September<br>30, 2021 | December 31, 2021 | March 31, 2022 |
| Amount disclosed as per quarterly return/ statement | 2,521.71   | 1,701.85              | 1,867.58          | 5,440.89       |
| Amount as per books of account                      | 2,452.64   | 1,682.51              | 1,869.68          | 5,384.11       |
| Difference  | 69.07  | 19.34                 | (2.10)            | 56.78          |
| Reasons for difference                              | On Account of pending Reconciliation of customer balances at the time of submitting returns to the Bank. |                       |                   |                |

**Note 10: Trade receivables**

**(i) Current**

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Trade receivables from contract with customer - Billed      | 3,340.32                | 2,121.07                |
| Trade receivables from contract with customer - Unbilled    | -                       | -                       |
| Less: Provision for expected credit loss (Refer Note:31(A)) | (495.00)                | (460.27)                |
| <b>Total current trade receivables</b>                      | <b>2,845.32</b>         | <b>1,660.80</b>         |

Note 10 (a): Trade Receivables are hypothecated with banks as security towards working capital borrowings. (Refer Note :39)



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 10 (b): Break-up of security details**

|  |  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|--|-------------------------|-------------------------|
| Secured, considered good               |  |                         |                         |
| Unsecured, considered good             |  | 2,845.32                | 1,660.80                |
| Doubtful                               |  | 495.00                  | 460.27                  |
| <b>Total</b>                           |  | <b>3,340.32</b>         | <b>2,121.07</b>         |
| Less: Expected credit loss allowances  |  | (495.00)                | (460.27)                |
| <b>Total Current trade receivables</b> |  | <b>2,845.32</b>         | <b>1,660.80</b>         |

**Note 10(c): Trade Receivables ageing as at March 31, 2022**

| Particulars          | Not Due and Unbilled | Outstanding for following periods from due date of payment |                   |          |           |                  |        | Total           |
|----------------------|----------------------|--|-------------------|----------|-----------|------------------|--------|-----------------|
|                      |                      | Less than 6 Months   | 6 months - 1 Year | 1-2 year | 2-3 Years | More than 3 year |        |                 |
| <b>Undisputed</b>    |                      |  |                   |          |           |                  |        |                 |
| -Considered good     | 1,165.90             | 1,213.25   | 115.25            | 119.59   | 40.65     | 190.68           |        | <b>2,845.32</b> |
| -Considered doubtful | 0.47                 | -  | 4.75              | 1.50     | 9.26      | 35.93            |        | <b>51.91</b>    |
| -Credit impaired     | -                    | -  | -                 | -        | -         | -                |        | -               |
| <b>Disputed</b>      |                      |  |                   |          |           |                  |        |                 |
| -Considered good     | -                    | -  | -                 | -        | -         | -                |        | -               |
| -Considered doubtful | -                    | -  | -                 | -        | -         | -                | 443.09 | <b>443.09</b>   |
| -Credit impaired     | -                    | -  | -                 | -        | -         | -                | -      | -               |

**Note 10(d): Trade Receivables ageing as at March 31, 2021**

| Particulars          | Not Due and Unbilled | Outstanding for following periods from due date of payment |                   |          |           |                  |  | Total           |
|----------------------|----------------------|--|-------------------|----------|-----------|------------------|--|-----------------|
|                      |                      | Less than 6 Months   | 6 months - 1 Year | 1-2 year | 2-3 Years | More than 3 year |  |                 |
| <b>Undisputed</b>    |                      |  |                   |          |           |                  |  |                 |
| -Considered good     | 797.54               | 483.07   | 95.81             | 63.17    | 2.45      | 218.76           |  | <b>1,660.80</b> |
| -Considered doubtful | -                    | 2.14   | -                 | 7.55     | 99.14     | 141.67           |  | <b>250.50</b>   |
| -Credit impaired     | -                    | -  | -                 | -        | -         | -                |  | -               |
| <b>Disputed</b>      |                      |  |                   |          |           |                  |  |                 |
| -Considered good     | -                    | -  | -                 | -        | -         | -                |  | -               |
| -Considered doubtful | -                    | -  | -                 | -        | -         | 209.77           |  | <b>209.77</b>   |
| -Credit impaired     | -                    | -  | -                 | -        | -         | -                |  | -               |

**Note 11: Cash and cash equivalents**

|  |  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|--|-------------------------|-------------------------|
| Balances with banks                    |  |                         |                         |
| -in Current Accounts                   |  | 542.95                  | 381.49                  |
| Cash on hand                           |  | 3.49                    | 3.54                    |
| <b>Total cash and cash equivalents</b> |  | <b>546.44</b>           | <b>385.03</b>           |

\*There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

**Note 12: Bank balances other than cash and cash equivalents**

|   |  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|--|-------------------------|-------------------------|
| In fixed deposits with original maturity of more than three months but less than twelve months                          |  |                         |                         |
| Balances with banks to the extent held as Margin money (On Letter of credit and Bank Guarantees issued by bank, etc., ) |  | 1,836.98                | 20.05                   |
| <b>Total Bank balances other than cash and cash equivalents</b>   |  | <b>1,864.16</b>         | <b>83.19</b>            |

**Note 13(i): Loans**

|   |  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|--|-------------------------|-------------------------|
| <b>Unsecured, considered good*</b>      |  |                         |                         |
| Loan to related parties(Refer note: 37) |  | 2,597.26                | 2,084.25                |
| Loans to other than related parties     |  | 857.73                  |                         |
| <b>Total Current loans</b>              |  | <b>3,454.99</b>         | <b>2,084.25</b>         |

\*Financial assets carried at amortised cost

**Note 13 (ii) : Others**

|  |  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|--|-------------------------|-------------------------|
| <b>Unsecured, considered good</b>            |  |                         |                         |
| Foreign Currency Forward Contract Receivable |  | 48.48                   | 25.48                   |
| <b>Total Others</b>                          |  | <b>48.48</b>            | <b>25.48</b>            |



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**MIDWEST GRANITE PRIVATE LIMITED**  
**Notes to the Financial statements**  
 (All amounts in INR Lakhs, unless otherwise stated)

**Note 14 : Equity share capital**

Authorised :

|  | Number of shares | Amount          |
|--|------------------|-----------------|
| <b>As at March 31, 2020</b>                      |                  |                 |
| Movement on account of Merger(Refer Note No. 38) | 8,07,000         | 807.00          |
| Movement during the year                         | 4,50,000         | 450.00          |
| <b>As at March 31, 2021</b>                      |                  |                 |
| Movement during the year                         | -                | -               |
| <b>As at March 31, 2022</b>                      | <b>12,57,000</b> | <b>1,257.00</b> |
| <b>As at March 31, 2022</b>                      | <b>12,57,000</b> | <b>1,257.00</b> |

**Issued,Subscribed and fully paid up :**

|  | Number of shares | Amount       |
|--|------------------|--------------|
| <b>As at March 31, 2020</b>                          |                  |              |
| Movement during the year (Buyback of equity shares ) | 91,343           | 91.34        |
| <b>As at March 31, 2021</b>                          |                  |              |
| Movement during the year                             | (17,030)         | (17.03)      |
| <b>As at March 31, 2022</b>                          | <b>74,313</b>    | <b>74.31</b> |
| <b>As at March 31, 2022</b>                          | <b>74,313</b>    | <b>74.31</b> |

**14.1 Terms and rights attached to equity shares**

The Company has only one class of equity shares having face value of INR 100/- per share. The Company declares and pay dividend in Indian rupees. The holder of equity shares is entitled to dividend right in the same proportion to the paid up capital. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting except incase of Interim Dividend. In the event of liquidation of the company, the holders of equity shares are entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion to the number of equity shares held by them. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**14.2 Details of shareholders holding more than 5% equity shares in the company**

|                             | Mr. K. Rama<br>Paghava Reddy | Mr. G. Ravindra Reddy |
|-----------------------------|------------------------------|-----------------------|
| <b>As at March 31, 2021</b> |                              |                       |
| Number of shares            | 64,886                       | 7,000                 |
| % holding                   | 87.31                        | 9.42                  |
| <b>As at March 31, 2022</b> |                              |                       |
| Number of shares            | 64,886                       | 7,000                 |
| % holding                   | 87.31                        | 9.42                  |

**14.3 Details of Buyback of equity shares**

During the year ended March 31, 2021, the Company concluded the buyback of 17,030 equity shares as approved by the Board of Directors on September 14, 2020. This has resulted in a total cash outflow of Rs.944.17 Lakhs/- (including tax on buyback of Rs.177.82Lakhs/-). In line with the requirement of the Companies Act, 2013, total amount has been utilised from general reserve respectively. Further, capital redemption reserve of Rs.17.03Lakhs/- (representing the nominal value of the shares bought back) has been created as an apportionment from retained earnings. Consequent to such buyback, the paid-up equity share capital has reduced by Rs. 17.03Lakhs/-.

