



Aro granite industries Ltd.

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Date: August 9, 2023

Bombay Stock Exchange Limited
Department of Corporate Services
Floor 25, P.J. Towers
Dalal Street
Mumbai 400001
(SCRIP CODE: 513729)

National Stock Exchange of India Limited
Listing Department
5th Floor, Exchange Plaza
Bandra (E)
Mumbai 400051
(SCRIP CODE: AROGRANITE/EQ)

Sub.: Annual Report for the financial year 2022-23 and Notice convening the 35th Annual General Meeting

Dear Sir,

Pursuant to Clause 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we submit herewith the Annual Report of the Company for the year 2022-23 along with the Notice convening the 35th Annual General Meeting scheduled to be held on 08th September 2023. The Annual Report is also available on the Company's website www.arotile.com.

Thanking You

Yours faithfully
For Aro granite industries ltd.

Company Secretary

Encl.: a/a

CORP. OFF. & WORKS :

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CIN : L74899DL1988PLC031510



Adapting and advancing



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Revenue
(₹ in Crores)
163.9

EBITDA
(₹ in Crores)
19.6

PAT
(₹ in Crores)
(5.78)

Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Adapting and advancing

After weathering an era of distinct challenges, Aro granite industries ltd. stands on the cusp of a promising resurgence. Our journey has been defined by fortitude and agility, with strategic shifts and a solid foundation forming the bedrock of our recovery.

Our strategic investments and their potential have put us in a position to ride the wave of change, unlock new opportunities, and chart a course towards sustained growth and high performance. Over the past few years, we faced significant setbacks, including high freight rates, unforeseen duties on Quartz imports, and a slowdown in key markets. Despite these adversities, we've maintained our stronghold and adjusted to new market dynamics.

As we turn a corner, our strategic decisions and investments are set to yield results, signalling a robust comeback and heralding an era of growth for the Company.

Fuelled by our relentless spirit, we're ready to seize the opportunities of the years to come. In recognition of our resilience, potential, and readiness to advance, we present our theme - "Adapting and Advancing." This reflects our commitment to rise above challenges, evolve with the times, and propel ourselves towards progress.



About the Company

Driven by passion Defined by quality

Established in 1989, Aro granite industries ltd. (AGIL) has evolved into India's leading processor and exporter of processed granite. Our commitment to excellence and customer satisfaction has distinguished us as a prominent name in the industry. With our cutting-edge manufacturing facilities in Hosur and Jaipur, we transform raw granite into exquisite finished products, setting industry benchmarks.

As part of our growth and diversification strategy, we ventured into quartz stone manufacturing in 2020. Integrated into our existing Hosur facility, this addition solidifies our capacity to meet our valued clients' evolving demands. As a 100% Export Oriented Unit in Hosur and a Special Economic Zone unit in Jaipur, Aro boasts an impressive annual production capacity of 1 million square

metres, firmly establishing us as India's largest exporter of processed granite.

Our resilient workforce, reinforced by an efficient supply chain, steers us ahead in this competitive landscape. Committed to growth, we persistently navigate the market dynamics, ensuring adaptability in our product offerings.

With a keen focus on client requirements and global trends, we ensure that our granite and quartz stone products mirror the highest standards of quality and aesthetic appeal. We stand committed to building a stronger, more agile Aro that is well-equipped to address the evolving demands of the global market.

AGIL in numbers

2

Manufacturing facilities, staffed by skilled and trained experts

Largest

processed granite exporter of India

100+

Shades of granite and quartz stones

650+

Members efficient workforce

As part of our growth and diversification strategy, we ventured into quartz stone manufacturing in 2020.

Our Journey

Tracing the path of progress

Our journey began with humble beginnings in 1989. Through prudent decisions and unwavering determination, we steadily progressed towards our objective of establishing a distinguished organisation. We faced our share of difficulties and each time, we course-corrected, and used the obstacles as stepping stones. Now, 34 years later, Aro granite industries Ltd. stands as a robust organisation, esteemed as India's leading processor and exporter of granite

Established in 1989, Aro commenced commercial production, laying the groundwork for a successful journey.

In **1995**, Aro made the strategic decision to go public, embarking on an expansion drive that marked the commencement of a period of sustained growth and heightened market recognition.

The years **2001 - 2010** witnessed Aro's commitment to quality and innovation with the expansion of our slab processing facilities.

Reflecting our strategic adaptability and commitment to customer needs, we extended our product line with the initiation of our quartz plant in **2021**.

A notable milestone in **2019** was the commissioning of our Jaipur plant, paving the way for enhanced production capabilities and operational efficiencies.

Certifications received over the course

Between **1996** and **1999**, we received Certificates of Merit from CAPEXIL consecutively for three years, solidifying our reputation in the industry.

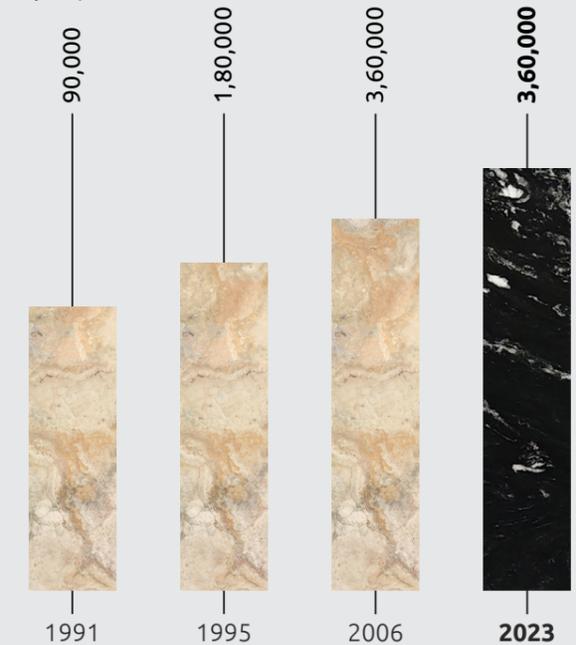
Our commitment to excellence led to a streak of 'Special Exports Awards' from CAPEXIL between **1999 - 2010**.

We achieved ISO 9001:2000 Quality Management Systems certifications for both our units in **2002**, followed by the initiation of ISO 14000 Environment Management System in **2005**.

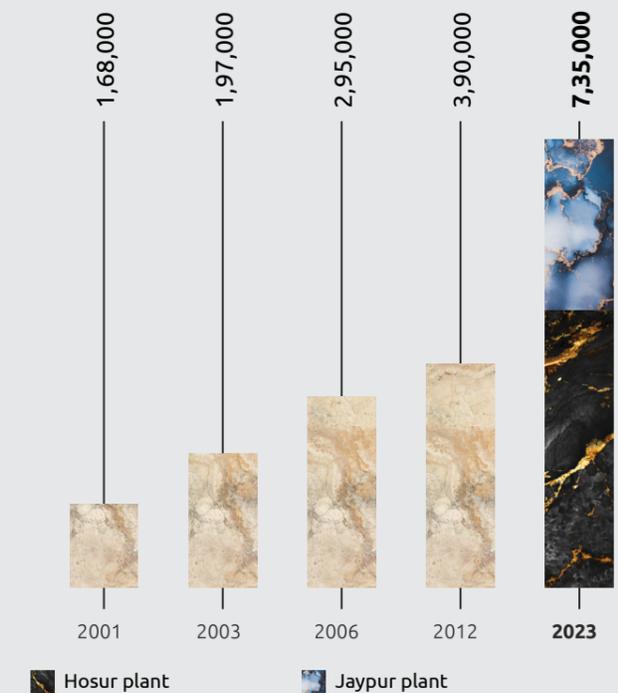
Between **2013** and **2014** we received the coveted ISO 14001:2004 for Environment OHSAS 18001:2007 for Occupational Health and Safety, and the Star Export House certificate, augmenting our global stature and commitment to industry standards.

Scaling capacities

Granite tiles
(in Sq. Mt.)



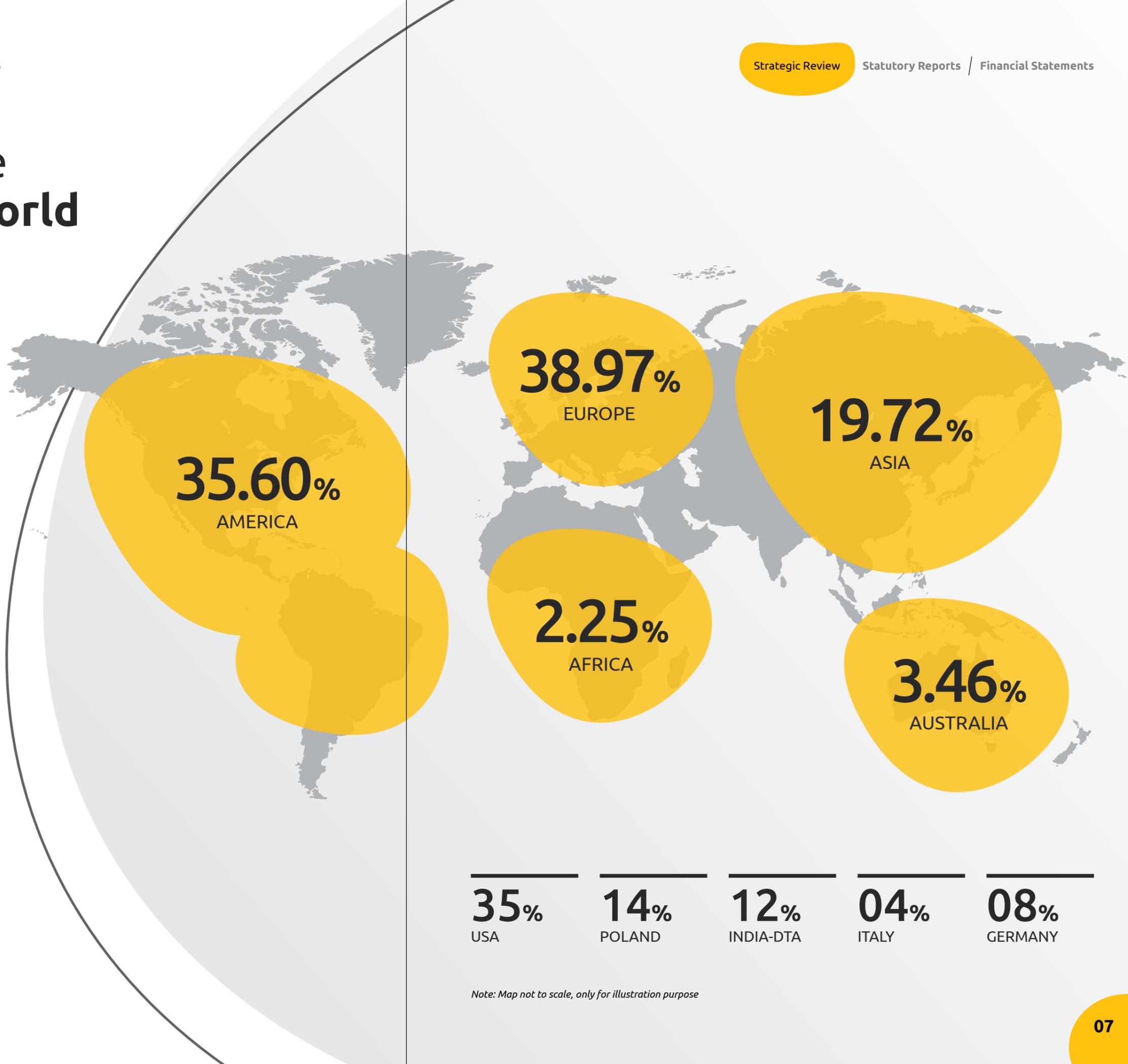
Granite slabs
(in Sq. Mt.)



Geographical Presence

Crafting space around the world

At Aro granite industries ltd. (AGIL), our robust international footprint is a testament to our strength and reach in the global markets, spanning not only granite but also quartz stone. Export sales significantly contribute to our revenues, reflecting our standing as a global player. As we expand our reach, we remain committed to delivering the finest Indian Granites and engineered stones worldwide. These materials find their place in a diverse range of architectural, residential, and commercial spaces.



88.23%

Revenue from export sales in FY23

11.77%

Revenue from domestic sales in FY23

35%
USA

14%
POLAND

12%
INDIA-DTA

04%
ITALY

08%
GERMANY

Note: Map not to scale, only for illustration purpose

Product Portfolio

Offering the best of design and finesse

Aro's product portfolio comprises three categories: granite slabs, granite tiles, and engineered quartz stones, each carrying its own distinctive characteristics and applications.

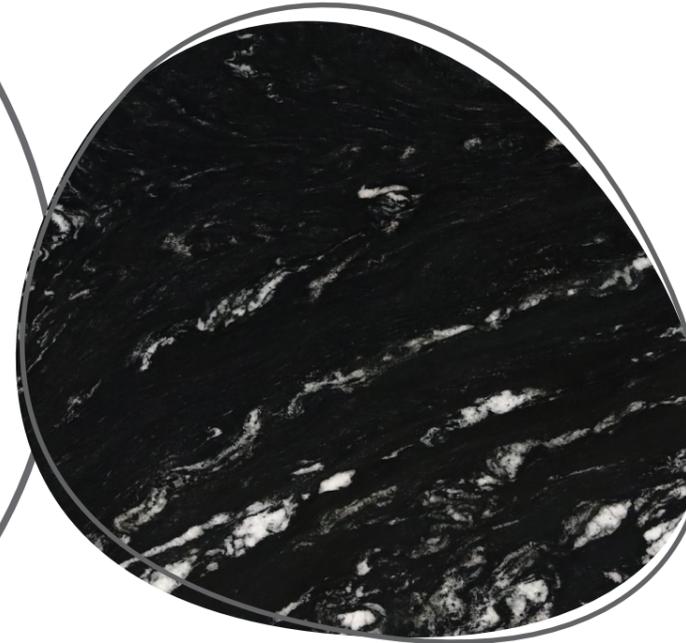


Granite Slabs

Granite slabs, known for their luxurious appeal, are precision-cut to meet various requirements. Slabs serve multiple purposes including flooring, wall cladding, countertops, and backsplashes. Although the handling and installation of these large, heavy slabs demand meticulous attention, their elegance and durability make them a preferred choice for a wide range of applications.

Applications:

- Construction
- Home Renovation

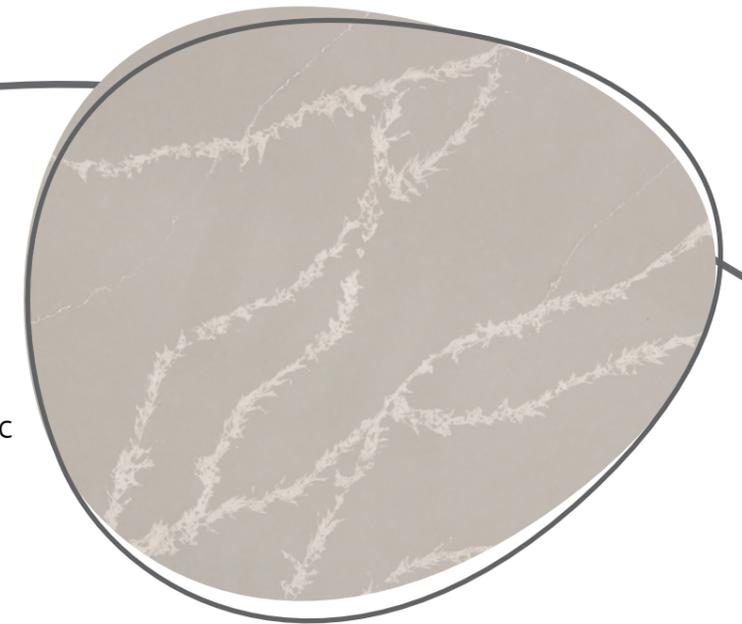


Granite Tiles

As an economical alternative to slabs, granite tiles provide robust and aesthetically pleasing solutions. Their distinctive natural variations render a charm that stands out in diverse lighting conditions. Being easier to transport and install, these tiles are a practical choice for flooring, wall, and countertop applications.

Applications:

- Construction
- Home Renovation



Quartz Stone

Engineered quartz stones are synthetic yet durable materials, created by combining natural quartz crystals with resins and other additives. Owing to their non-porous nature and superior resistance to stains, scratches, and heat, these stones have gained popularity in modern interiors.

Applications:

- Interior surfaces
- Architectural Installations

Manufacturing Facilities

Where quality takes shape

Our two manufacturing facilities, strategically located in Hosur and Jaipur, amplify Aro granite’s commitment to technical excellence and efficiency. These state-of-the-art facilities not underscore our dedication to superior quality but also serve as the catalysts propelling us towards industry leadership.

Hosur Site

Despite various challenges, including the closure of numerous granite quarries, our Hosur plant remains a testament to resilience. Equipped with state-of-the-art machinery, it allows us to maintain our focus on customer satisfaction. The strategic location of the plant, offers easy access to South India’s quarries, famed for their diverse premium granites.

Key Offerings:

Granite slabs
Production capacity:
5,85,000 Sq. Mt. PA

Granite tiles
Production capacity:
3,60,000 Sq. Mt. PA

Quartz stone
Production capacity
1,80,000 Sq. Mt. PA

Recognising the importance of diversification, we initiated the production of Quartz stone at our Hosur facility in 2021, a strategic move that has demonstrated promising growth in its inaugural year.



Jaipur Site

Responding to raw material shortages at our Hosur plant, we established a state-of-the-art facility in Jaipur in 2019. The Jaipur site allows us to tap into the rich granite quarries of Rajasthan, providing us with a significant advantage.

Key Offerings:

Granite slabs
Production capacity:
1,50,000 Sq. Mt. PA

With a selection of over 100 exquisite shades in granite and an ever-expanding portfolio in quartz, our commitment to delivering unparalleled products remains unflinching. Our manufacturing infrastructure harmoniously blends cutting-edge technology with environmental responsibility



Strategic Advancements

Steering towards success

In the ever-evolving landscape of the granite industry, AGIL has consistently displayed a remarkable ability to adapt and thrive, even in the face of unprecedented challenges. The Bangalore-Hosur cluster, renowned for its expertise in processing high-quality granite, encountered a significant setback when hundreds of granite quarries in the Madurai region were forced to shut down due to alleged irregularities in mining operations. This abrupt closure triggered an acute shortage of granite rough blocks, creating a ripple effect across the entire industry. However, in these testing times, Aro emerged as a shining example of resilience and strategic prowess.

With unwavering determination and a commitment to chart new territories, we have embraced a multifaceted approach to drive strategic advancements. Recognizing the need for diversification, we have expanded

our product portfolio, exploring new avenues beyond the conventional granite offerings. Moreover, AGIL has invested in augmenting its production capacity, ensuring the ability to meet growing market demands and solidify

its position as a trusted supplier. To further fortify its standing, we have adopted cutting-edge infrastructure and technology, empowering the Company to thrive in an era of rapid innovation.

Strategy	Impact on business	Impact on Financials
<p>Shift in business model to stock and sell The Company underwent a significant strategic transformation by transitioning from a made-to-order business model to a stock and sell approach. Initially, our operations revolved around procuring raw materials based on specific customer orders, followed by selling them to dealers and distributors for further distribution to end-users. However, the scarcity of raw materials necessitated a shift in our approach to better meet market demands. As a result, we strategically established an expansive 11,000 sq. mt. warehouse dedicated to stocking our products.</p>	<ol style="list-style-type: none"> 1. Curtailed revenue decline and mitigated loss of business. 2. Facilitated informed purchase decisions, thus enhanced customer satisfaction. 	<ol style="list-style-type: none"> 1. Increased working capital requirement The transition to a stock and sell model necessitated a corresponding increase in our working capital requirement. This adjustment allowed us to efficiently manage inventory levels and ensure a continuous supply of products to meet market demands. 2. Incremental capital expenditure While the shift in business model did not directly contribute to additional revenue growth, it was a strategic imperative aligned with market realities.



Strategy	Impact on business	Impact on Financials
<p>Value-added services with cut-to-size solutions In our strategic pursuit of customer-centricity, we invested in establishing a dedicated cut-to-size unit at our Hosur facility. This advanced unit features state-of-the-art Intra CNC bridge sawing and polishing machines, enabling precise processing of granites to meet the exact specifications of our valued customers.</p>	<p>Catering to niche customer requirements, with the ability to provide tailored solutions</p>	<p>Incremental margins and value generation By offering cut-to-size solutions, we enhanced our value proposition and differentiated ourselves from competitors who solely focused on processing rough granite blocks. This strategic move translated into incremental margins, enabling us to enhance profitability and optimise revenue streams.</p>
<p>Multi-wire mastery To overcome the challenges of raw material availability and enhance our operational efficiency, we implemented a cutting-edge Multi Wire granite cutting machine at our Hosur facility. This cutting-edge technology allows us to efficiently saw hard and brittle rough blocks, expanding our sourcing capabilities.</p>	<p>The adoption of Multi Wire technology empowered us to import rough blocks and effectively process those available from mines in Rajasthan, thus expanding our sourcing options and ensuring a steady supply.</p>	<p>Improved efficiencies The utilisation of the Multi Wire cutting machine has led to higher operational efficiencies, resulting in improved margins for the Company.</p>
<p>Prudent CAPEX As part of our strategic advancements, we established a new manufacturing facility in Jaipur for the production of granite slab.</p>	<ol style="list-style-type: none"> 1. The establishment of this new facility played a pivotal role in mitigating the raw material availability challenge that we faced. 2. This strategic move provided us with an opportunity to expand our business horizons and diversify our operations. 	<p>Higher margins The limited competition in the region resulted in improved margins for the Company. By establishing our presence in Jaipur, we strategically positioned ourselves to capitalise on this advantage, driving financial growth and profitability.</p>
<p>Product diversification As part of our strategic initiatives, we have successfully forayed into the manufacturing of Quartz stone.</p>	<ol style="list-style-type: none"> 1. Our entry into the manufacturing of Quartz stone marked a significant step towards offering premium products to our esteemed customers. 2. By embracing the production of engineered stone, we have effectively reduced our dependency on natural quarries. 	<p>Expansion into the US market With the recent lifting of the Anti-Dumping Duty (ADD) on Indian quartz manufacturers, we are now well-positioned to cater to the demand in the lucrative US market. This presents a promising growth opportunity, and if successful, we have the potential to double our existing quartz capacity with an incremental investment of ₹ 20 Crores.</p> <ol style="list-style-type: none"> 1. Increase in operating revenue The addition of Quartz manufacturing has contributed to an increase in our operating revenue. 2. Higher margins compared to granite business The Quartz segment has possibility of higher margins compared to our traditional granite business. This strategic diversification not only broadens our revenue streams but also enhances our overall profitability.



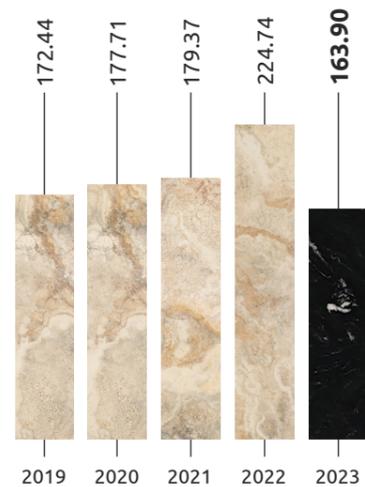
Key Performance Indicators

Performance in focus

Despite facing a challenging year due to unforeseen external factors adversely affecting our financial performance, we've taken decisive measures to steer our business back towards growth. We anticipate the strategic decisions and investments made will begin to bear fruit in the upcoming year.