**14.4 Disclosure of Shareholding of Promoters**

| Promoter name              | As at March 31, 2022 |                      | % Change<br>during<br>the year | As at March 31, 2021 |                   | % Change during<br>the year |
|----------------------------|----------------------|----------------------|--------------------------------|----------------------|-------------------|-----------------------------|
|                            | No. of<br>shares     | % of total<br>shares |                                | No. of shares        | % of total shares |                             |
| Mr. K. Rama Raghava Reddy  | 64,886               | 87.31%               | 0.00%                          | 64,886               | 87.31%            | 15.94%                      |
| M/s.M.V.V.Nagi Reddy (HUF) | -                    | 0.00%                | 0.00%                          | -                    | 0.00%             | -7.96%                      |
| Mrs.M. Padmavati           | -                    | 0.00%                | 0.00%                          | -                    | 0.00%             | -2.28%                      |
| Mrs. V.Prameela Rani       | -                    | 0.00%                | 0.00%                          | -                    | 0.00%             | -7.73%                      |
| Mr. G.Ravindra Reddy       | 7,000                | 9.42%                | 0.00%                          | 7,000                | 9.42%             | 1.68%                       |
| Mrs. K. Ranganayakamma     | 2,227                | 3.00%                | 0.00%                          | 2,227                | 3.00%             | 0.55%                       |
| Mrs. K. Soumya             | 100                  | 0.13%                | 0.00%                          | 100                  | 0.13%             | -0.06%                      |
| Mr.K.Ramachandra           | 100                  | 0.13%                | 0.00%                          | 100                  | 0.13%             | -0.06%                      |

**Note 15: Borrowings**

(i) Non-Current

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Secured:</b>   |                         |                         |
| From Banks  | 4,525.99                | 4,605.65                |
| From Others   | 372.54                  | 744.53                  |
| <b>Total non-current borrowings</b>                     | <b>4,898.53</b>         | <b>5,350.18</b>         |
| Less: Current maturities of long-term debt              | (1,860.84)              | (2,095.39)              |
| Less: Unamortised upfront fees and other borrowing Cost | -                       | (0.43)                  |
| <b>Non-current borrowings</b>                           | <b>3,037.69</b>         | <b>3,254.36</b>         |



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**MIDWEST GRANITE PRIVATE LIMITED**  
**Notes to the Financial statements**  
 (All amounts in INR Lakhs, unless otherwise stated)

**Note 15.1 Details of Non-current Borrowings :**

(i) Term loans from banks

Terms of repayment:

| Name of Financial Institution   | Amount of<br>Loan | Interest rate<br>% | Amount of<br>Instalment<br>due | Total No. of<br>Instalments due | Period of maturity<br>from balance sheet<br>date |
|---|-------------------|--------------------|--------------------------------|---------------------------------|--|
| <b>(a) Secured:</b>   |                   |                    |                                |                                 |  |
| <b>1. Against Hypothecation of Vehicles and personal guarantee by the Director of the company</b>         |                   |                    |                                |                                 |  |
| HDFC Bank Limited   | 76.45             | 8.25               | 20.74                          | 14                              | 1 Year and 2 months                              |
| Axis Bank Limited   | 12.40             | 9.36               | 0.99                           | 3                               | 3 months   |
| Yes Bank Limited  | 29.10             | 6.75               | 14.57                          | 27                              | 2 Years and 3 months                             |
| Axis Bank Limited   | 8.48              | 9.96               | 0.77                           | 3                               | 3 months   |
| Axis Bank Limited   | 32.34             | 9.42               | 4.71                           | 5                               | 5 months   |
| Axis Bank Limited   | 23.58             | 9.31               | 6.25                           | 9                               | 9 months   |
| Axis Bank Limited   | 8.25              | 8.51               | 5.15                           | 22                              | 1 Year and 10 months                             |
| <b>2. Against Hypothecation of Mining Equipment and guaranteed by one of the directors of the company</b> |                   |                    |                                |                                 |  |
| HDFC Bank Limited   | 10.05             | 9.20               | 0.99                           | 4                               | 4 months   |
| Axis Bank Limited   | 445.44            | 8.86               | 15.20                          | 2                               | 2 months   |
| HDFC Bank Limited   | 450.00            | 9.50               | 86.47                          | 9                               | 9 months   |
| Kotak Mahindra Bank Limited   | 111.60            | 11.17              | 14.28                          | 5                               | 5 months   |
| Kotak Mahindra Bank Limited   | 74.00             | 11.08              | 11.65                          | 6                               | 6 months   |
| Kotak Mahindra Bank Limited   | 55.80             | 9.00               | 2.84                           | 2                               | 2 months   |
| Kotak Mahindra Bank Limited   | 38.50             | 8.90               | 3.01                           | 3                               | 3 months   |
| Yes Bank  | 93.10             | 8.50               | 22.81                          | 11                              | 11 months  |
| HDFC Bank Limited   | 189.38            | 11.10              | 78.59                          | 18                              | 1 Year and 6 months                              |
| Yes Bank  | 94.49             | 8.35               | 50.19                          | 26                              | 2 Years and 2 months                             |
| Yes Bank  | 94.49             | 8.35               | 50.56                          | 26                              | 2 Years and 2 months                             |
| ICICI Bank Limited  | 267.00            | 9.00               | 80.80                          | 11                              | 11 months  |
| Axis Bank Limited   | 261.53            | 9.02 & 9.26        | 128.44                         | 18                              | 1 Year and 6 months                              |
| Axis Bank Limited   | 92.97             | 9.41               | 49.85                          | 17                              | 1 Year and 5 months                              |
| Axis Bank Loan - PRD500M MARP & MKOD  | 65.64             | 8.91               | 37.73                          | 19                              | 1 Year and 7 months                              |
| AXIS Junt ED22A,SandDC120&Ta HitacZ   | 191.16            | 8.77               | 137.10                         | 32                              | 2 Years and 8 months                             |
| Axis Bank Limited - EICHER PRO 8028   | 88.82             | 8.77               | 65.46                          | 33                              | 2 Years and 9 months                             |
| Axis Bank -EICHER PRO 8028XM TIPPER   | 46.00             | 8.77               | 33.90                          | 33                              | 2 Years and 9 months                             |
| HDFC Loan - 8 Equipments 86002244   | 213.05            | 7.40               | 201.19                         | 44                              | 3 Years and 8 months                             |
| Axis Bank -Volvo FMX & 500PRD -FY20   | 160.98            | 8.31 & 8.62        | 121.58                         | 34                              | 3 Years and 1 months                             |
| ICICI Bank (3 Excavators)   | 271.67            | 8.00               | 220.82                         | 36                              | 3 Years  |
| HDFC Bank Limited   | 377.75            | 8.90               | 289.11                         | 43                              | 3 Years and 7 months                             |
| Yes Bank Limited  | 354.60            | 9.89               | 220.46                         | 30                              | 2 Years and 6 months                             |
| Yes Bank Limited  | 55.45             | 9.92               | 30.60                          | 24                              | 2 Years  |
| Yes Bank Limited  | 54.00             | 9.87               | 31.74                          | 26                              | 2 Years and 2 months                             |
| HDFC Loan - Solar Project   | 277.98            |                    | 309.45                         | 70                              | 6 Years and 10 months                            |
| HDFC DC 120 Sandvik - 84668768 (FY2   | 79.00             | 8.65               | 48.61                          | 27                              | 2 Years and 3 months                             |
| HDFC DC 120 Sandvik - 84668762 (FY2   | 80.60             | 8.65               | 49.59                          | 27                              | 2 Years and 3 months                             |
| HDFC Volvo Tippers 2 -84668776 & 84   | 245.00            | 8.65               | 150.75                         | 27                              | 2 Years and 3 months                             |
| HDFC 2No's Exca370,1No Exca200&2 No's Ex  | 303.40            | 8.25               | 210.88                         | 31                              | 2 Years and 7 months                             |
| ICICI Bank 6 Nos. - MR Granites   | 423.06            | 7.30               | 417.15                         | 48                              | 4 Years  |
| HDFC - Sany Excavators 3 Nos 2.80Cr   | 280.13            | 7.20               | 280.13                         | 47                              | 3 Years and 11 months                            |
| HDFC Eicher Truck -   | 44.20             | 7.20               | 42.56                          | 47                              | 3 Years and 11 months                            |
| HDFC - Volvo Wheel Loader   | 385.06            | 7.20               | 377.94                         | 47                              | 3 Years and 11 months                            |
| HDFC VOLVO FMX 460-TIPPER 4 No's  | 487.73            | 8.25               | 348.78                         | 32                              | 2 Years and 8 months                             |
| HDFC BANK-Exca Drill22A DrilingUnit   | 177.97            | 8.25               | 123.70                         | 31                              | 2 Years and 7 months                             |
| HDFC Bank Limited   | 142.00            | 8.25               | 127.90                         | 32                              | 2 Years and 8 months                             |
| <b>Total of term loans from banks secured</b>   |                   |                    | <b>4,525.99</b>                |                                 |  |



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**(ii) Term loans from others**

Terms of repayment:

| Name of Financial Institution  | Amount of<br>Loan | Interest rate<br>% | Amount of<br>Instalment<br>due | Total No. of<br>Instalments due | Period of maturity<br>from balance sheet<br>date |
|--|-------------------|--------------------|--------------------------------|---------------------------------|--|
| <b>(a) Secured:</b>  |                   |                    |                                |                                 |  |
| <b>1. Against hypothecation of Vehicles</b>  |                   |                    |                                |                                 |  |
| Daimler Financial Services India Private Limited   | 56.79             | 11.09              | 30.78                          | 21                              | 1 Year and 9 months                              |
| TATA Capital Financial Services Ltd  | 14.51             | 10.94              | 6.54                           | 33                              | 2 Years and 9 months                             |
| <b>2. Against hypothecation of Mining Equipment and guaranteed by the chairman of the company:</b> |                   |                    |                                |                                 |  |
| Tata Capital Financial Services Limited  | 109.82            | 10.93              | 47.24                          | 20                              | 1 Year and 8 months                              |
| Tata Capital Fin Ser Ltd-Kobelco380  | 190.57            | 8.63               | 75.32                          | 19                              | 1 Year and 7 months                              |
| HDB Financial Services Limited   | 94.16             | 8.65               | 5.57                           | 3                               | 3 months   |
| Tata Capital Fin Ser Ltd-Kobelco380  | 95.29             | 8.63               | 39.64                          | 20                              | 1 Year and 8 months                              |
| Citicorp Finance (India) Limited   | 24.42             | 8.75               | 11.42                          | 20                              | 1 Year and 8 months                              |
| Citicorp Finance (India) Limited   | 95.28             | 7.05               | 43.67                          | 20                              | 1 Year and 8 months                              |
| Citicorp Finance (India) Limited   | 45.40             | 8.75               | 21.23                          | 20                              | 1 Year and 8 months                              |
| Citicorp Finance (India) Limited   | 189.57            | 7.00               | 91.13                          | 21                              | 1 Year and 9 months                              |
| <b>Total of term loans from others secured</b>   |                   |                    | <b>372.54</b>                  |                                 |  |

There is no continuing default as on the balance sheet date in repayment of loans and interest amounts.