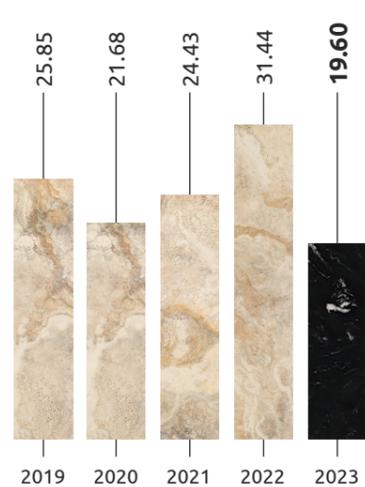
Revenue from Operations
(₹ in Crores)

163.9



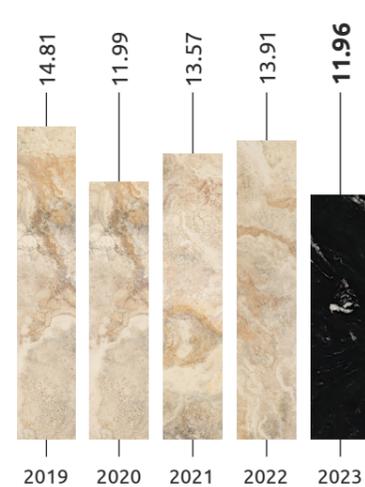
EBITDA
(₹ in Crores)

19.6



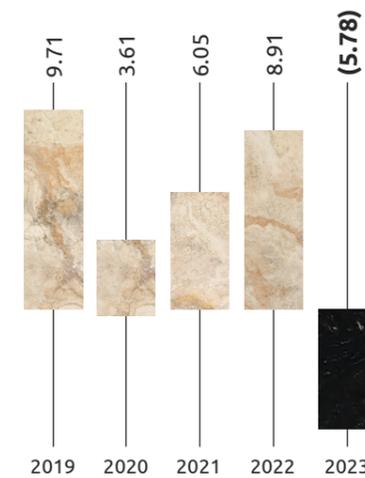
EBITDA Margin
(In %)

11.96%



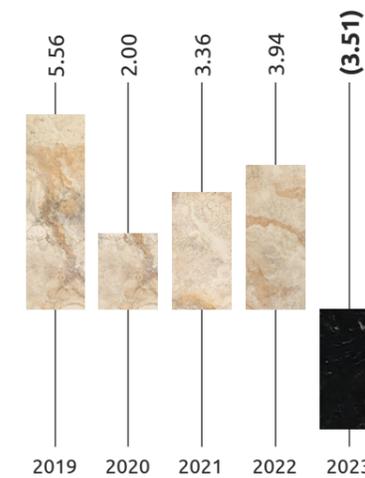
Profit After Tax
(₹ in Crores)

(5.78)



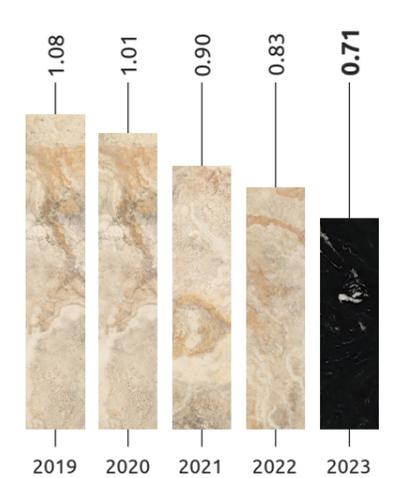
Profit After Tax Margin
(In %)

(3.51%)



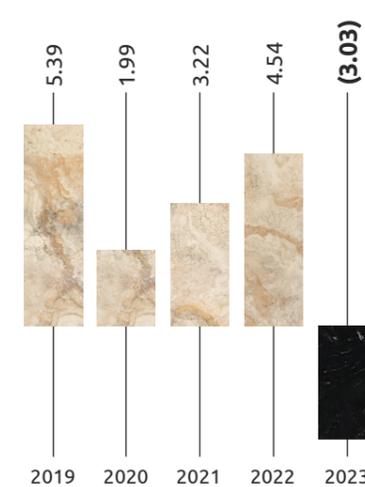
Debt/Equity
(In Times)

0.71



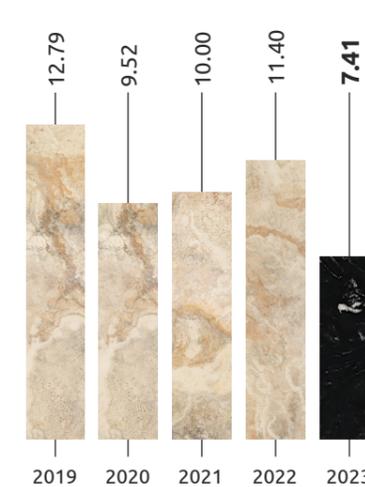
ROE
(In %)

(3.03%)



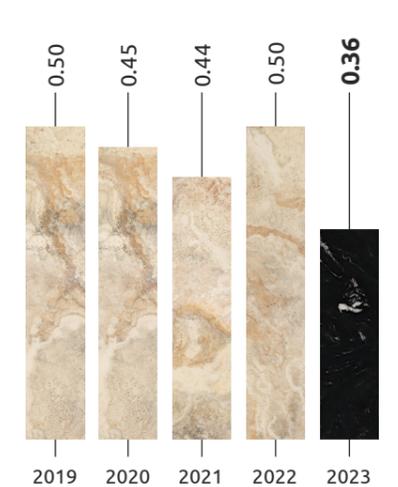
ROCE
(In %)

7.41%



Asset Turnover
(In Times)

0.36



Letter to Shareholders

Navigating the pathway of progress



Sunil Kumar Arora
MANAGING DIRECTOR

Sahil Arora
WHOLE TIME DIRECTOR

Dear shareholders,

As we pen down this letter, we found ourselves reflecting upon the past financial year with a mix of sentiments. FY23 has undeniably been a year that has tested our mettle, and its profound imprint on our business and the larger industry is undeniable. Nevertheless, it's from these challenging periods that the most transformative learnings emerge, arming us with insights that will drive our evolution.

Our team displayed unparalleled fortitude and resilience, transcending the extraordinary circumstances with grit and determination. The robust foundations of our company, laid over three decades, provided us with the strength to withstand these challenges and adapt promptly to rapidly shifting conditions, all the while safeguarding the well-being of our business.

I take immense pride in how our organization rose to these unprecedented challenges, demonstrating unfaltering resolve and tenacity. Amidst it all, we held firm to our core purpose — maintaining our stature as a leading granite processor and exporter, dedicated to providing our clients with superior, cost-effective products. Our journey continues with this purpose lighting our path, guiding us towards a brighter, more prosperous future.

A year of challenges and adaptation

Looking back at FY23, the operating landscape presented a host of complex and formidable challenges. The industry was shaken by the unprecedented high container prices, which significantly strained our customers and consequently led to a dip in sales of our budget and low-cost products. The impact on our performance was further amplified by an unexpected duty imposed by the United States on Indian quartz imports, forcing us to temporarily halt operations at our quartz plant.

Adding to this pressure, the energy crisis in Europe, led to a substantial increase in fuel and electricity costs. This hike, in turn, affected the European real estate market, leading to a dampening of our customer sales in an important geography. The slowdown in the U.S. and European markets significantly impacted our operations.

Our revenue from operations for FY23 stood at ₹ 163.90 Crores, witnessing a decline from ₹ 224.74 Crores in FY22. EBITDA, a crucial measure of our operational profitability, stood at ₹ 19.60 Crores in FY23, contrasting with ₹ 31.44 Crores in FY22. Our EBITDA margin for FY23 was 11.96%, experiencing a decline from 13.91% recorded in FY22. Consequently, in FY23 we reported a loss of ₹ 5.78 Crores as against a profit after tax of ₹ 8.91 Crores in FY22.

Paving the way to a better tomorrow

Over the last several years, we have been laying a strategic foundation for our growth and prosperity. Despite the macroeconomic challenges and complex operating environment, we persevered, investing time and resources in new capacities and initiatives. Our venture into quartz production, which initially encountered hurdles due to COVID and then the unexpected imposition of duties, stands as a testament to our unwavering determination for growth. I am pleased to report that the Anti-Dumping Duty (ADD) has been reversed, thus unlocking our pathway to a bright future in the quartz business.

Our operational advancements, specifically the Jaipur processing plant, underscore our commitment to strategic improvements. This plant, designed to process material from Rajasthan, will play a crucial role in the success of our granite business.

We have always been driven by a forward-looking approach, strategically investing and planning for the future. Yet, the fruits of these efforts have been somewhat dampened by an unfavorable operating environment in the recent past. Today, as we stand on the threshold of FY24, we are optimistic that the worst is behind us.

Our quartz plant, already running at 85-90% capacity, is expected to start contributing to the growth of the business. With an additional calculated investment of ₹ 20 Crores, we can double our capacity and we will take this decision at an opportune time. This, coupled with our commitment to develop high-end designs for the quartz business and

optimally utilize the quartz facility at capacity for the next two years, will drive our revenue growth and profitability in the coming years.

As we look to the future, we see the burgeoning potential of our strategic initiatives reflecting positively on our financial performance from FY24 onwards. The anticipated easing of interest rates and a more favorable operating environment offer a promising landscape for Aro granite industries Ltd. We are ready and eager to seize the emerging opportunities, strengthen our market position, and pivot towards a period of significant growth and success.

Over the past few years, we have been strategically paving the way for our growth and prosperity at Aro granite industries Ltd. Despite facing macroeconomic hurdles and operating in a complex environment, we have persevered. Our resilience is reflected in our investment of time and resources to bolster our capabilities and implement strategic initiatives.

Our proactive approach saw us transition from a made-to-order model to a stock-and-sell approach. This shift was both a strategic necessity and a decision driven by the evolving needs of our customers. Faced with a widespread shutdown of mines and limited availability of rough granite, we chose to adapt by investing in a warehouse. This has not only made us more resilient in the face of raw material shortages but also empowered our customers to make quick, informed decisions from an array of ready-to-ship products.

We also adapted technologically to meet the challenges of a constrained raw material supply. With the advent of Multi-Wire technology, we recognised an opportunity to process granite mined from Rajasthan. We seized this opportunity by commencing a greenfield plant in Jaipur in 2019, specifically designed to process granite slabs.

We also ventured into quartz production to enhance our product offerings. While this journey initially faced obstacles due to COVID and unexpected duties, we remained steadfast.

However, the challenging macroeconomic environment somewhat overshadowed the rewards of these strategic initiatives. Yet, we persevered, remaining steadfast in our commitment to growth and prosperity. Now, as we stand on the threshold of FY24, we believe that the worst is behind us.

Our quartz plant, already operating at 85-90% capacity, is expected to start significantly contributing to our growth. With a further strategic investment of ₹ 20 Crores, we plan to double our capacity at the right time. Combined with our commitment to develop high-end designs and optimally utilize the quartz facility, we expect a substantial increase in our revenue growth and profitability in the coming years.

Looking ahead, we foresee the impact of our strategic initiatives beginning to reflect positively on our financial performance from FY24 onwards. With an improving macroeconomic environment and the anticipated easing of interest rates, we believe the stage is set for Aro Granite Industries Limited to achieve significant growth and success.

Standing steadfast in commitment

In conclusion, while FY23 has been a challenging year, it has also been a testament to our resilience, adaptability, and an unwavering commitment to our strategic vision. As we step into the new fiscal year, we do so with increased optimism, reinforced commitment, and a clear path towards growth.

Our shared journey has, at times, been fraught with challenges, but with every challenge, we find new opportunities to grow and evolve. Your faith in ARO Granite Industries Limited remains our guiding force. Together, we will continue to chart the course towards success and prosperity.

Thank you for your steadfast support and belief in us.

Warm regards,
Sunil Kumar Arora
MANAGING DIRECTOR

Sahil Arora
WHOLE TIME DIRECTOR

CSR Section

Giving back making a difference

In the depths of our core values lies a profound belief in the power of compassion and the responsibility we hold towards the communities that surround us. At our Company, we see Corporate Social Responsibility not as an obligation, but as an inherent part of our identity. We are driven by a collective purpose to touch lives, ignite change, and inspire hope.



We understand that success is not measured solely by financial achievements but by the positive impact we make in the lives of others. Empowering the communities in which we operate is not just a choice; it is our unwavering commitment. We refuse to compromise on our duty to uplift, support, and nurture the well-being of those around us. Through our heartfelt initiatives, we strive to create a ripple effect of kindness and make a lasting difference in the world we share.

At the heart of our commitment to Corporate Social Responsibility lies a deep concern for the well-being and health of the communities we serve. In line with this ethos, we have proudly established a rural health centre adjacent to our factory premises in Hosur. Since its inception in September 2017, this vital facility has been a beacon of hope, extending free medical services to the local public and the surrounding villages.

With dedicated healthcare professionals and state-of-the-art facilities, the centre has become a trusted haven where individuals receive the care they deserve,

regardless of their socio-economic background. Through this initiative, we aim to empower and uplift our community by ensuring access to quality healthcare, thereby fostering a healthier, stronger, and more resilient society. Our unwavering commitment to this cause remains resolute, as we believe that everyone deserves the opportunity to lead a life of dignity and well-being.

Making an impact

~50

Patients get treated on a daily basis

A dedicated medical team, comprising of

- 1** Doctor
- 2** Nurses
- 1** Pharmacist
- 1** Housekeeper



Risk and Mitigation Strategies

Unveiling challenges crafting solutions

The Company's unwavering pursuit of excellence in the granite and quartz stone industry goes hand in hand with an astute understanding of the risks that loom on the horizon. As the industry continues to evolve, new challenges emerge, testing the Company's mettle and prompting the need for robust mitigation strategies. From the scarcity of raw materials to the regulatory intricacies, currency volatilities to ever-shifting consumer preferences, each obstacle encountered serves as a catalyst for innovation and proactive solutions.



Risks	Uncertainties	Mitigation strategies
<p>Shortage of raw material</p> 	<p>The Indian granite industry faces the risk of raw material shortage, particularly in South India where our Hosur plant is located. The closure of numerous granite quarries has led to a significant scarcity of raw material, impacting the overall competitiveness of Indian exports. This has resulted in our Hosur plant operating below capacity, negatively affecting sales and profitability.</p>	<ul style="list-style-type: none"> Established the Jaipur plant and began sourcing from new mines in regions like Rajasthan and Andhra Pradesh. The Company has started importing raw blocks to improve the utilisation of the Hosur plant and maintain a steady supply of raw material.
<p>Adverse regulatory risk</p> 	<p>Unfavourable state government policies, particularly in Tamil Nadu and Karnataka, have adversely affected the granite industry. Ambiguous policies regarding granite quarry leasing, allegations of illegal mining, and irregularities in the allotment process have led to the closure of several granite quarries. This has resulted in reduced availability of raw granite blocks.</p>	<ul style="list-style-type: none"> The Company is diversifying its sourcing locations. Aro is actively sourcing granite blocks from other geographic regions and also considering importing raw blocks to ensure a steady supply. This strategy helps the Company minimise the reliance on specific regions and navigate through the challenges posed by inconsistent regulations.
<p>Currency appreciation</p> 	<p>With majority of the Company's revenue generated from exports, currency fluctuations pose a significant risk to the business. Appreciation of the Indian Rupee relative to other competing nations can impact competitiveness and demand for Indian exports.</p>	<ul style="list-style-type: none"> The Company has implemented a diversified export strategy. By exporting to over 50 countries, Aro is reducing the impact of adverse currency movements in a particular market. The demand for certain shades of granite, exclusive to India, remains relatively unaffected by currency fluctuations. The Company is actively targeting the export of these unique colours while also focusing on expanding its sales in the domestic market to balance currency risks.
<p>Change in consumer preference</p> 	<p>The stone industry is subject to dynamic shifts in consumer preferences for designs, colours, and shades. The growing demand for engineered stone has led to a decline in the popularity of natural stones, including granite.</p>	<ul style="list-style-type: none"> The Company has proactively responded to global trends by establishing an engineered stone unit at our Hosur facility. This diversification allows it to cater to the evolving preferences of consumers and capitalise on the increasing demand for engineered stone materials. By adapting its product offerings, the Company aims to maintain its competitive edge in the market and mitigate the risk associated with changing consumer preferences.

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Management discussion and analysis



Economic Overview

Global economy

The global economic landscape of the fiscal year 2023 unfolds with a tapestry of complexities and transitions. Projections indicate a moderated growth trajectory, with the anticipated global growth rate easing from the estimated 3.4% in 2022 to 2.9% in 2023. However, there are glimpses of optimism on the horizon, as the recent reopening of economies has paved the way for a faster-than-expected recovery. The containment of COVID-19 in China has played a pivotal role in bolstering economic activity, instilling a sense of resilience in the face of unprecedented challenges. Yet, it is essential to remain mindful of the prevailing uncertainties that persistently shape the global economy.

Inflation, an ever-watchful metric, is expected to undergo a gradual descent, declining from 8.8% in 2022 to 6.6% in 2023 and further to 4.3% in 2024. While these figures remain elevated compared to pre-pandemic levels, they reflect a concerted effort to navigate the complex web of post-pandemic dynamics. The balance of risks leans toward the downside, although mitigating factors have softened adverse risks to some extent. A resurgence of pent-up demand across economies or a more rapid decline in inflation could provide an upside boost. Conversely, the global recovery could face headwinds if China experiences severe health outcomes, tensions escalate in Russia's

Ukrainian conflict, or tightening global financing conditions exacerbate debt distress. Vigilance is also warranted in financial markets, as sudden repricing in response to adverse inflation news or geopolitical fragmentation may impede economic progress.

In summary, the global economy embarks on a path characterized by nuanced shifts and the potential for both challenges and opportunities.

Source:
<https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023#:~:text=Global%20growth%20is%20projected%20to,19>

Indian economy

Amidst a backdrop of global challenges, the Indian economy has showcased extraordinary resilience, emerging as a beacon of growth. Despite the triple shocks of the COVID-19 pandemic, the Russian-Ukraine conflict, and synchronized policy rate hikes by central banks worldwide, India continues to stand tall as the fastest-growing major economy. Projections indicate a robust growth rate of 7% for the

year ending March 2023, building upon an impressive 8.7% growth in the previous financial year. This outstanding performance, amidst adversity, speaks volumes about India's economic strength and potential.

The driving forces behind India's economic ascent in FY23 have been private consumption and capital formation. These pillars have not only propelled economic expansion

but have also been instrumental in generating employment opportunities. The decline in urban unemployment rates and the marked increase in net registrations within the Employee Provident Fund serve as testament to this. Furthermore, the nation's unwavering commitment to a massive vaccination campaign, with over 2 billion doses administered, has fueled consumer confidence and invigorated consumption.

A vital catalyst for the Indian economy in the present year has been the central government's capex, which witnessed an impressive growth rate of 63.4% during the first eight months of FY23. This surge in Capex has played a pivotal role in driving the economy forward, surpassing the recovery trajectory of many other nations. Despite the challenge posed by inflation, exacerbated by European strife, the Indian government's

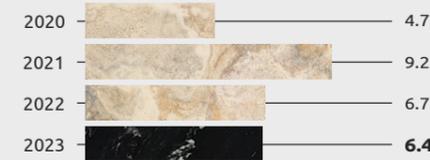
proactive measures, coupled with the easing of global commodity prices, have successfully brought retail inflation below the upper tolerance target set by the Reserve Bank of India (RBI) in November 2022.

Looking ahead to FY24, India anticipates an accelerated pace of growth, fueled by robust credit disbursal and a flourishing cycle of capital investments. The strengthened

balance sheets of corporate and banking sectors will serve as a solid foundation for this anticipated expansion. Additionally, the expansion of public digital platforms, in conjunction with groundbreaking initiatives such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive schemes, are poised to revolutionize the manufacturing sector and provide a further boost to economic growth.

Indian economy a snapshot

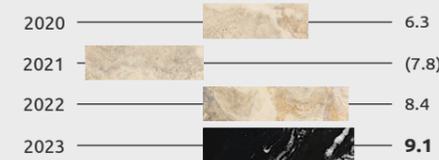
Fiscal deficit (% of GDP)



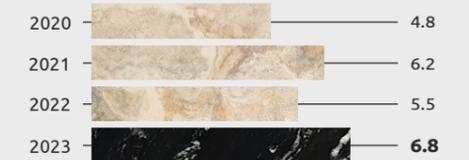
Foreign exchange reserves (In US billion year end)



Service (Growth rate of GVA)



Inflation (Average in %)



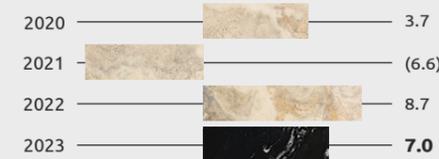
Agriculture and allied activities (Growth rate of GVA at basic prices in %)



Industrial growth (Growth rate of GVA at basic prices in %)



GDP growth (at constant prices in %)



Source:
<https://rb.gy/sft19>

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Global granite industry

The global granite industry is a testament to the enduring allure of this remarkable igneous rock, composed of feldspar, quartz, and mica. Renowned for its resilience and resistance to staining, granite has become the preferred choice for countertops and flooring in both residential and commercial spaces. With its wide range of captivating colors and patterns, granite is sourced from quarries around the world. The industry has witnessed remarkable growth, with a market value of \$16,910 Millions in 2019, projected to reach \$22,320 Millions by the end of 2026, demonstrating a steady CAGR of 4.0% from 2021 to 2026.

Driving the expansion of the global granite market is the pressing need for robust infrastructure driven by a burgeoning global population and rapid urbanization. Governments worldwide allocate substantial funds annually to revitalize public landmarks and sites, fueling the demand in the building and construction sector. This demand surge, coupled with the industry's penetration into emerging economies and the

presence of established players in developed countries, has paved the way for consistent growth. Moreover, rising disposable incomes and the aspiration for enhanced living standards, particularly in emerging economies, have contributed to increased adoption rates of granite, opening up significant market growth opportunities. The globalization of trade has further facilitated the accessibility of granite through various channels and suppliers. Leading exporters such as the United States, China, Brazil, Italy, Sweden, Germany, and Spain play a pivotal role in sustaining market expansion, ensuring a positive outlook for the global granite industry between 2023 and 2030.

As nations strive for enhanced living standards and robust infrastructure, granite's timeless allure continues to captivate markets globally, cementing its position as a cornerstone of the construction industry's success.

Source:

1. <https://rb.gy/q9ocl>

2. <https://rb.gy/oe993>

With a surge in construction endeavors, the Asia-Pacific region emerges as a prominent hub for the granite market. The region's escalating population and rapid urbanization serve as catalysts propelling market growth. Among the countries within the Asia-Pacific, China stands at the forefront as the key market for granite, closely followed by India and Japan. Together, these nations contribute significantly to the flourishing demand for granite in the region, spurred by their ongoing construction activities and infrastructural development initiatives.

Indian granite industry

The Indian granite industry stands as a pillar in the global construction trade, harnessing the country's abundant reserves and robust export activities. Geographically, India's southern and eastern belts boast vast deposits of granite, making it a leading player in mining and exporting this essential construction component. With its superior quality and strength, Indian granite has garnered significant attention in international markets, witnessing active importation by over 145 countries and contributing to an impressive annual value of \$498 Millions.

The growth potential of the Indian granite industry is immense, as only a mere 3% of the country's granite reserves have been explored thus far, ensuring a steady supply for the foreseeable future. India's noteworthy contribution of approximately 15% to global granite production further solidifies its position as a prominent player. Boasting an impressive array of over 100 commercially viable granite varieties, India caters to diverse

preferences with its captivating range of colours and textures. To support the escalating demand, the country hosts 43 granite processing units strategically positioned across Andhra Pradesh, Karnataka, Rajasthan, Tamil Nadu, and Odisha. Over the past five years, exports have exhibited a consistent annual growth rate of 10%, indicating a thriving industry poised for even greater expansion. The commitment of existing companies to expand their production capacities underscores their dedication to meeting the rising demand and delivering top-notch granite products to global markets.

The Indian granite industry currently operates at a robust production capacity of approximately 350 to 400 containers per month. Notably, Europe represents the primary market, with an estimated export volume of 180 to 200 containers each month. The United States follows closely, importing around 50 containers monthly, while Japan receives approximately 40 containers.

The remaining containers find their way to various countries, including Australia, New Zealand, South Africa, and others. Impressively, exports account for a substantial 85-90% of the total granite production in India. The fiscal year 2022 witnessed a significant milestone with granite and marble exports surpassing ₹4,000 Crores, with the United States commanding nearly 40% of the consumption market. With the Indian granite industry valued at over ₹25,000 Crores, it rightfully claims its position as one of the world's largest producers and exporters of granite, utilising its extensive reserves to contribute significantly to the global construction landscape.