**ii) Current**

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Secured</b>                                    |                         |                         |
| <b>Working capital Loans repayable on demand:</b> |                         |                         |
| (i) From South India Bank                         | 532.17                  | 62.95                   |
| (ii) From HDFC Bank Limited                       | -                       | 535.33                  |
| (iii) From Shinhan Bank                           | 342.08                  | -                       |
| <b>Unsecured:</b>                                 |                         |                         |
| From Directors (Refer Note: 37)                   | 28.66                   | 83.05                   |
| Current maturities of long-term borrowings        | 1,860.84                | 2,095.39                |
| Interest accrued but not due                      | 23.16                   | 27.11                   |
| <b>Total Current Borrowings</b>                   | <b>2,786.91</b>         | <b>2,803.83</b>         |

Note 15.2 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:**

Retention money deposit with principals

**Collateral Security:**

Equitable Mortgage of Plot no25a, Sr No.41 and 42 situated at Krishnasagara, Attibele Industrial Area, Karnataka belonging to the Company.

**Personal Guarantee:**

Personal Guarantee by two Directors and a relative of Directors of the company

**Corporate Guarantee:**

By Midwest Gold Limited (Subsidiary Company)

The above loans carry's interest @ 1 year MCLR plus 2.65 %

**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 the company.

**Personal Guarantee:**

Personal Guarantee by three Directors and a one relative of Directors of the company

**From Shinhan Bank**

**Security:** Duly and unconditionally accepted documents (bills) backed by Letter of Credits

The above loans carry's interest @ 3 months LIBOR plus 1.00% p.a

**There is no default as on balance sheet date in repayment of loans and interest amounts.**



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**MIDWEST GRANITE PRIVATE LIMITED**  
**Notes to the Financial statements**  
 (All amounts in INR Lakhs, unless otherwise stated)

**Note 16: Provisions**

|                                     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| <b>Employee Benefit Obligations</b> |                         |                         |
| (i) Non-Current                     |                         |                         |
| Leave encashment                    | 74.27                   | 64.35                   |
| Gratuity                            | 252.45                  | 247.27                  |
| <b>Total</b>                        | <b>326.72</b>           | <b>311.62</b>           |
| (ii) Current                        |                         |                         |
| Leave encashment                    | 24.47                   | 20.09                   |
| Gratuity                            | 74.21                   | 63.15                   |
| <b>Total</b>                        | <b>98.68</b>            | <b>83.24</b>            |
| <b>Grand Total</b>                  | <b>425.40</b>           | <b>394.86</b>           |

**Note 16(a):**

**(i) Defined Contribution plans**

**Employer's Contribution to Provident Fund:** Contributions are made to provident fund for entitled employees at the prescribed rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

**Employer's Contribution to State Insurance Scheme:** Contributions are made under State Insurance Scheme for entitled employees at the prescribed rate to Employee State Insurance Corporation. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Employer's Contribution to Provident Fund | 56.75                   | 56.43                   |
| Employer's Contribution to ESI            | 3.23                    | 2.68                    |

**(ii) Defined Benefits plans**

**Post-employment obligations- Gratuity**

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 day's salary multiplied for the number of years of service.

**A) Reconciliation of opening and closing balances of Defined Benefit Obligation**

|   | Gratuity (Unfunded)     |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Defined Benefit Obligation at beginning of the year | 310.42                  | 264.90                  |
| Current Service Cost                                | 24.33                   | 24.80                   |
| Interest Cost                                       | 20.64                   | 17.11                   |
| Actuarial loss for the year                         | (7.95)                  | 22.67                   |
| Benefits Paid                                       | (20.78)                 | (19.96)                 |
| <b>Defined Benefit Obligation at year end</b>       | <b>326.66</b>           | <b>310.42</b>           |
| Current   | 74.21                   | 63.15                   |
| Non current   | 252.45                  | 247.27                  |

**B) Expenses recognised during the year**

|   | Gratuity (Unfunded)     |                         |
|---|-------------------------|-------------------------|
|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| <b>In Statement of Profit and Loss</b>              |                         |                         |
| Current Service Cost                                | 24.33                   | 24.80                   |
| Interest Cost                                       | 20.64                   | 17.11                   |
| Net Cost  | 44.97                   | 41.91                   |
| <b>In Other Comprehensive Income</b>                |                         |                         |
| Actuarial loss for the year                         | (7.95)                  | 22.67                   |
| <b>Net expense for the period recognised in OCI</b> | <b>(7.95)</b>           | <b>22.67</b>            |

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

|                                  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|----------------------------------|-------------------------|-------------------------|
| Discount rate                    | 7.32%                   | 6.88 % - 6.92%          |
| Salary growth rate               | 4.00%                   | 4.00%                   |
| Withdrawal rate                  | 4.00%                   | 4.00%                   |
| Normal Retirement Age            | 58 Years                | 58 Years                |
| Adjusted Average Future Services | 11.48                   | 11.48                   |
| Mortality Table(IAHM)            | 100%                    | 100%                    |



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Defined Benefit Obligation  | 326.66                  | 310.42                  |
| Discount rate:(% change compared to base due to sensitivity)      |                         |                         |
| Increase : +1%  | 307.26                  | 290.46                  |
| Decrease: -1%   | 348.67                  | 333.20                  |
| Salary Growth rate:(% change compared to base due to sensitivity) |                         |                         |
| Increase : +1%  | 347.08                  | 331.20                  |
| Decrease: -1%   | 308.38                  | 291.93                  |
| Withdrawal rate:(% change compared to base due to sensitivity)    |                         |                         |
| Increase : +1%  | 332.75                  | 316.10                  |
| Decrease: -1%   | 319.90                  | 304.07                  |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

The weighted average duration of the defined benefit obligation is March 31, 2022: 7.30 years (March 31, 2021: 10.83 years). The expected future cash flows over the next years, which will be net out of planned assets, is as follows:

| Particulars                         | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|-------------------------------------|-------------------------|-------------------------|
| Defined benefit obligation-gratuity |                         |                         |
| Less than a year                    | 74.21                   | 63.15                   |
| Between 2-5 years                   | 104.26                  | 94.51                   |
| Above 5 years                       | 136.44                  | 132.11                  |

**Risk Management**

The Significant risks the company has in administering defined benefit obligations are:

**Salary Cost Inflation Risk:** The present value of the Defined Benefit Obligation is calculated with reference to the future salaries of employees. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

**Note 17: Other liabilities**

**(i) Non-current**

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Security Deposits                          | 102.95                  | 209.39                  |
| <b>Total other non current liabilities</b> | <b>102.95</b>           | <b>209.39</b>           |

**(ii) Current**

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Advance received from customers        | 6,564.25                | 1,938.46                |
| Statutory liabilities                  | 74.54                   | 98.50                   |
| <b>Total other current liabilities</b> | <b>6,638.79</b>         | <b>2,036.96</b>         |

**Note 18: Other Financial Liabilities**

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Current</b>                           |                         |                         |
| Creditors for capital works              | 85.94                   | -                       |
| Employee benefits payable                | 1,629.05                | 2,001.23                |
| Creditors for expenses                   | 723.22                  | 972.01                  |
| Book Draft                               | 5.47                    | -                       |
| <b>Total other financial liabilities</b> | <b>2,443.68</b>         | <b>2,973.24</b>         |

**Note 19: Income tax**

**(i) Current tax Asset (net)**

|                                      | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--------------------------------------|-------------------------|-------------------------|
| Less: Prepaid Taxes                  | 1,882.96                | -                       |
| Provision for tax                    | (1,775.00)              | -                       |
| <b>Total current tax Asset (net)</b> | <b>107.96</b>           | <b>-</b>                |

**(ii) Current tax liabilities (net)**

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Provision for tax                          | -                       | 1,545.00                |
| Less: Prepaid Taxes                        | -                       | (1,271.78)              |
| <b>Total current tax liabilities (net)</b> | <b>273.22</b>           | <b>-</b>                |



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 20: Revenue from operations**

|  | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|--|--|--|
| <b>Revenue from Contracts with Customers</b> |  |  |
| Sale of products                             | 32,813.86                                    | 21,999.17                                    |
| <b>Other operating revenues:</b>             |  |  |
| Export incentive                             | 0.63   | 2.03   |
| Sale of scrap arising out of production      | 271.51                                       | 26.45  |
| <b>Total revenue from operations</b>         | <b>33,086.00</b>                             | <b>22,027.65</b>                             |

**Disaggregation of revenue from contracts with customers**

The company derives revenue from transfer of goods from the following geographical locations.

|                              | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|------------------------------|--|--|
| <b>Geographical location</b> |  |  |
| - India                      | 19,171.38                                    | 14,527.40                                    |
| - Other countries            | 13,642.48                                    | 7,471.77                                     |
| <b>Total</b>                 | <b>32,813.86</b>                             | <b>21,999.17</b>                             |

**Contract Price Reconciliation**

|                              | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|------------------------------|--|--|
| Contract Price               | 33,093.23                                    | 22,047.73                                    |
| Less: Variable consideration | 7.23   | 20.08  |
|                              | <b>33,086.00</b>                             | <b>22,027.65</b>                             |

**Information about major customers:** Two customers represents 10% or more of the Company's total revenue during the year ended March 31, 2022 and the year ended March 31, 2021.