Source:

1. <https://rb.gy/73hct>

2. <https://www.indianmirror.com/indian-industries/granite.html>

Growth drivers

1. Diversified applications

The expanding utilisation of granite in various home applications, extending beyond the kitchen, is set to drive substantial market growth. As consumers increasingly recognize the durability and aesthetic appeal of granite, its demand for flooring, bathroom fixtures, and other interior design elements is expected to soar. This shift towards broader home applications presents a significant opportunity for the Indian granite industry to flourish.

2. Thriving commercial real estate

The rise in investments within the commercial real estate sector presents a promising outlook for the granite market. As businesses and industries continue to expand, the demand for high-quality construction materials, including granite, is poised to surge. The enduring popularity of granite in commercial spaces, such as offices, hotels, and retail establishments, reinforces its status as a preferred choice for architects and developers.

This trend is expected to drive sustained growth and propel the Indian granite industry forward.

3. Renovations and remodelling boom

The increasing use of granite in building renovations and remodelling projects is anticipated to fuel market growth. With a growing emphasis on modernising and upgrading existing structures, the demand for granite as a versatile and visually appealing material for countertops, facades, and other architectural features is projected to proliferate. This presents an opportunity for the Indian granite industry to cater to the evolving needs of the renovation and remodelling market.

4. Urbanisation dynamics

Rapid urbanisation in India creates lucrative opportunities for the granite market. As cities expand and infrastructural development gains momentum, the demand for granite for construction purposes, including roads, bridges, and public spaces, is expected to witness a significant upswing. The durability and longevity of granite make it an ideal choice for urban infrastructure projects, positioning the Indian granite industry to benefit from the urbanisation wave.



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Threats

1. Growing protectionism

The increasing adoption of protectionist measures by countries, including the imposition of Anti-Dumping duties, poses a significant threat to granite exports from India. Such protectionist policies can create barriers and hinder the smooth flow of granite products to international markets, impacting the industry's export potential.

2. Raw material scarcity

The scarcity of raw materials in South India has emerged as a significant concern, adversely affecting business operations. The closure of mines further exacerbates the shortage of raw blocks required for granite production. This scarcity can disrupt the supply chain and limit the availability of raw materials, thereby impeding the industry's growth prospects.

3. Economic uncertainty and currency fluctuations

The prevailing economic uncertainty globally can lead to high currency fluctuations, potentially impacting the margins of granite companies. The fluctuating exchange rates can increase the costs of importing raw materials and exporting finished goods, affecting the overall profitability of the industry. It is crucial for companies to monitor and manage currency risks effectively in the face of uncertain economic conditions.

4. Rising transportation costs

The escalating costs of transportation present a significant threat to the Indian granite industry. Higher transportation expenses contribute to increased landed costs of goods in importing countries, ultimately impacting the overall demand for granite products. The industry must address the challenge of rising transportation costs to maintain competitiveness in the global market.

Global quartz stone industry

The quartz stone industry has witnessed a remarkable surge in global demand, driven by its exceptional properties and versatile applications in the construction and home improvement sectors. Engineered with a combination of crushed quartz crystals, resins, and pigments, quartz stone offers both durability and aesthetic appeal, making it an ideal choice for a wide range of residential and commercial projects.

The market for quartz stone is poised for substantial growth, with a projected CAGR of 12% from 2021 to 2028, reaching an estimated value of \$25,230 Millions. This growth can be attributed to several key factors. Firstly, the increasing demand for residential Quartz stone, which accounts for approximately 60.90% of overall consumption, has been a driving force behind the industry's success. Homeowners are increasingly drawn to quartz stone for its captivating aesthetics and long-lasting performance. Additionally, the industry is benefiting from the growing emphasis on eco-friendly and sustainable construction materials. Quartz stone stands out as an attractive choice due to its environmental advantages, further bolstering its market appeal. Furthermore, the expansion of distribution channels and the rise of online retailing have significantly contributed to the accessibility and widespread adoption of quartz stone products, fueling market growth.

In conclusion, the global quartz stone industry is experiencing robust growth, fueled by the rising demand for residential applications and the increasing preference for sustainable construction materials. Engineered Quartz stone, with its exceptional durability and aesthetic appeal, has gained significant traction in the market. The industry's positive outlook is further supported by the expansion of distribution networks and the convenience of online retail platforms, ensuring broader availability and accessibility of Quartz stone products for consumers worldwide.

Growth drivers

1. Evolving consumer preference

Increasingly, consumers are favouring engineered stone materials, such as Quartz stone, over natural stone options due to the consistent colour and pattern it offers. This preference stems from the desire for a cohesive and uniform aesthetic in their residential and commercial spaces.

2. Environmental awareness

Growing awareness about the eco-friendly nature of Quartz stone compared to mined natural stones has become a significant driver for market growth. With a focus on sustainability, consumers are drawn to Quartz stone as it reduces the environmental impact associated with traditional stone extraction processes.

3. Global construction boom

The surge in construction activities and infrastructure development worldwide has created substantial opportunities for the Quartz stone industry. By exploring untapped markets in emerging economies, particularly those experiencing rapid urbanisation and infrastructure development, the industry can capitalise on the increasing demand for high-quality construction materials.

4. Lifestyle shifts and rising incomes

Rising disposable incomes and changing consumer lifestyles are contributing to the demand for luxury home renovations. As individuals seek to enhance their living spaces, Quartz stone emerges as a popular choice for its durability, versatility, and aesthetic appeal, thereby driving market growth.

Removal of trade barriers: The lifting of the preliminary 161.5% duty on Indian quartz stone in the USA has significantly revitalised the quartz stone industry, particularly in terms of viable exports. This favourable development has reinvigorated trade opportunities and opened up new avenues for market expansion.

Source: <https://www.adroitmarketresearch.com/industry-reports/quartz-stone-market>



Key financial ratios

Particulars	FY23	FY 22	Change %	Comments
Current Ratio	1.54	1.58	(2.53%)	NA
Debt Equity Ratio	1.08	1.01	6.93%	NA
Debt Service Coverage Ratio	0.95	1.85	(48.65%)	
Return on Equity Shares	(0.03)	0.05	(160.00%)	
Inventory Turnover Ratio	1.15	1.92	(40.10%)	
Trade Recievables Turnover Ratio	2.44	3.28	(25.61%)	Because of low turnover and loss in FY23.
Trade Payables Turnover Ratio	3.08	5.45	(43.49%)	
Net Capital Turnover Ratio	1.62	2.66	(39.10%)	
Net Profit Ratio	(0.04)	0.04	(200.00%)	
Return on Capital Employed	0.02	0.05	(60.00%)	

Human resources

Aro granite industries ltd. believes that its people are the lifeblood of the organisation. As a Company operating in an industry that values efficiency and innovation, it recognizes the importance of having a skilled and motivated workforce that is committed to driving the Company's growth. Its employees not only contribute to the success of AGIL's processes and management, but also drive intellectual growth within the Company.

As we move into a new fiscal year, we remain focused on developing our human capital while attracting and retaining the best talent in the industry. Our commitment to fostering a healthy and cordial work environment that encourages personal growth and skill-building among our employees is unwavering. To this end, we continue to conduct regular training workshops that enhance the capabilities of the workforce.

With a motivated and engaged workforce, we remain confident in our ability to deliver value to all the stakeholders and capitalise on the

many opportunities that lie ahead. As of 31st March, 2023, the Company is home to more than 650+ employees.

Internal control systems and their adequacies

Our prudent and watchful management ensures that the Company's Internal Control System is sufficient to meet its operational needs. Our management has the overarching responsibility to safeguard the assets and ensure the accuracy and reliability of its financial records.

The Internal Control System also guarantees that all transactions are authorised, recorded, and reported properly, and that measures are taken to upgrade the control system continually. We conduct regular asset protection exercises and take measures to prevent unauthorised use. Additionally, the Audit Committee performs a comprehensive review of all financial statements and ensures the sufficiency of the internal control systems. We have further implemented a comprehensive CCTV Surveillance system that monitors

the entire factory premises to protect against material loss and safety breaches. These efforts are continually monitored and assessed by the management, who implement improvements as necessary to ensure the effectiveness of the Internal Control System.

Cautionary statement

Statements in the Management Discussion and Analysis describing the objectives, projections, estimates and expectations of the Company, its direct and indirect subsidiaries and its associates, may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply, price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

Corporate Information

SUNIL KUMAR ARORA

Managing Director

DINESH CHANDRA KOTHARI

Independent Director

SUJATA ARORA

Director

VINITA SOOD

Independent Director

SAHIL ARORA

Whole Time Director

SUNDARESHWARA G. SASTRY

Independent Director

REGISTERED OFFICE

1001, 10th Floor, DLF Tower A,
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Fax: 91-11-26941984
E-mail: investorgrievance@arotile.com
Website: www.arotile.com
CIN: L74899DL1988PLC031510

CORP. OFF. & WORKS

Koneripalli Village, Via: Shoolagiri,
Taluk: Hosur,
Dist. Krishnagiri,
Tamil Nadu 635117, India
Tel: 91-4344 252100
Fax: 91-4344 252217

COMPANY SECRETARY

Sabyasachi Panigrahi

CHIEF FINANCIAL OFFICER

M. Madangopal

STATUTORY AUDITORS

M/s Alok Mittal & Associates, New Delhi

INTERNAL AUDITORS

M/s Sreekantha & Co., Hosur

SECRETARIAL AUDITOR

Ms. Latika Jetley, New Delhi

BANKERS

Bank of Baroda
HDFC Bank Limited

REGISTRAR & SHARE TRANSFER AGENT

M/s Alankit Assignments Ltd
Alankit Heights, 4E/2, Jhandewalan
Extension
New Delhi 110 055

SCRIP CODES

BSE Limited: 513729
National Stock Exchange of India
Limited: AROGRANITE/EQ
ISIN No.: INE210C01013

Notice

NOTICE is hereby given that the 35th Annual General Meeting of the Members of **ARO GRANITE INDUSTRIES LIMITED** will be held on Friday, the September 8, 2023 at **12:30 P.M.** (IST) through Video Conferencing (VC)/Other Audio-Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the financial year ended March 31, 2023 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Smt. Sujata Arora, who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To consider and, if thought fit to pass, with or without modification(s), the following as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 190, 196, 197, 198, 203 and Schedule V and other applicable provisions, if any, of the Companies Act 2013 ("the said Act"), and rules made there under or any statutory modification(s) or re-enactment(s) thereof, the re-appointment of Shri Sunil Kumar Arora (DIN 00150668) as Managing Director of the Company for a further period of three years w.e.f. April 1, 2024 be and is hereby approved on the terms of remuneration as recommended by the Nomination & Remuneration Committee of Directors and approved by the Board of Directors and in the event of inadequacy or absence of Profits under Section 198 of the said Act in any financial year or years, the remuneration comprising salary, perquisites, allowances and benefits, as approved herein, be paid as minimum remuneration to the said Managing Director, for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and are hereby authorised to vary and/or revise the terms and conditions of appointment including remuneration of the said Managing Director within the overall limits approved herein and settle any question or difficulties in connection therewith or incidental thereto without any further approval of the Company in general meeting".

4. To consider and, if thought fit to pass, with or without modification(s), the following as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 190, 196, 197, 198, 203 and Schedule V and other applicable provisions, if any, of the Companies Act 2013 ("the said Act"), and rules made there under or any statutory modification(s) or re-enactment(s) thereof, the re-appointment of Shri Sahil Arora (DIN 07970622) as Whole Time Director of the Company for a further period of three years w.e.f. November 1, 2023 be and is hereby approved on the terms of remuneration recommended by the Nomination & Remuneration Committee of Directors and approved by the Board of

Directors and in the event of inadequacy or absence of Profits under Section 198 of the said Act in any financial year or years, the remuneration comprising salary, perquisites, allowances and benefits, as approved herein, be paid as minimum remuneration to the said Whole Time Director, for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof be and are hereby authorised to vary and/or revise the terms and conditions of appointment including remuneration of the said Whole Time Director within the overall limits approved herein and settle any question or difficulties in connection therewith or incidental thereto without any further approval of the Company in general meeting".

5. To Consider and if thought fit to pass with or without modification(s) the following resolution as **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act 2013 and rules made thereunder, including any statutory modification or re-enactment thereof and subject to necessary approval(s), as may be required from the competent authorities, approval of the Members of the Company be and is hereby accorded for adoption of new Articles of Association, as uploaded on the website of the Company, in substitution of existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted by the Board) and Shri Sunil Kumar Arora Managing Director, Shri Sahil Arora, Whole time Director, Shri M. Madan Gopal CFO and Shri Sabyasachi Panigrahi, Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things as may be deemed necessary and/or expedient and to settle any question, difficulty or doubt that may arise in regard thereto, without requiring to seek any further approval of the Members of the Company, or otherwise including acceptance of any changes as may be suggested by the Registrar of Companies and/or any other competent authority, for the purpose of giving effect to this resolution".

For & on behalf of the Board

Place: Hosur
Date: August 4, 2023

(Sunil Kumar Arora)
Managing Director

Notes

1. Statement pursuant to section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
2. Ministry of Corporate Affairs (MCA) vide various Circulars issued since May 2020 including the General Circular No. 02/2022 issued dated May 5, 2022 and Circular No.10/2022 dated December 28, 2022 and circular No SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 permitted the Companies to hold their AGM through VC/OAVM by September 30, 2023, the 35th AGM of the Company is being held through VC/OAVM on September 8, 2023 at 12.30 PM (IST). The deemed venue of the AGM will be the Registered Office of the Company i.e., 1001,10th Floor DLF Tower A, Jasola, New Delhi-110025.
3. The AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting to M/s. Alankit Assignments Limited, the Registrar and Transfer Agent of the Company, by e-mail through its registered e-mail address ramap@alankit.com.
5. In line with the General Circulars No. 20/2020 dated May 5, 2020, No.02/2021 dated January 13, 2021 and No.10/2022 dated December 28 2022 issued by the MCA and the SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company or CDSL/NSDL ("Depositories")/RTA. Members may note that the Notice and Annual Report 2022-23 are also available on the Company's website viz www.arotile.com websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
6. Members whose e-mail address are not registered can register the same in the following manner:
 - a. Members holding share(s) in physical mode can send their e-mail ID to the Company at investorgrievance@arotile.com or to the Registrar and Transfer Agent (RTA) of the Company M/s. Alankit Assignments limited at ramap@alankit.com.
 - b. Members holding share(s) in electronic mode are requested to register/update their e-mail address with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.
7. The Company has engaged the services of M/s. CDSL as the authorised agency for conducting the e-AGM and providing e-voting facility.
8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
9. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
10. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members.
11. As mandated by SEBI, effective from April 1, 2019, that securities of listed Companies shall be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified time to time.
13. **Instructions for attending the e-AGM and e-voting are as follows:**
 - Instructions for attending the e-AGM:**
 1. Ministry of Corporate Affairs (MCA) vides various Circulars issued since May 2020 including the General Circular No. 02/2022 issued dated May 5, 2022 and Circular No.10/2022 dated December 28, 2022 and circular No SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 permitted the Companies to hold their AGM through VC/OAVM by September 30, 2023, the 35th AGM of the Company is being held through VC/OAVM on September 8, 2023 at 12.30 PM (IST) Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
 2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India)

Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

3. The Members can join the EGM/AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to at-least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 8, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.arotile.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, No. 17/2020 dated April 13, 2020, No. 20/2020 dated May 5, 2020 and

No.10/2022 dated December 28, 2022 and SEBI circular No SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023.

INTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on **September 5, 2023 at 10.00 A.M. and ends on September 7, 2023 at 5.00 P.M.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. September 1, 2023** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	1. Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below: (Contd.)

Type of shareholders	Login Method
	<ol style="list-style-type: none"> 2. After successful login the Easi/Easiest user will be able to see the e-voting option for eligible Companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.</p>

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

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

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

(v) Login method for e-voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

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

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company, please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (3).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN of **Aro granite industries ltd.**
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non-Individual Shareholders and Custodians-Remote voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the e-mail address viz; investorgrievance@arotile.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
 6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **72 hours prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investorgrievance@arotile.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at investorgrievance@arotile.com. These queries will be replied to by the Company suitably by email.
 8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
 9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the EGM/AGM.
 10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM/EGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-voting from the CDSL e-voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, NM Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

- (xvii) Any person who acquires shares of the Company and become a Member of the Company after dispatch of the Notice and holding shares as on the **cut-off date i.e., September 1, 2023** may follow the same instructions as mentioned above for e-voting.
- (xviii) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the **cut-off date i.e., September 1, 2023**.
- (xix) Ms. Latika Jetley, Practising Company Secretary (CP No. 3074) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xx) The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- (xxi) The Result shall be declared after the e-AGM of the Company. The result declared along with the Consolidated Scrutinizer's Report shall be placed on the Company's website www.arotile.com and on the website of CDSL immediately.
- 14.** The Share Transfer Books and Register of Members of the Company shall remain closed from **September 2, 2023 to September 8, 2023 (Both days inclusive)**
- 15.** Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically.
- 16.** As per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 brief resume of Smt. Sujata Arora, whose appointment as Director liable to retire by rotation (proposed at Item No. 2) is given hereunder:

Smt. Sujata Arora is a graduate from the Institute of Home Economics, Delhi. She has travelled extensively and has vast knowledge of the product and marketing as well. She does not hold any other Directorship. She holds 589572 (3.91%) Equity Shares in the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013 Item No 3

Shri Sunil Kumar Arora (DIN 00150668) had been re-appointed as the Managing Director of the Company for a period three years by the Board of the Company on 29.01.2021 and the same was approved by the Shareholder in the General Meeting held on 24.09.2021. The present tenure of Shri Sunil Kumar Arora as the Managing Director expires on 31.03.2024. Considering his depth of knowledge, expertise in the granite business and his contribution for the all-round growth and development of the Company, the Board of Directors in its meeting held on 04.08.2023 re-appointed Mr. Sunil Kumar Arora as Managing Director for a further period of three years w.e.f. 01.04.2024 subject to the approval of the shareholders, in the ensuing Annual General Meeting of the Company on the following terms of remuneration as approved/recommended by the Nomination and Remuneration Committee of Directors for a period of three years and subject to requisite approvals under the said Act. The resolution is accordingly recommended as a Special Resolution for the approval of the shareholders of the Company.

Information pursuant to para (A) of Section II of Part II of the Schedule V to the Companies Act 2013:

Statement as required under Schedule V of the Companies Act 2013.

I. General Information

- Nature of Industry: Manufacture and Export of Granite Tiles & Slabs and Quartz slabs.
- Date or expected date of commencement of commercial production: The Company was commissioned in the year 1988.
- In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus: **N.A.**
- Financial Performance based on given indicators:

Particulars for the Financial year ended March 31, 2023	₹ in crore
Net Sales and Other Income	164.45
Operating Profits (Before Interest, Depreciation and Tax)	19.72
Profit before Tax	(5.91)
Profit after Tax	(5.79)
- Foreign Investment or Collaborations if any: **N.A**

II. Information about the Appointee:

1. Background details: Shri Sunil Kumar Arora, aged 64 years, holds a bachelor's degree in science. He is the founder promoter of Aro granite industries ltd. He has more than 38 years of experience in the granite industry. He is responsible for the overall management of the Company.
2. Past Remuneration of Shri Sunil Kumar Arora was approved by the Shareholders at Annual General Meeting of the Company held on September 24, 2021.
3. Job Profile and his Suitability: Shri Sunil Kumar Arora, Managing Director of the Company is vested with substantial powers of the management under the superintendence, control and direction of the Board of Directors. He is also involved in policy planning, vision and strategy and long-term developmental activities and growth of the Company. He has in-depth knowledge, expertise in the granite business, having more than 38 years of experience, which has evolved the all-round growth of the Company.
4. Remuneration proposed: The Remuneration Committee and Board of Directors of the Company at their respective meetings held on August 4, 2023 have approved the following terms of remuneration of Shri Sunil Kumar Arora for a tenure of 3 years w.e.f. 01.04.2024 subject to approval of the shareholders in the ensuing General Meeting, as under:
 - a) Salary: Basic Salary ₹ 1000000 –1200000
 - b) Commission upto 5% of the net profits of the Company computed under section 198 of the Companies Act 2013 or any statutory modification thereto or any re-enactment thereof subject to a ceiling of 100% Annual Salary
 - c) In addition to the above benefits, the following perquisites will be extended to you.
 - i) Residential accommodation or House Rent Allowance @ 50% of the salary.
 - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/reimbursed by the Company.
 - iii) The company shall provide such furniture and furnishings as may be required.
 - iv) Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for himself and family.
 - v) Reimbursement of all the expenses i.e. travel fare, lodging, boarding, conveyance and other expenses incurred for self and family members during the leave travel holidays period whenever undertaken whether in India or abroad.

vi) Subscription or reimbursement fee for clubs in India or abroad including admission and life membership fee. Personal Medical/Accident Insurance.

vii) Any other benefits, facilities, allowances and expenses as may be allowed under Company rules/schemes and available to other employees.

- d) Contribution to Provident Fund and Superannuation Fund or Annuity Fund Will not be included in the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- e) Gratuity payable shall not exceed half a month's salary for each completed year of service.
- f) Entitled for leave with full pay or encashment thereof as per the rules of the Company.
- g) The Board or the Nomination and Remuneration Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act, 2013.
- h) In the event of inadequacy or absence of profits under section 198 of the Companies Act, 2013 in any financial year or years, the Managing Director of the Company shall be entitled to such remuneration as he may be then drawing, as specified above, as minimum remuneration and be also entitled to perquisites mentioned in Paras c, d, e and f above.

No sitting fees will be paid for attending the meetings of the Board of Directors of the Company or committees thereof. Apart from the aforesaid remuneration Mr. Sunil Kumar Arora, Managing Director will be entitled to reimbursement of expenses incurred in connection with the business of the Company.

None of the Directors except Sunil Kumar Arora, Shri Sahil Arora and Sujata Arora or their relatives or Key Managerial Person or their relatives has any nature of concern, interest, financial or otherwise, directly or indirectly in respect of proposed resolution.

1. Comparative Remuneration profile with respect to industry, Size of the Company, profile of the position and person: The remuneration being paid in the industry to the executives has increased manifold. The Central Government has also from time to time raised the ceilings. The Remuneration Committee of the Directors of the Company had, while approving the remuneration of Shri Sunil Kumar Arora, taken into account the financial position of the Company and trends in the industry, qualification, experience, responsibilities, past performance, past remuneration etc. and the remuneration drawn by the managerial persons in the industry.

- Pecuniary relations directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed herein, Shri Sunil Kumar Arora does not have any pecuniary relationship with the Company. Shri Sunil Kumar Arora is the husband of Smt. Sujata Arora, Director of the Company and father of Shri Sahil Arora, Whole Time Director of the Company.

III Other Information:

- Reasons of loss or inadequate profits:** The Company, being a 100% Export Oriented Unit, is highly impacted by global business sentiments. Globally India competes with Brazil, Italy and China for granite exports. The COVID-19 pandemic has affected economy & business around the world and within the Country. Nation-wide lock-down and consequent closure of plants, shortage of raw materials, labour and transportation facilities have further impacted the business. Post pandemic, there are many challenges faced by the business including higher freight rates, war between Russia and Ukraine, increased rate of interest, recession in USA. Further there is a change in the trend in usage of natural stones across the globe. New products like engineered stone are making a mark and consumer preference is shifting towards the new products. Due to global economic instability, major currencies across the globe faced high exchange rate volatility against US DOLLAR which affected our order position leading to decline in sales and low profitability.

Apart from the above, non-availability of good quality rough granite blocks because of closure of quarries due to environmental issues, sharp increasing in the prices of rough granite blocks i.e the primary raw materials, high input costs and slowdown of export markets because of several external factors which were beyond our control, the turnover was affected and consequently the profitability was also reduces substantially.

- Step taken or proposed to be taken for Improvement and Expected increase in the productivity and profits in the measurable in terms:** In spite of all the challenges, steps are being taken to improve the performance of the Company. Construction of display warehouse, foray into natural quartzite, installation of new machines for value added products, establishment of New plants for granite and quartz, expansion of operations into new geographies, Better inventory and Working Capital Management and Cost optimization are some of the measures being taken to improve the performance of the Company. With these steps the Company is expected to grow at the rate of more than 10% and will maintain the same for the next few years and profitability wise also, it is expected to maintain adequate profit level.