**Note 21: Other Income**

|  | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|--|--|--|
| Interest income from financial assets carried at amortised cost    | 142.94                                       | 49.34  |
| Dividend income  | 0.51   | 0.06   |
| Equipment Rental Income  | 309.36                                       | 733.36                                       |
| Income from Jobwork  | 271.65                                       | -  |
| Benefits accrued on Key Man insurances                             | 51.61  | 100.44                                       |
| Fair value gain on foreign exchange forward contracts (net)        | 23.00  | 25.48  |
| Gain on foreign currency transactions and translations (net)       | -  | 63.66  |
| Provision no longer required written back                          | 10.29  | 26.08  |
| Gain on Redemption of non current investments                      | -  | 25.00  |
| Net gain arising on financial assets mandatorily measured at FVTPL | 22.18  | 13.77  |
| Gain on sale of property plant and Equipment                       | 1.17   | -  |
| Refund of Terminal excise duty                                     | -  | 343.89                                       |
| Rental Income  | 49.69  | 45.32  |
| Other non-operating income   | 30.32  | 45.47  |
| <b>Total other income</b>  | <b>912.72</b>                                | <b>1,476.87</b>                              |

**Note 22: Cost of raw material consumed**

|  | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|--|--|--|
| Raw materials at the beginning of the year | 181.35                                       | 142.01                                       |
| Add: Purchases                             | 625.58                                       | 508.06                                       |
| Less: Raw material at the end of the year  | 167.50                                       | 181.34                                       |
| <b>Total cost of raw material consumed</b> | <b>639.43</b>                                | <b>468.73</b>                                |



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 23: Changes in inventories of finished goods and work-in-progress**

|  | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|--|--|--|
| <b>Opening Balance:</b>  |  |  |
| Finished goods   | 2,054.08                                     | 780.08                                       |
| Work-in-progress   | 370.12                                       | 769.50                                       |
|  | <b>2,424.20</b>                              | <b>1,549.58</b>                              |
| <b>Closing Balance:</b>  |  |  |
| Finished goods   | 2,120.03                                     | 2,054.08                                     |
| Work-in-progress   | 22.97  | 370.12                                       |
|  | <b>2,143.00</b>                              | <b>2,424.20</b>                              |
| <b>Total changes in inventories of finished goods and work-in-progress</b> | <b>281.20</b>                                | <b>(874.62)</b>                              |

**Note 24: Employee benefits expense**

|  | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|--|--|--|
| Salaries, wages, bonus and other allowances    | 3,949.54                                     | 3,899.35                                     |
| Contribution to provident fund and other funds | 56.75  | 56.43  |
| Contribution to ESI                            | 3.23   | 2.68   |
| Staff welfare expenses                         | 177.66                                       | 145.93                                       |
| <b>Total employee benefits expense</b>         | <b>4,187.18</b>                              | <b>4,104.39</b>                              |

**Note 25: Finance costs**

|  | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|--|--|--|
| Interest Expenses Measured at amortised cost |  |  |
| On Financial Liabilities                     | 462.77                                       | 476.92                                       |
| On Lease liabilities                         | -  | 14.56  |
| Interest on income tax                       | 57.64  | 3.55   |
| Other borrowing costs                        | 18.88  | 4.24   |
| <b>Total Finance costs</b>                   | <b>539.29</b>                                | <b>499.27</b>                                |

**Note 26: Depreciation expense**

|   | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|---|--|--|
| Depreciation of property, plant and equipment | 1,238.15                                     | 1,069.29                                     |
| Depreciation of right-of-use assets           | 21.51  | 402.22                                       |
| Amortisation expense                          | 0.33   | 0.43   |
| <b>Total depreciation expense</b>             | <b>1,259.99</b>                              | <b>1,471.94</b>                              |



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 27: Other expenses**

|  | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|--|--|--|
| Job work charges   | 7.88   | 7.39   |
| Power and fuel   | 513.35                                       | 353.57                                       |
| Rent   | 117.48                                       | 106.90                                       |
| Repairs to buildings                                       | 18.15  | 20.46  |
| Repairs to machinery                                       | 2,612.45                                     | 1,789.59                                     |
| Repairs to others  | 78.36  | 59.37  |
| Insurance  | 116.87                                       | 86.08  |
| Rates and taxes, excluding taxes on income                 | 249.07                                       | 54.14  |
| Printing and stationery                                    | 10.22  | 8.89   |
| Communication expenses                                     | 25.51  | 23.21  |
| Legal and professional charges                             | 201.14                                       | 202.66                                       |
| Travelling and conveyance                                  | 221.69                                       | 64.36  |
| Vehicles maintenance                                       | 29.45  | 19.05  |
| Carriage and freight                                       | 856.62                                       | 530.22                                       |
| Payments to Auditors                                       | 15.28  | 17.39  |
| Advertisement  | 6.21   | 0.56   |
| Donations  | 44.34  | 120.49                                       |
| Corporate Social Responsibility                            | 116.74                                       | 39.08  |
| Sales commission   | 81.15  | 37.03  |
| Security charges   | 134.25                                       | 126.07                                       |
| Loss on sale of assets                                     | -  | 116.00                                       |
| Bad debts written off                                      | 7.65   | 29.99  |
| Provision for expected credit losses                       | 34.73  | 113.41                                       |
| Provision for doubtful advances                            | 372.67                                       | 245.43                                       |
| Book deficit on assets discarded                           | 22.98  | 17.26  |
| General expenses   | 174.87                                       | 113.51                                       |
| Share of Loss from Partnership firm                        | 57.26  |  |
| Loss on Sale of Investments                                | 123.43                                       | -  |
| Net loss on foreign currency transactions and translations | 34.45  | -  |
| <b>Total other expenses</b>                                | <b>6,284.25</b>                              | <b>4,602.11</b>                              |

**Note 27(a): Details of payments to auditors**

|                                   | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|-----------------------------------|--|--|
| <b>Payment to auditors</b>        |  |  |
| As Statutory Auditor              | 10.55  | 10.20  |
| For Tax Audit                     | -  | 1.00   |
| For Taxation matters              | -  | 0.70   |
| For Consolidation                 | 2.50   | 2.50   |
| For Certification                 | 1.38   | 2.55   |
| For Reimbursement of expenses     | 0.85   | 0.44   |
| <b>Total payments to auditors</b> | <b>15.28</b>                                 | <b>17.39</b>                                 |



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 27(b): Corporate social responsibility expenditure**

|   | <b>For the year ended<br/>March 31, 2022</b>   | <b>For the year ended<br/>March 31, 2021</b> |
|---|--|--|
| Amount required to be spent as per section 135 of the Act         | 67.59  | 37.28  |
| Amount spent during the year on                                   | 116.74   | 39.08  |
| a) Construction/acquisition of any asset                          |  |  |
| Construction-community hal-U/S Rural development Gudivada         | 32.25  |  |
| (i) On purpose:   |  |  |
| -Promoting healthcare   | 76.18  | 29.16  |
| -Promoting education  | 4.63   | 0.51   |
| -Others   | 3.68   | 9.41   |
| Accrual towards unspent obligations in relation to                | -  | -  |
| Proposed transfer of unspent amount relating to ongoing projects* | -  | -  |
| <b>Shortfall at the end of previous year</b>                      | -  | -  |
| <b>Total of previous years short fall</b>                         | -  | -  |
| <b>Reason for shortfall</b>                                       | -  | -  |
| <b>Related party transactions</b>                                 | NA   | NA   |
| <b>Provision for liability - contractual obligation</b>           | NA   | NA   |
| <b>Nature of CSR activities</b>                                   | Promoting education, healthcare, destitute care and rehabilitation, COVID-19 relief and rural development projects |  |

**Note 28: Income tax expense**

This note provides an analysis of the company's income tax expense, showing amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

|  | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|--|--|--|
| <b>Income tax expense</b>  |  |  |
| <b>Current tax</b>   |  |  |
| Current tax on profits for the year                                    | 1,775.00                                     | 1,545.00                                     |
| Income tax adjustments of earlier years                                | (4.75)                                       | -  |
| <b>Total current tax expense</b>                                       | <b>1,770.25</b>                              | <b>1,545.00</b>                              |
| <b>Deferred tax</b>  |  |  |
| Deferred tax to profit or loss   | (31.82)                                      | (188.09)                                     |
| <b>Total Deferred tax expense/(benefit)</b>                            | <b>(31.82)</b>                               | <b>(188.09)</b>                              |
| <b>Income tax expense recognised in statement of profit and loss</b>   | <b>1,738.43</b>                              | <b>1,356.91</b>                              |
| Current tax (income)/ expense recognised in other comprehensive income | (2.00)                                       | 5.68   |
| <b>Total income tax expense</b>  | <b>1,736.43</b>                              | <b>1,362.59</b>                              |

**Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

|  | <b>For the year ended<br/>March 31, 2022</b> | <b>For the year ended<br/>March 31, 2021</b> |
|--|--|--|
| Profit from operations before income tax expenses  | 6,830.25                                     | 5,072.00                                     |
| Current tax rate in India  | 25.168%                                      | 25.163%                                      |
| Tax on profit from operations  | 1,719.04                                     | 1,276.52                                     |
| <b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income.</b> |  |  |
| Expenses not allowed for tax purpose   | 72.58  | 152.85                                       |
| Income not Considered for tax purpose  | -  | (36.71)                                      |
| Adjustment on account of Merger  | (36.50)                                      | -  |
| Others   | 31.31  | (30.07)                                      |
| <b>Income tax expenses</b>   | <b>1,736.43</b>                              | <b>1,362.59</b>                              |



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**MIDWEST GRANITE PRIVATE LIMITED**  
**Notes to the Financial statements**  
 (All amounts in INR Lakhs, unless otherwise stated)

**Financial Instruments and Risk Management**  
**Note 29: Categories of Financial Instruments**

|  | Fair Value Hierarchy | As at March 31, 2022 |                 | As at March 31, 2021 |                 |
|--|----------------------|----------------------|-----------------|----------------------|-----------------|
|  |                      | Carrying Value       | Fair Value      | Carrying Value       | Fair Value      |
| <b>A. Financial assets</b>                             |                      |                      |                 |                      |                 |
| <b>a) Measured at amortised cost</b>                   |                      |                      |                 |                      |                 |
| i) Cash and cash equivalents                           | Level-3              | 546.44               | 546.44          | 385.03               | 385.03          |
| ii) Other bank balances                                | Level-3              | 1,864.16             | 1,864.16        | 83.19                | 83.19           |
| iii) Loans   | Level-3              | 3,454.99             | 3,454.99        | 2,084.25             | 2,084.25        |
| iv) Other financial assets                             | Level-3              | 979.89               | 979.89          | 883.34               | 883.34          |
| v) Trade receivables                                   | Level-3              | 2,845.32             | 2,845.32        | 1,660.80             | 1,660.80        |
| <b>Sub-total</b>                                       |                      | <b>9,690.80</b>      | <b>9,690.80</b> | <b>5,096.61</b>      | <b>5,096.61</b> |
| <b>b) Mandatorily Measured at FVTPL</b>                |                      |                      |                 |                      |                 |
| i) Investments in equity instruments in other entities | Level-1              | 276.78               | 276.78          | 34.76                | 34.76           |
| <b>Sub-total</b>                                       |                      | <b>276.78</b>        | <b>276.78</b>   | <b>34.76</b>         | <b>34.76</b>    |
| <b>Total financial assets</b>                          |                      | <b>9,967.58</b>      | <b>9,967.58</b> | <b>5,131.37</b>      | <b>5,131.37</b> |
| <b>B. Financial liabilities</b>                        |                      |                      |                 |                      |                 |
| <b>a) Measured at amortised cost</b>                   |                      |                      |                 |                      |                 |
| i) Trade payables                                      | Level-3              | 699.21               | 699.21          | 820.14               | 820.14          |
| ii) Borrowings   | Level-3              | 5,824.60             | 5,824.60        | 6,058.19             | 6,058.19        |
| iii) Other financial liabilities                       | Level-3              | 2,443.68             | 2,443.68        | 2,973.24             | 2,973.24        |
| <b>Total financial liabilities</b>                     |                      | <b>8,967.49</b>      | <b>8,967.49</b> | <b>9,851.57</b>      | <b>9,851.57</b> |

**Note 30: Fair Value Hierarchy**

The following table presents the fair value hierarchy of assets and liabilities:

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

(i) Investments include equity investments in Subsidiaries, Joint venture which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

(ii) The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances, trade receivables and other financial assets are considered to be the same as their fair values due to their short term nature.

**Note 31: Financial Risk Management**

The Company's activities expose it to market risk and credit risk. The Company emphasis on risk management and has an enterprise wide approach to risk management. The Company's risk management and control procedures involve prioritization and continuing assessment of these risks and device appropriate controls, evaluating and reviewing the control mechanism.

**(A) Credit Risk:**

Credit risk is the risk or potential of loss that may occur due to failure of borrower/counterparty to meet the obligation on agreed terms and conditions of the financial contract. Credit risk arises from financial assets such as cash and cash equivalents, other bank balances, trade receivables and other financial assets. The company have a credit risk management policy in place to limit credit losses due to non-performance of financial counterparties and customers. We monitor our exposure to credit risk on an ongoing basis at various levels.

**(I) Trade Receivable:**

The credit risk related to trade receivables is influenced mainly by the individual characteristics of each customer. The Company follows a 'simplified approach' (i.e. based on lifetime ECL) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience at each reporting date. The management has identified the specific customer from whom amount is not recoverable and the same is provided for expected credit losses. Hence, the management believes that no further provision for expected credit loss is required as the balance amounts are fully recoverable.



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**MIDWEST GRANITE PRIVATE LIMITED**  
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 (All amounts in INR Lakhs, unless otherwise stated)

Following are the Expected credit loss for trade receivables under simplified approach:

| Particulars  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Gross carrying amount                              | 3,340.32                | 2,121.07                |
| Expected credit losses ( Loss allowance provision) | (495.00)                | (460.27)                |
| Net carrying amount of trade receivables           | 2,845.32                | 1,660.80                |

**(B) Market Risk:**

Market Risk is the risk that the future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks are interest rate risk and foreign currency risk.

• **Interest Rate Risk**

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its market interest rates by fixed rate interest. Hence, the Company is not significantly exposed to interest rate risks.

• **Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company has substantial exposure to foreign currency risk due to the significant exports made. Sales in other countries and purchases from overseas suppliers are exposed to risk associated with fluctuation in the currencies of those countries vis-a-vis the functional currency i.e. Indian rupee. The Company is very cautious towards hedging as it has a cost as well as its own risks. The Company continually reassesses the cost structure impacts of the currency volatility and engages with customers addressing such risks. The Company has not designated hedges under Hedge Accounting.

**Unhedged foreign currency exposure as at the reporting date:**

|                                | As at March 31, 2022 |               |                                 |
|--------------------------------|----------------------|---------------|---------------------------------|
|                                | USD                  | Euros         | Equivalent Amount in INR(Lakhs) |
| Trade receivable               | 27,02,381            | 21,500        | 2,004.89                        |
| Advance for Purchases          | 5,34,262             | 4,342         | 396.45                          |
| Advance for Purchases(capital) | -                    | 28,000        | 24.11                           |
| <b>Unhedged Assets</b>         | <b>32,36,643</b>     | <b>53,842</b> | <b>2,425.45</b>                 |
| Advances from customers        | 64,11,496            | -             | 4,712.75                        |
| Payable for Supplies           | 3,14,143             | -             | 230.91                          |
| Borrowings                     | 4,51,856             | -             | 332.14                          |
| <b>Unhedged Liabilities</b>    | <b>71,77,495</b>     | <b>-</b>      | <b>5,275.80</b>                 |

|                                | As at March 31, 2021 |               |                                 |
|--------------------------------|----------------------|---------------|---------------------------------|
|                                | USD                  | Euros         | Equivalent Amount in INR(Lakhs) |
| Trade receivable               | 12,70,965            | 21,500        | 952.73                          |
| Advance for Purchases          | 3,70,867             | 4,342         | 276.34                          |
| Advance for Purchases(capital) | 1,36,500             | 28,000        | 124.44                          |
| <b>Unhedged Assets</b>         | <b>17,78,332</b>     | <b>53,842</b> | <b>1,353.51</b>                 |
| Advances from customers        | 6,99,821             | -             | 514.40                          |
| Payable for Supplies           | 6,98,621             | -             | 513.52                          |
| <b>Unhedged Liabilities</b>    | <b>13,98,442</b>     | <b>-</b>      | <b>1,028.32</b>                 |

The Company uses Forward Exchange Contracts to hedge its exposures in foreign currency related to underlying transactions and firm commitments. The information on Derivative Instruments is as follows:

**Forward Exchange Contracts outstanding as at year end which are not designated under hedge accounting:**

| Currency | Cross Currency | As at<br>March 31, 2022 |             | As at<br>March 31, 2021 |             |
|----------|----------------|-------------------------|-------------|-------------------------|-------------|
|          |                | In Buy USD              | In sell USD | In Buy USD              | In sell USD |
| INR      | USD            | -                       | 58,50,000   | -                       | 24,00,000   |

The Company uses forward exchange contracts to hedge its transactional currency exposures in foreign currency related to underlying transactions and firm commitments and measures them at fair value. The counter party in these derivative instruments are generally highly rated counter parties such as banks and the Company considers the risk of non-performance by such counterparty as not material. The Company has not designated hedges under Hedge Accounting. These derivative instruments are carried at fair value with changes being recognised in the Statement of Profit and Loss. Although, such derivative instruments are not designated in a hedge relationship, they act as an economic hedge and will offset the gain / loss in the underlying transactions when they occur.



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**MIDWEST GRANITE PRIVATE LIMITED**  
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**i) Foreign Currency Risk - Sensitivity**

The analysis is based on the assumption that the Foreign Currency has increased / (decreased) by 2.5% with all other variables held constant.

**2.5% increase or decrease in foreign exchange rates will have the following impact on profit before tax**

| Particulars               | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------|-------------------------|-------------------------|
| <b>USD Sensitivity:</b>   |                         |                         |
| INR/USD -Increase by      | (72.42)                 | 7.16                    |
| INR/USD -Decrease by      | 72.42                   | (7.16)                  |
| <b>Euros Sensitivity:</b> |                         |                         |
| INR/Euro -Increase by     | (0.54)                  | (0.54)                  |
| INR/Euro -Decrease by     | 0.54                    | 0.54                    |

**(C) Liquidity Risk:**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company manage its risk from their principle source of resources such as cash and cash equivalents , cash flows that is generated from operations and other means of borrowings, to ensure, as far as possible , that it will always have sufficient liquidity to meet the liabilities.