Item No. 4

Shri Sahil Arora (DIN 07970622) had been re-appointed as the Whole Time Director for a period of three years with effect from 01.11.2020. The Board of Directors in its meeting held on 04.08.2023, re-appointed Shri Sahil Arora as the Whole Time Director of the Company for a period of

three years w.e.f. 01.11.2023 subject to the approval of the shareholders in the ensuing Annual General Meeting on the following term of remuneration as approved/recommended by the Nomination & Remuneration Committee of Directors subject to requisite approvals under the said Act. The resolution is accordingly recommended as Special Resolution for the approval of the shareholders of the Company.

None of the Directors except Shri Sahil Arora, Shri Sunil Kumar Arora and Smt. Sujata Arora or their relatives or Key Managerial Person or their relatives has any nature of concern or interest, financial or otherwise, directly or indirectly in respect of proposed resolution.

Information pursuant to para (A) of Section II of Part II of the Schedule V to the Companies Act 2013:

Statement as required under Schedule V of the Companies Act 2013

I. General Information

- Nature of Industry: Manufacture and Export of Granite Tiles and Slabs.
- Date or expected date of commencement of commercial production: The Company was commissioned in the year 1988.
- In case of new Companies, expected date of commencement of activities as per project approved by Financial Institutions appearing in the prospectus. **N.A.**
- Financial Performance based on given indicators:

Particulars for the Financial year ended March 31, 2023	₹ in crore
Net Sales and Other Income	164.45
Operating Profits (Before Interest, Depreciation and Tax)	19.72
Profit before Tax	(5.91)
Profit after Tax	(5.79)

- Foreign Investment or Collaborations if any: N.A.

II. Information about the Appointee:

- Background details: Shri Sahil Arora, aged 35 years, holds a Post Graduate Programme in Family Business (MFAB) from Indian School of Business (ISB). He has got more than 15 years first-hand experience in granite industry. He is looking after the International marketing segment as well as the domestic market.
- Past Remuneration of Shri Sahil Arora was approved by the Shareholders at Annual General Meeting of the Company held on September 25, 2020.
- Job Profile and his Suitability: Shri Sahil Arora, Whole Time Director of the Company is vested with managerial powers of the management under the superintendence, control and direction of the Board of Directors. He is also involved in policy planning, vision

and strategy and long-term developmental activities of the Company. He has in-depth knowledge, expertise in the granite business, having more than 15 years of experience, which has evolved the all round growth of the Company.

4. Remuneration proposed: The Remuneration Committee and Board of Directors of the Company at their respective meetings held on August 4, 2023 have approved the following terms of remuneration of Shri Sahil Arora for a tenure of 3 years w.e.f. 01.11.2023 subject to approval of the shareholders in the ensuing General Meeting, as under:

- a. **Salary:** Basic Salary ₹ 230000 – 50000 – 330000
- b. Commission upto 5% of the net profits of the Company computed under section 198 of the Companies Act 2013 or any statutory modification thereto or any re-enactment thereof subject to a ceiling of 100% Annual Salary.
- c. In addition to the above benefits, the following perquisites will be extended to you.
 - i) Residential accommodation or House Rent Allowance @ 50% of the salary.
 - ii) Expenses pertaining to gas, electricity, water and other utilities will be borne/reimbursed by the Company.
 - iii) Company shall provide such furniture and furnishings as may be required.
 - iv) Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for himself and family.
 - v) Reimbursement of all the expenses i.e. travel fare, lodging, boarding, conveyance and other expenses incurred for self and family members during the leave travel holidays period whenever undertaken whether in India or abroad.
 - vi) Subscription or reimbursement fee for clubs in India or abroad including admission and life membership fee. Personal Medical/Accident Insurance.
 - vii) Any other benefits, facilities, allowances and expenses as may be allowed under Company rules/schemes and available to other employees.
- d. Contribution to Provident Fund and Superannuation Fund or Annuity Fund Will not be included in the ceiling of perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- e. Gratuity payable shall not exceed half a month's salary for each completed year of service.

- f. Entitled for leave with full pay or encashment thereof as per the rules of the Company.
- g. The Board or the Nomination and Remuneration Committee thereof may, from time to time, increase, or vary the salary range, subject to the overall ceiling prescribed under the Companies Act, 2013.
- h. In the event of inadequacy or absence of profits under section 198 of the Companies Act, 2013 in any financial year or years, the Whole time Director of the Company shall be entitled to such remuneration as he may be then drawing, as specified above, as minimum remuneration and be also entitled to perquisites mentioned in Paras c, d, e and f above.

No sitting fees will be paid for attending the meetings of the Board of Directors of the Company or committees thereof. Apart from the aforesaid remuneration, Mr. Sahil Arora, Whole Time Director, will be entitled to reimbursement of expenses incurred in connection with the business of the Company.

None of the Directors except Shri Sahil Arora, Sunil Kumar Arora and Sujata Arora or their relatives or Key Managerial Person or their relatives has any nature of concern, interest, financial or otherwise, directly or indirectly in respect of proposed resolution.

5. Comparative Remuneration profile with respect to industry, Size of the Company, profile of the position and person: The remuneration being paid in the industry to the executives has increased manifold. The Central Government has also from time to time raised the ceilings. The Remuneration Committee of the Directors of the Company had, while approving the remuneration of Shri Sahil Arora, taken into account the financial position of the Company and trends in the industry, qualification, experience, responsibilities, past performance, past remuneration etc. and the remuneration drawn by the managerial persons in the industry.
6. Pecuniary relations directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed herein, Shri Sahil Arora does not have any pecuniary relationship with the Company. Shri Sahil Arora is the son of Shri Sunil Kumar Arora, Managing Director and Smt. Sujata Arora, Director of the Company.

III. Other Information:

1. **Reasons of loss or inadequate profits:** The Company, being a 100% Export Oriented Unit, is highly impacted by global business sentiments. Globally India competes with Brazil, Italy and China for granite exports. The COVID-19 pandemic has affected economy & business around the world and within the Country. Nation-wide lock-down and consequent closure of plants, shortage of raw materials, labour and transportation facilities have further impacted the business. Post pandemic, there are many challenges faced by the business including higher freight rates, war between Russia and Ukraine, increased rate of interest, recession in

USA. Further there is a change in the trend in usage of natural stones across the globe. New products like engineered stone are making a mark and consumer preference is shifting towards the new products. Due to global economic instability, major currencies across the globe faced high exchange rate volatility against US DOLLAR which affected our order position leading to decline in sales and low profitability.

Apart from the above, non-availability of good quality rough granite blocks because of closure of quarries due to environmental issues, sharp increasing in the prices of rough granite blocks i.e the primary raw materials, high input costs and slowdown of export markets because of several external factors which were beyond our control, the turnover was affected and consequently the profitability was also reduces substantially.

2. Step taken or proposed to be taken for Improvement and Expected increase in the productivity and profits in the measurable in terms:

In spite of all the challenges, steps are being taken to improve the performance of the Company. Construction of display warehouse, foray into natural quartzite, installation of new machines for value added products, establishment of New plants for granite and quartz, expansion of operations into new geographies, Better inventory and Working Capital Management and Cost optimization are some of the measures being taken to improve the performance of the Company. With these steps the Company is expected to grow at the rate of more than 10% and will maintain the same for the next few years

and profitability wise also, it is expected to maintain adequate profit level.

Item No. 5

The existing Articles of Association were adopted in the year 2013 and based on the provisions of the erstwhile Companies Act 1956. Consequent to the enactment of the Companies Act 2013(Act) and subsequent amendments thereof, the regulatory provisions have undergone comprehensive changes which necessitates several amendments in the Articles of Association("AOA") of the Company including deletion of certain redundant Articles.

Pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Act and Rules made thereunder, Approval of the Members of the Company by means of Special Resolution is required for alteration of AOA by adoption on new AOA in substitution of existing AOA so that the new AOA are consistent and in Alignment with the provisions of the Act and Rules made thereunder.

A copy of the Proposed Articles of Association is available on the website of the Company at www.arotile.com and would also be available electronically for inspection by Members from the date of circulation of this Notice upto the date of the AGM.

The Resolution is recommended to the Members by the Board for passing as Special Resolution. None of the Directors or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise, in the aforesaid Resolution.

FOR THE ATTENTION OF THE SHAREHOLDERS

- Shareholders having multiple folios are requested to write to the Company for consolidation of the Folios to save the administrative or servicing costs.
- Requests for transfer of Shares and related correspondence should be addressed to the Company's **Registrar & Share Transfer Agent M/s Alankit Assignments Limited, Alankit House, 4E/2, Jhandewalan Extension, New Delhi 110055**. The shareholder may approach their Depository Participant for getting their shares dematerialised and in respect of the shares already held in dematerialised mode for registration of change in their addresses, bank mandates and nominations etc. For any further clarifications and other matters kindly write to the **Company Secretary at 1001, 10th Floor, DLF Tower A, Jasola, New Delhi 110025 or e-mail: investorgrievance@arotile.com**. Please quote your folio no/DP ID/Client ID and number of shares for prompt attention.
- Transfer of Unclaimed Dividend to Investor Education and Protection Fund: Pursuant to Section 125 of the Companies Act 2013, the unclaimed dividend for financial year ended 31.03.2016 will be transferred to the Investor Education and Protection Fund. Therefore, those shareholders who have not yet encashed the

dividend warrants may write to the Company for revalidation/issue of fresh dividend warrants quoting their folio no/DP ID/Client ID. Shareholders who have not encashed their dividend warrants for the financial years 2016-17 to 2021-22 are requested to send the same for revalidation to the Company at the address given at point No. 2 above.

- Nomination: Pursuant Section 72 of the Companies Act, 2013 individual Shareholders holding shares in the Company singly or jointly may nominate an individual to whom all the rights in the shares in the Company shall vest in the event of death of the sole/all joint Shareholders. Members are requested to submit the details to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrar and transfer Agent (RTA) in case the shares are held by them in physical form, quoting their folio Number.
- Dematerialisation of Share and Liquidity: As per Regulation 40 of SEBI Listing Regulations, as amended, transfer of Securities would be carried out in dematerialized form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However, Members can continue to

hold shares in physical form. In view of the same and to eliminate all risks associated with physical shares and ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's RTA assistance in this regard. Company's ISIN No. is INE210C01013.

6. Pursuant to Section 101 of the Companies Act 2013 and the Rules made there under, the Company is permitted to send various notices/documents under the Companies Act 2013, to its shareholders, through electronic mode. We request to Members to support this initiative and register their e-mail addresses in respect of shares held in: (1) dematerialised mode, with their Depository Participants; and (2) physical mode with Alankit Assignments Limited (RTA). Please quote

the following particulars in the e-mail Registration Request: Folio No./DP ID –Client ID, PAN, Name (s) of Registered Holder(s), Address, Telephone and e-mail Address (to be registered for sending future communications through e-mail) and send the same under your signature(s).

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

Green Initiative in Corporate Governance: Register e-mail Address

The Ministry of Corporate Affairs has now permitted Companies to send various notices/documents under the Companies Act, 2013 to its shareholders, through electronic mode. We request the Members to support this initiative and register their e-mail addresses in respect of shares held in: (1) dematerialized mode, with their Depository Participants; and (2) physical mode with Alankit Assignments Ltd. (RTA). Please quote the following particulars in the e-mail Registration Request: Folio No./DPID-Client ID, PAN, Names (s) of Registered Holder(s), Address, Telephone and e-mail Address (to be registered for sending future communications through e-mail).

Directors' Report

The Directors have pleasure in presenting the 35th Annual Report together with Audited Accounts of the Company for the year ended on March 31, 2023.

FINANCIAL RESULTS

(₹ in lakh)

Particulars	31.03.2023	31.03.2022
Gross Profit before Depreciation	682.05	2,351.31
Depreciation	1,272.74	1,273.74
Profit before Tax	(590.69)	1,077.57
Provision for Tax	-	-
Current	-	190.57
– MAT Credit	-	(190.57)
– Deferred	(11.88)	186.98
Surplus available for appropriation	(578.81)	890.59
Dividend (including Dividend Tax)	-	-
Amount transferred to General Reserve	-	-
Surplus carried to Balance Sheet	(578.81)	890.59

WORKING RESULTS

2022-23 witnessed many challenges which the company hopes will be solved in the coming years.