**The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date:**

|                             | On Demand | Due in one year | Due after one year | Total    |
|-----------------------------|-----------|-----------------|--------------------|----------|
| <b>As at March 31, 2022</b> |           |                 |                    |          |
| Borrowing                   | 902.91    | 1,884.00        | 3,037.69           | 5,824.60 |
| Trade and other payable     | -         | 699.21          | -                  | 699.21   |
| Other financial liabilities | -         | 2,443.68        | -                  | 2,443.68 |
| <b>As at March 31, 2021</b> |           |                 |                    |          |
| Borrowing                   | 681.33    | 2,122.50        | 3,254.36           | 6,053.19 |
| Trade and other payable     | -         | 820.14          | -                  | 820.14   |
| Other financial liabilities | -         | 2,973.24        | -                  | 2,973.24 |

**D) Other risk - Impact of COVID-19**

The management has assessed the impact of COVID-19 pandemic on the financial statements, business operations, liquidity position, cash flow and has concluded that based on the current estimates no material adjustments are required in the carrying amount of assets and liabilities as at 31st March 2022.

The impact of the pandemic may be different from that estimated as at the date of approval of these Standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

**Note 32: Capital Management**

The Company's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. And depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Company decides the optimum capital structure. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

**The Company monitors the capital structure on the basis of total debt to equity ratio :**

| Particulars                                   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| Net Debt                                      | 3,414.00                | 5,589.97                |
| Equity  | 30,043.04               | 24,945.27               |
| <b>Total Capital ( Net Debt Total Equity)</b> | <b>33,457.04</b>        | <b>30,535.24</b>        |

**Net Debt to Total Capital (%)** 10.20% 18.31%

**Net debt represents:**

| Particulars                     | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| A) Borrowings                   |                         |                         |
| Non-current borrowings          | 3,037.69                | 3,254.36                |
| Current borrowings              | 2,786.91                | 2,803.83                |
| <b>Total(A)</b>                 | <b>5,824.60</b>         | <b>6,058.19</b>         |
| B) Cash and cash equivalents    |                         |                         |
| Bank balances, other than above | 546.41                  | 385.03                  |
| <b>Total(B)</b>                 | <b>1,864.16</b>         | <b>83.19</b>            |
| <b>C) Net Debt (A-B)</b>        | <b>2,410.60</b>         | <b>468.22</b>           |
|                                 | <b>3,414.00</b>         | <b>5,589.97</b>         |



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**MIDWEST GRANITE PRIVATE LIMITED**  
**Notes to the Financial statements**  
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**Note 33: Contingent Liabilities and Commitments**

|   | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
|---|---------------------------------|---------------------------------|
| <b>(a) Contingent Liabilities:</b>  |                                 |                                 |
| (i)On account of Corporate guarantees   | 823.13                          | 1,984.35                        |
| (ii)On account of Letter of credits and Bank Guarantees   | 45.41                           | 85.10                           |
| (iii)Income tax demands disputed/contested by the company pending in appeal   | 621.08                          | 386.47                          |
| (iv)Demand of Excise duty against the company   | 193.19                          | 193.19                          |
| (v)Demand of Custom duty against the company  | 1,376.82                        | 1,376.82                        |
| (vi)Demand of Entry tax against the company   | 326.79                          | 323.51                          |
| <b>(b) Commitments:</b>   |                                 |                                 |
| (i) Capital commitments   | 875.85                          | 601.52                          |
| (i)On account of Bonds executed with Customs authorities  | 1,858.68                        | 2,013.76                        |
| (Refer note (i) below)  |                                 |                                 |
| Note: (i) Performance obligations relating to bonds executed with customs authorities has been duly met by the company and applied for redemption of bonds which is in the process. |                                 |                                 |
| (ii) 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.                 |                                 |                                 |

**Note 34: Payables to Micro, Small & Medium Enterprises**

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) as given below has been determined to the extent such parties have been identified on the basis of information available with the Company:

|  | <b>As at<br/>March 31, 2022</b> | <b>As at<br/>March 31, 2021</b> |
|--|---------------------------------|---------------------------------|
| Principal amount remaining unpaid as on 31st March   | NIL                             | NIL                             |
| Interest due thereon as on 31st March  | NIL                             | NIL                             |
| Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year   | NIL                             | NIL                             |
| Interest due and payable for the period of delay in making payment ( which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act  | NIL                             | NIL                             |
| Interest accrued and remaining unpaid as at 31st March   | NIL                             | NIL                             |
| Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act | NIL                             | NIL                             |

**Note 34(b): Ageing of Trade Payables as at March 31, 2022**

| Particulars         | Not Due       | Less than<br>1 Year | 1- 2 Years  | 2-3 years    | More than<br>3 Years | Total         |
|---------------------|---------------|---------------------|-------------|--------------|----------------------|---------------|
| (i) Undisputed Dues |               |                     |             |              |                      |               |
| MSME                |               |                     |             |              |                      | -             |
| Others              | 303.25        | 161.38              | 4.87        | 17.95        | 211.76               | 699.21        |
| (ii) Disputed Dues  |               |                     |             |              |                      |               |
| MSME                |               |                     |             |              |                      | -             |
| Others              |               |                     |             |              |                      | -             |
| <b>Total</b>        | <b>303.25</b> | <b>161.38</b>       | <b>4.87</b> | <b>17.95</b> | <b>211.76</b>        | <b>699.21</b> |



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**Note 34(c): Ageing of Trade Payables as at March 31, 2021**

| Particulars         | Not Due      | Less than 1 Year | 1- 2 Years    | 2-3 years    | More than 3 Years | Total         |
|---------------------|--------------|------------------|---------------|--------------|-------------------|---------------|
| (i) Undisputed Dues |              |                  |               |              |                   | -             |
| MSME                |              |                  |               |              |                   |               |
| Others              | 53.67        | 233.91           | 223.22        | 58.32        | 251.02            | 820.14        |
| (ii) Disputed Dues  |              |                  |               |              |                   | -             |
| MSME                |              |                  |               |              |                   | -             |
| Others              |              |                  |               |              |                   | -             |
| <b>Total</b>        | <b>53.67</b> | <b>233.91</b>    | <b>223.22</b> | <b>58.32</b> | <b>251.02</b>     | <b>820.14</b> |

**Note 35 : Segment Information**

**Description of segments and principal activities**

The Whole time Director has been identified as the Chief Operating Decision Maker (CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. The Company is engaged in the business of (i) quarrying, manufacturing and processing and selling of Granite and; (ii) manufacturing of diamond wire rope; and operates as two separate operating segment.

The reportable segments has been provided in the consolidated financial statements of the company and therefore no separate disclosure on segment information given in this standalone financial statements.



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 36: Interest in other entities**

The Company's subsidiaries, joint ventures, associates, Limited liability partnerships and Partnership firms as at March 31, 2022 are set below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the company.

| Name of the entity   | Relationship  | Principal activity   | Ownership Interest      |                         |
|--|---------------|--|-------------------------|-------------------------|
|  |               |  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| Reliance Diamond Tools Private Limited                                   | Subsidiary    | Manufacturing of Diamond Tools                                 | 100%                    | 100%                    |
| Andhra Pradesh (Midwest) Granite Private Limited                         | Subsidiary    | Quarrying, manufacturing and processing and selling of Granite | 85%                     | 85%                     |
| EEML Midwest Limited   | Subsidiary    | Mining and Mineral Trading                                     | 53%                     | 53%                     |
| Midwest Holdings Limited   | Subsidiary    | Investment Company   | 100%                    | 100%                    |
| Amaya Smart Technologies Private Limited                                 | Subsidiary    | Software Development   | 99.99%                  | 99.99%                  |
| Midwest Neostone Private Limited   | Subsidiary    | Manufacture of Non-metallic products                           | 100%                    | 100%                    |
| Midwest Quartz Private Limited (w.e.f. March 07,2022)                    | Subsidiary    | Mineral Exploration of Quartz                                  | 100%                    | --                      |
| Astral Granite Private Limited (w.e.f. September 09,2021)                | Subsidiary    | Mineral Exploration  | 100%                    | --                      |
| Midwest Energy Private Limited (Up to January 28, 2022)                  | Subsidiary    | Energy solutions   | --                      | 100%                    |
| Midwest Gold Limited   | Subsidiary    | Trading Business of Granite Marbles and Gold                   | 71%                     | 71%                     |
| Deccan Silica LLP  | Subsidiary    | Production and Trading of Silica products                      | 75%                     | 75%                     |
| Baapula Minerals   | Subsidiary    | Mineral Exploration  | 50%                     | 50%                     |
| South Coast Infrastructure Development Company of Andhra Pradesh Limited | Joint venture | Manufacturing of Building Materials                            | 50%                     | 50%                     |
| SMW Granites LLP   | Joint venture | Manufacture of Granite Slans                                   | 50%                     | 50%                     |

**Note 37: Related Party Transactions**

**(a) Subsidiaries**

- : Reliance Diamond Tools Private Limited
- : Andhra Pradesh (Midwest) Granite Private Limited
- : EEML Midwest Limited
- : Midwest Holdings Limited
- : Amaya Smart Technologies Private Limited
- : Midwest Neostone Private Limited
- : Midwest Quartz Private Limited (w.e.f. March 07,2022)
- : Astral Granite Private Limited(w.e.f. September 09,2021)
- : Midwest Energy Private Limited (Up to January 28, 2022)
- : Midwest Gold Limited
- : Deccan Silica LLP
- : Baapula Minerals



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**(b) Step-down subsidiaries**

: South Asia Granite and Marble Private Limited  
 : Maven Holding Limited  
 : Midwest Africa LDA  
 : Midwest Gercoal LDA  
 : Midwest Gondana LDA  
 : Midwest Koriba LDA  
 : Midwest Texera LDA

**(c) Joint venture**

: South Coast Infrastructure Development Company of Andhra Pradesh Limited  
 : SMW Granites LLP

**(d) Key Management personnel(KMP)**

: K.Raghava Reddy, President  
 : K.Ramachandra, Director  
 : K.Ranganayakamma, Chairman  
 : K.Soumya, Director  
 : G.Ravindra Reddy, Director

**(e) Relatives of Key Management personnel(KMP)**

: K.Deepak  
 : K.Uma Priyadarshini

**(f) Transactions with Related Parties:**

|   | As at March 31, 2022 |  | As at March 31, 2021 |  |
|---|----------------------|--|----------------------|--|
|   | Amount               | Outstanding balance as at March 31, 2022 | Amount               | Outstanding balance as at March 31, 2021 |
| <b>1.Key Management Personnel:</b>              |                      |  |                      |  |
| <b>Short-term employee benefits</b>             |                      |  |                      |  |
| <b>Remuneration*:</b>                           |                      |  |                      |  |
| K.Raghava Reddy                                 | 387.53               | (280.70)                                 | 373.67               | (293.98)                                 |
| K.Ramachandra                                   | 61.35                | -  | 348.22               | (278.58)                                 |
| K.Ranganayakamma                                | 381.58               | (369.60)                                 | 497.66               | (471.50)                                 |
| K.Soumya  | 406.04               | (224.56)                                 | 392.57               | (276.60)                                 |
| <b>Acceptance of unsecured loan:</b>            |                      |  |                      |  |
| K.Ranganayakamma                                | -                    | -  | -                    | (27.50)                                  |
| K.Soumya  | -                    | -  | -                    | (55.55)                                  |
| <b>Repayment of unsecured loans to :</b>        |                      |  |                      |  |
| K.Raghava Reddy                                 | -                    | -  | 214.00               | -  |
| K.Ranganayakamma                                | 27.50                | -  | 100.00               | -  |
| K.Soumya  | 26.89                | (28.66)                                  | -                    | -  |
| <b>Rent paid:</b>                               |                      |  |                      |  |
| K.Ramachandra                                   | 42.00                | -  | 42.00                | -  |
| K.Soumya  | 21.00                | -  | 21.00                | (1.62)                                   |
| <b>Professional charges:</b>                    |                      |  |                      |  |
| G.Ravindra Reddy                                | 14.68                | -  | 10.50                | (1.16)                                   |
| <b>2.Relatives of Key Management personnel:</b> |                      |  |                      |  |
| <b>Advance for expenses:</b>                    |                      |  |                      |  |
| K.Deepak  | -                    | -  | -                    | 0.09                                     |
| <b>Rent paid:</b>                               |                      |  |                      |  |
| K.Deepak  | 21.00                | (6.62)                                   | 21.00                | (6.62)                                   |
| <b>Salaries:</b>                                |                      |  |                      |  |
| K.Deepak  | 454.64               | (234.81)                                 | 140.16               | -  |
| K.Uma Priyadarshini                             | 439.94               | (172.22)                                 | 413.13               | (299.10)                                 |

\* Provision for employee benefits, which are based on actuarial valuation done on an overall company basis, is excluded.



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**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

|  | As at March 31, 2022 |  | As at March 31, 2021 |  |
|--|----------------------|--|----------------------|--|
|  | Transaction Amount   | Outstanding balance as at March 31, 2022 | Transaction Amount   | Outstanding balance as at March 31, 2021 |
| <b>3.Subsidiaries:</b>                           |                      |  |                      |  |
| <u>Unsecured loan (Given):</u>                   |                      |  |                      |  |
| Midwest Gold Limited                             | 366.57               | 2,212.90                                 | 381.24               | 1,784.12                                 |
| Midwest Neostone Limited                         | 78.00                | 84.22                                    |                      |  |
| <u>Equipment Rental Income:</u>                  |                      |  |                      |  |
| Andhra Pradesh (Midwest) Granite Private Limited | 309.36               | -  | 733.36               | (344.63)                                 |
| <u>Sale of goods:</u>                            |                      |  |                      |  |
| Midwest Gold Limited                             | -                    | 280.67                                   | 33.08                | 278.79                                   |
| Amaya Smart Technologies Private Limited         | -                    | 2.93                                     | -                    | 2.93                                     |
| Andhra Pradesh (Midwest) Granite Private Limited | 69.33                | -  | 44.23                | -  |
| <u>Sale of Property, Plant and Equipment:</u>    |                      |  |                      |  |
| Baahula Minerals                                 | -                    | -  | -                    | 4.66                                     |
| Andhra Pradesh (Midwest) Granite Private Limited | 452.37               |  |                      |  |
| <u>Rent Received</u>                             |                      |  |                      |  |
| Midwest Gold Limited                             | 1.20                 | -  | 1.20                 | -  |
| <u>Interest Accured on Loans</u>                 |                      |  |                      |  |
| Midwest Gold Limited                             | 62.21                | -  | 39.92                | -  |
| Midwest Neostone Private Limited                 | 6.22                 | -  |                      |  |
| <u>Corporate guarantee given:</u>                |                      |  |                      |  |
| Midwest Gold Limited                             | 175.00               | -  | 175.00               | 175.00                                   |
| Reliance Diamond Tools Private Limited           | -                    | -  | 189.37               | 189.37                                   |
| Andhra Pradesh Granite (Midwest) Private Limited | 165.22               | -  | 847.57               | 847.57                                   |
| <u>Lease rent paid</u>                           |                      |  |                      |  |
| Andhra Pradesh (Midwest) Granite Private Limited | 2.45                 |  |                      |  |
| <u>Reimbursement of Expenses</u>                 |                      |  |                      |  |
| Andhra Pradesh (Midwest) Granite Private Limited | 2,348.62             | 1.75                                     |                      |  |
| Midwest Gold Limited                             | 0.44                 |  |                      |  |
| <u>Corporate guarantee taken:</u>                |                      |  |                      |  |
| Midwest Gold Limited                             | -                    | -  | 392.43               | 392.43                                   |
| <u>Purchase of goods:</u>                        |                      |  |                      |  |
| Reliance Diamond Tools Private Limited           | -                    | 158.07                                   | -                    | -  |
| Andhra Pradesh (Midwest) Granite Private Limited | 41.88                | -  | 16.56                | -  |



**MIDWEST GRANITE PRIVATE LIMITED**  
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 (All amounts in INR Lakhs, unless otherwise stated)

|  | As at March 31, 2022 |  | As at March 31, 2021 |  |
|--|----------------------|--|----------------------|--|
|  | Transaction Amount   | Outstanding balance as at March 31, 2022 | Transaction Amount   | Outstanding balance as at March 31, 2021 |
| <b>Purchase of assets:</b>   |                      |  |                      |  |
| Andhra Pradesh (Midwest) Granite Private Limited                         | 82.14                | (5.73)                                   | -                    | -  |
| Reliance Diamond Tools Private Limited                                   | 143.83               | -  | -                    | -  |
| <b>Investment in equity shares:</b>                                      |                      |  |                      |  |
| Midwest Neostone Private Limited   | -                    | -  | -                    | 871.00                                   |
| Midwest Energy Private Limited   | -                    | -  | 219.96               | 246.97                                   |
| Midwest Quartz Private Limited   | 15.00                | 15.00                                    | -                    | -  |
| Astral Granite Private Limited   | 208.46               | 208.46                                   | -                    | -  |
| Deccan Silica  | 1.50                 | 64.67                                    | -                    | -  |
| <b>Disposal in equity shares:</b>  |                      |  |                      |  |
| Vandeep Technoidentity Solutions Private Limited                         | -                    | -  | 35.70                | -  |
| Midwest Energy Private Limited   | 246.87               | 0.10                                     | -                    | -  |
| <b>Disposal in Preference shares:</b>                                    |                      |  |                      |  |
| Vandeep Technoidentity Solutions Private Limited                         | -                    | -  | 94.26                | -  |
| <b>Advance for purchases:</b>  |                      |  |                      |  |
| Baahula Minerals   | 540.00               | 540.00                                   | 88.00                | 522.55                                   |
| Reliance Diamond Tools Private Limited                                   | 257.41               | 97.72                                    | -                    | -  |
| <b>Repayment of Advance for purchases:</b>                               |                      |  |                      |  |
| Baahula Minerals   | 522.55               | -  | -                    | -  |
| Reliance Diamond Tools Private Limited                                   | 159.69               | -  | -                    | -  |
| <b>Payable for purchases:</b>  |                      |  |                      |  |
| Reliance Diamond Tools Private Limited                                   | -                    | (156.57)                                 | -                    | (251.54)                                 |
| <b>Capital advance:</b>  |                      |  |                      |  |
| Reliance Diamond Tools Private Limited                                   | -                    | -  | 100.33               | (100.33)                                 |
| <b>4. Step-down subsidiary:</b>  |                      |  |                      |  |
| <b>Corporate guarantee given:</b>  |                      |  |                      |  |
| South Asia Granite and Marble Private Limited                            | 479.23               | 479.23                                   | 506.16               | 506.16                                   |
| <b>5. Joint venture:</b>   |                      |  |                      |  |
| <b>Unsecured loans given:</b>  |                      |  |                      |  |
| South Coast Infrastructure Development Company of Andhra Pradesh Limited | -                    | 300.13                                   | -                    | 300.13                                   |
| <b>Rent received:</b>  |                      |  |                      |  |
| SMW Granites LLP   | 2.24                 | 7.41                                     | 2.03                 | 6.39                                     |
| <b>Advances for expenses:</b>  |                      |  |                      |  |
| SMW Granites LLP   | 1.02                 | -  | 0.42                 | -  |
| <b>Sale of goods:</b>  |                      |  |                      |  |
| SMW Granites LLP   | 66.79                | 58.71                                    | 47.12                | 61.66                                    |

(Transaction Amounts are excluding applicable taxes and outstanding includes applicable taxes)



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**MIDWEST GRANITE PRIVATE LIMITED****Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 38 :**

The Board of Directors of the company, at its meeting held on March 22, 2022 and the creditors (Secured and Unsecured) of the Company at their respective meetings held on June 14, 2022, had considered and approved a merger of RDT Diamond Tools Private Limited ("RDT") and Midwest Mining Private Limited ("MMPL") into Midwest Granite Private Limited by way of a composite scheme of amalgamation.

Regional Director (RD), through its order dated November 29, 2022 has approved the scheme with the appointed date of the merger being April 1, 2021.

As per guidance on accounting for common control transactions contained in Ind AS 103 "Business Combinations" the merger has been accounted for using the pooling of interest method. Accordingly, all the assets, liabilities and other reserves of transferor companies were aggregated with those of the Company at their respective book values. As prescribed by the Scheme no consideration was paid as the transferor Companies were wholly owned subsidiaries of the Company. Accordingly, the resultant difference amounting to Rs.0.75 Lakhs was credited to capital reserve account.

The previous year figures have therefore been restated to include the impact of the merger.

As part of the Scheme, the equity shares held by RDT Diamond Tools Private Limited and the Midwest Mining Private Limited stands cancelled.

**Note 39 : Assets pledged as security**

The carrying amounts of Company's assets pledged as security for current borrowings are:

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Working capital loans from banks<br/>(secured)</b>  |                         |                         |
| <b>Primary security</b>  |                         |                         |
| <b>Current assets</b>  |                         |                         |
| Financial assets   | 8,759.39                | 4,238.75                |
| Non financial assets   | 8,843.96                | 7,783.26                |
| Property, plant and equipment<br>(except freehold land, leasehold land and improvements to leasehold premises) | 10,831.52               | 7,880.08                |
| <b>Total current borrowings</b>  | <b>28,434.37</b>        | <b>19,902.09</b>        |

Note: Collateral security and other conditions / details are disclosed in Note 15.

**Note 40: Earnings per share**

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| <b>Basic &amp; Diluted EPS(INR)</b>  |                         |                         |
| Basic and Diluted earnings per share attributable to the equity holders of the company | 6,851.86                | 4,429.17                |

**Reconciliation of earnings used in calculating earnings per share**

|   | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|---|-------------------------|-------------------------|
| <b>Basic and Diluted earnings per share</b>   |                         |                         |
| Profit attributable to the equity holders of the company used in calculating earnings per share | 5,091.82                | 3,715.09                |

**Weighted average number of shares used as the denominator**

|  | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
|--|-------------------------|-------------------------|
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | 74,313                  | 83,878                  |
| Adjustments for calculation of diluted earnings per share:   |                         |                         |
| Weighted average number of equity shares used as the denominator in calculating diluted                  | <b>74,313</b>           | <b>83,878</b>           |

**Note 41: Note on Balances:**

(ii) Confirmation letters have been issued in respect of trade receivables and other receivables and advances and trade payables and other payables of the company but not responded in many cases. Balances where confirmations are not forthcoming, such balances are subject to reconciliation and consequential adjustments required, if any, would be determined/made on receipt of confirmation. However, in the opinion of the Board, assets other than Fixed Assets and non-current investments have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and provision for all known liabilities have been made.

**Note 42:** No Delay in charge creation / satisfaction with ROC beyond the statutory period.



**MIDWEST GRANITE PRIVATE LIMITED**

**Notes to the Financial statements**

(All amounts in INR Lakhs, unless otherwise stated)

**Note 43: Ratios to be disclosed**

| Particulars                                   | Numerator  | Denominator   | As at<br>March 31, 2022 | As at<br>March 31, 2021 | % Change in Ratio |
|---|--|---|-------------------------|-------------------------|-------------------|
| a) Current ratio(in times)                    | Current Assets   | Current Liabilities                                   | 1.19                    | 1.12                    | 7%                |
| b) Debt-Equity ratio(in times)                | Total debt   | Shareholder's Equity                                  | 0.19                    | 0.24                    | -20%              |
| c) Debt service coverage ratio(in times)      | Earnings available debt<br>Service = Profit after tax+Non cash expenses + Interest + Others non cash | Debt Service = Interest payments + Principle payments | 1.23                    | 0.85                    | 44%               |
| d) Return on Equity ratio(in %)               | Profit after tax   | Average Shareholders fund's                           | 19%                     | 16%                     | 3%                |
| e) Inventory turnover ratio(in times)         | Sale of Products   | Average Inventory                                     | 13.35                   | 10.18                   | 31%               |
| f) Trade receivables turnover ratio(in times) | Revenue from operations  | Average trade receivable                              | 14.63                   | 14.29                   | 3%                |
| g) Trade payables turnover ratio(in times)    | Net Credit Purchases   | Average Trade Payables                                | 14.45                   | 9.64                    | 50%               |
| h) Net capital turnover ratio(in times)       | Revenue from Operations  | Working Capital                                       | 13.61                   | 20.73                   | -34%              |
| i) Net profit ratio(in %)                     | Profit after tax   | Revenue from operations<br>Capital employed           | 15%<br>18%              | 17%<br>13%              | -2%<br>5%         |
| j) Return on capital employed(in %)           | Earning before interest and taxes  | = Net worth + Total debt+ Deferred tax liability      |                         |                         |                   |
| k) Return on investment(in %)                 | Net Profit   | Average Invested funds                                | 10%                     | 8%                      | 2%                |

**Reasons for Variance:**

**Debt Service Coverage Ratio:** Change on account of increase in earnings available debt service during the year

**Inventory Turnover Ratio:** Change is on account of increase in revenue from operations during the year.

**Trade Payables Turnover Ratio:** Change is on account of increase in payment to trade payables compared to Previous year.

**Net Capital Turnover Ratio :** Change on account of increase in Revenue and decrease in working capital.

**Note 44 (i):** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**Note 44 (ii):** No funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



*[Signature]*

MIDWEST GRANITE PRIVATE LIMITED

Notes to the Financial statements

(All amounts in INR Lakhs, unless otherwise stated)

**Note 45: Details loans given. Investments made and guarantee given covered under sub-section (4) of section 186 of the Companies Act, 2013**

| Particulars  | Opening balance as on April 01, 2021 | Amount of transaction | Amount outstanding's as on March 31, 2022 | Purpose for which loan or guarantee is proposed to be utilised |
|--|--------------------------------------|-----------------------|---|--|
| <b>A. Loans given by the company :</b>                                   |                                      |                       |   |  |
| <b>(a) Interest free unsecured loans:Prior to 1/4/2014</b>               |                                      |                       |   |  |
| South Coast Infrastructure Development of Andhra Pradesh Private Limited | 300.13                               | -                     | 300.13                                    |  |
| Midwest Gold Limited   | 1,211.14                             | -                     | 1,211.14                                  |  |
| <b>(b) Interest bearing unsecured loans:</b>                             |                                      |                       |   |  |
| Midwest Gold Limited   | 572.98                               | 428.79                | 1,001.77                                  |  |
| Midwest Neostone Private Limited   | -                                    | 84.22                 | 84.22                                     |  |
| <b>B. Investments made:</b>  |                                      |                       |   |  |
| <b>(a) Equity Shares:</b>  |                                      |                       |   |  |
| Reliance Diamond Tools Private Limited                                   | 103.40                               | -                     | 103.40                                    |  |
| Andhra Pradesh Granite (Midwest) Private Limited                         | 850.00                               | -                     | 850.00                                    |  |
| BEML, Midwest Limited  | 661.72                               | -                     | 661.72                                    |  |
| Midwest Holdings Limited   | 1,301.18                             | -                     | 1,301.18                                  |  |
| Amaya Smart Technologies Private Limited                                 | 97.75                                | -                     | 97.75                                     |  |
| Midwest Neostone Private Limited   | 871.00                               | -                     | 871.00                                    |  |
| Midwest Energy Private Limited*  | 246.97                               | (246.87)              | 0.10                                      |  |
| Astral Granite Private Limited   | -                                    | 208.46                | 208.46                                    |  |
| Midwest Quartz Private Limited   | -                                    | 15.00                 | 15.00                                     |  |
| Midwest Gold Limited   | 224.09                               | -                     | 224.09                                    |  |
| South Coast Infrastructure Development Company of Andhra Pradesh Limited | 2.50                                 | -                     | 2.50                                      |  |
| SMW Granites LLP   | 40.00                                | -                     | 40.00                                     |  |
| Deccan Silica LLP  | 63.17                                | 1.50                  | 64.67                                     |  |
| <b>(b) Preference Shares:</b>  |                                      |                       |   |  |
| Midwest Holdings Limited   | 3,178.62                             | -                     | 3,178.62                                  |  |
| Midwest Energy Private Limited   | -                                    | 600.00                | 600.00                                    |  |
| <b>C. Guarantees given:</b>  |                                      |                       |   |  |
| Midwest Gold Limited   | -                                    | -                     | 175.00                                    | Working Capital Loans and other credit facilities              |
| Andhra Pradesh Granite (Midwest) Private Limited                         | -                                    | -                     | 165.22                                    | Working Capital  |
| South Asia Granite and Marble Private Limited                            | -                                    | -                     | 479.23                                    | Loans  |

\* Investments sold during the year

**Note 46:** The figures for the previous year have been reclassified / regrouped wherever necessary to conform to current year's classification.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MAJETI & CO.,

Chartered Accountants

Firm's Registration Number:015975S

*A. Kowshik*

Kowshik Anna

Partner

Membership Number : 244172

Hyderabad

December 23, 2022



For and on behalf of Board

*K. Ranganayakuni*

K.Ranganayakuni

Chairman

DIN:00033569

*K. Ramachandra*

K.Ramachandra

Director

DIN:00060086