The year started off with container prices rising to a record high, with our customers paying as much as 12,000 to 18,000 USD per TEU (20' container). This amounts to an average of 47% of the landed cost of goods being freight. This made the sales of budget and lower cost goods plummet.

The Quartz plant also ran into trouble when USA announced an interim duty of 162% in annual review 1 (AR1) on Quartz from India. This shuttered the plant for up to 6 months as we waited for the final duties to be ratified. The duty levied due to a clerical error from the representative of the largest exporter of quartz from India which resulted in them getting a 323% duty - which averages to "All others" a rate of 162%. In January of 2023 however the DOC wisely decided to revert the "All others" rate to that of the initial investigation.

Our quartz customers in USA, during the 7 months of duty related issues, had already explored other countries like Vietnam, Malaysia, Thailand, Turkey etc. and already started purchases from there. It took an additional 2 months for orders to return to India and we were able to restart production in a large scale in March 2023.

Europe went through a major energy crisis as the war in Ukraine continued. This led to an increase in fuel and electricity costs which caused the real estate market to react negatively, reducing our customers' sales. Further post pandemic many western European countries have been facing a severe worker shortage and that issue continues now also.

As stimulus checks dried up and the interest rates in both USA and Europe continued to rise, there has been a negative impact in the real estate markets of certain parts of these regions. However, a good sign is that the market for renovations is continuing to be strong.

By early 2023 freight rates took a steep nosedive from an average of over USD10,000 to USD 2,000 and in some parts of Europe even lower than USD 1,000. This has caused some customers to have above market price inventory and as they continue to buy cheaper new inventory, they are facing space issues in their warehouses. Due to the steep dive in freight prices, customers with higher valued stocks are facing difficulties in sales which impact on us indirectly.

Being a 100% Export Oriented Unit, the slowdown in USA and European markets have impacted the business adversely in the FY 2022-2023.

During the year we went through and were able to clear the following hurdles:

1. High Freight Rates
2. Duty on Quartz
3. Stabilisation of Europe even with the war

With the above Hurdles cleared and Interest rates expected to come down in the coming quarters we expect a stable 2023 and things to pick up by 2024.

DIVIDEND

Your directors have not recommended any dividend for the year 2022-2023.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year amount of ₹ 3,45,958/- for the Financial Year 2014-15 transfer to Investor Protection Fund under sub-section (2) of section 125 of the Companies Act 2013 and IEPF (Accounting, Audit, Transfer and Refund) Rules 2016. Shri Sabyasachi Panigrahi, Company Secretary is the Nodal Officer appointed by the Company under the Provisions of the IEPF Act.

FIXED DEPOSIT

The Company has not accepted any fixed deposit from the public.

ANNUAL RETURN

The Annual Return referred to Section 134(3)(a) as per the Companies Act 2013 is available on the website of the Company www.arotile.com

LOANS, GUARANTEES AND INVESTMENTS

The Company has not granted any Loans, Guarantees and made any Investments during the year.

RELATED PARTY TRANSACTIONS

All contracts/arrangements and transactions entered by the Company with related parties were in ordinary course of business and at arm's length basis. Your Directors draw attention of the members to Notes to accounts of financial statement which sets out related party disclosures. The related Party Transactions Policy as approved by the Board is available on the website of the Company www.arotile.com.

DIRECTORS

During the year, there was no change in the Directorship of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

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

- f) the proper systems to ensure compliance with the provisions of all applicable laws have been devised and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

A Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company which has been approved by the Board. The CSR policy may be access from the website of the Company i.e. www.arotile.com. The Annual Report on CSR activities is annexed herewith marked as **Annexure I**.

AUDITORS AND AUDITORS' REPORT

(a) Statutory Auditor

M/s Alok Mittal & Associates, Chartered Accountants, New Delhi was appointed as the Statutory Auditor of the Company for a period of Five Years from the Conclusion of Thirty Fourth Annual General Meeting. The Notes on the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualifications, reservations or adverse remark.

(b) Secretarial Auditor

Practising Company Secretary Ms. Latika Jetley (CP No. 3074) was appointed as the Secretarial Auditor by the Board for the financial year 2022-23 to conduct the Secretarial Audit. The Secretarial Audit Report along with the Annual compliance Secretarial Audit Report under SEBI Regulation for the year 2022-23 is annexed herewith as **Annexure II**. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remark.

(c) Internal Auditor

The Board had appointed M/s Sreekantha & Co., Chartered Accountants, Hosur as the Internal Auditor of the Company for the year 2022-2023. Internal Audit report does not contain any qualifications, reservations or adverse remark.

COMPLIANCE WITH SECRETARIAL STANDARDS

Compliance of Secretarial Standards on Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by Institute of Company Secretary of India has been adopted by the Company.

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Practising Company Secretary's Certificate on Corporate Governance is enclosed as **Annexure III** to the Board's Report. The Auditors' Certificate for the year 2022-23 does not contain any qualifications, reservations or adverse remarks.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the period under review, there were no significant material orders passed by the Regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required as per the provisions of Companies Act 2013 and Rules there under is annexed herewith in **Annexure IV** and form part of this report.

PARTICULARS OF REMUNERATION

Statement of particulars of employee pursuant to the provisions of section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2023.

Employed throughout the financial year, ended March 31, 2023 in receipt of remuneration not less than One Crore two Lakh rupees per annum.

Name	Age	Qualification	Experience	Date of Commencement Employment	Designation	Remuneration	Last Employment
Mr. Sunil Kumar Arora	64 Years	B. Sc.	36 Years	May 3,1988	Managing Director	18647863	Since Inception

Pursuant to the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the details regarding the ratio of remuneration of each Director to the median employee's remuneration and such other details as required therein are as under:

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year: The Board of Directors of the Company comprises of Non-Executive Directors who has been paid commission in the form of Remuneration and sitting fee from the Company.

Sl. No.	Name	Ratio to median remuneration
1	Shri Sunil Kumar Arora, Managing Director	935.099
2	Shri Sundareshwara G Sastry	10.369
3	Shri Dinesh Chandra Kothari	5.058
4	Smt. Sujata Arora	6.828
5	Smt. Vinita Sood	9.863
6	Shri Sahil Arora, Whole-Time Director	219.387

- The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year: The Board of Directors of the Company comprises of Non-Executive Directors who has been paid Commission and sitting fee from the Company.

Sl. No.	Name	Ratio to median remuneration
1	Shri Sunil Kumar Arora, Managing Director	0.87
2	Shri Dinesh Chandra Kothari	(48.72)
3	Smt. Sujata Arora	(27.03)
4	Smt. Vinita Sood	(17.02)
5	Shri Sahil Arora, Whole Time Director	1.17
6	Shri Sundareshwara G. Sastry	(2.38)
7	Shri Sabyasachi Panigrahi, Company Secretary	-
8	Shri M. Madangopal CFO	1.20

- The percentage increase in the median remuneration of employees in the financial year: 1.56
- The number of permanent employees on the roll of Company: 264
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year ended March 31, 2023. NIL
- The Company affirms that the remuneration is as per the remuneration policy of the Company.

CORPORATE GOVERNANCE INCLUDING DETAILS PERTAINING TO BOARD MEETINGS, NOMINATION AND REMUNERATION POLICY, AUDIT COMMITTEE AND VIGIL MECHANISM

Your Company re-affirms its Commitment to the highest standards of Corporate Governance practices. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Annual Report.

The Corporate Governance Report which form part of this report also covers the following:

- a) Particulars of the Five Board Meetings held during the financial year.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management.
- c) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial control with reference to financial statements and no material reportable weakness was observed in the system. Further, the Company has in place adequate internal financial control commensurate with the size and nature of its operations. The Company also has robust Budgetary Control System and Management Information System (MIS) which are backbone of the Company for ensuring that your Company's assets and interests are safeguarded.

LISTING

The Equity Shares of the Company are listed in BSE Limited and National Stock Exchange of India Limited. Listing fees for the year 2023-2024 have already been paid to BSE Limited and National Stock Exchange of India Limited.

ACKNOWLEDGEMENT

Your Directors wish to thank and acknowledge the Banks, Government Authorities, Dealers, Suppliers, Business Associates and the Company's Valued Customers for their assistance and cooperation and the esteemed Shareholders for their continued trust and support. The Directors also wish to acknowledge the committed and dedicated team of Aro granite whose unstinted work, efforts and ideas have taken the Company on a path of steady growth and development.

For and on behalf of the Board

Place: Hosur
Date: May 19, 2023

Sunil Kumar Arora
Managing Director

Sahil Arora
Whole-Time Director

Annexure I to The Board's Report

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED MARCH 31, 2023

1. **Brief outline of the CSR Policy of the Company.** To actively contribute to the social and economic development of the communities in which the Company operates. In doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index. The focus of the Company's CSR initiatives is on the all-round development of the communities located mostly in rural and semi-urban areas. These initiatives have also aim to accord priority to activities pertaining to inclusive growth of the society.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Smt. Vinita Sood	Chairman, Non-executive, Independent	1	1
2	Smt. Sujata Arora	Member, Non-executive, Non-Independent	1	0
3	Shri Dinesh Chandra Kothari	Member, Non-executive, Independent	1	1
4	Shri Sundareshwara G. Sastry	Member, Non-executive, Independent	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: www.arotile.com
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). **N.A.**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1	2022-23	0	Nil

6. Average net profit of the company as per section 135(5): ₹ 7,97,56,069.00
7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 15,95,000.00
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- (c) Amount required to be set off for the financial year, if any: NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 15,95,000.00
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹)	Amount Unspent (₹)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of transfer	Name of the Fund	Amount
15,95,000.00	NOT APPLICABLE			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NOT APPLICABLE												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency		
				State	District			Name	CSR Registration number	
1	Rural Health care program	Promoting health care including preventive health care and sanitation	Yes	Tamil Nadu	Krishnagiri	15,95,000.00	NO	Aro Charitable Trust	--	
TOTAL						15,95,000.00				

- (d) Amount spent in Administrative Overheads NIL
- (e) Amount spent on Impact Assessment, if applicable NOT APPLICABLE
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) 15,95,000/-
- (g) Excess amount for set off, if any NIL

Sl. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	15,95,000.00
(ii)	Total amount spent for the Financial Year	15,95,000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in Succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NOT APPLICABLE							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated form the project (in ₹)	Amount spent on the project in the reporting Financial Year (₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed/ Ongoing
NOT APPLICABLE								

10. In case of creation or quision of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)**.

- (a) Date of creation or acquisition of the capital asset(s). NOT APPLICABLE
- (b) Amount of CSR spent for creation or acquisition of capital asset. NOT APPLICABLE
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NOT APPLICABLE
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NOT APPLICABLE

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). NOT APPLICABLE

Sunil Kumar Arora

Managing Director

Ms. Vinita Sood

Chairman-CSR Committee

RESPONSIBILITY STATEMENT

The Responsibility Statement of the Corporate Social Responsibility Committee of the Board of Directors of the Company is as below: "The implementation and monitoring of Corporate Social Responsibility (CSR) policy is in compliance with CSR objectives and policy of the Company."

Sunil Kumar Arora

Managing Director

Ms. Vinita Sood

Chairman-CSR Committee

Annexure II to The Board's Report

MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointments and Remuneration of Managerial Personnel) Rules 2014]

To,
The Members
Aro granite industries ltd.
1001, 10th Floor, DLF Tower A,
Jasola, New Delhi 110025.

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provision and the adherence to good corporate practices by M/s **Aro granite industries ltd.**, (herein after called the 'Company') which is a Listed Company. Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate/statutory compliances and expressing our opinion thereon.

We report further:

- a. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
 - b. We have followed the audit practices and processes those are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that, the processes and practices we follow, provide the reasonable basis of our opinion.
 - c. The compliances of provisions of the corporate and other applicable laws, rules, regulation, standard is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
 - d. We have not verified the correctness and appropriateness of the Financial Statements of the Company.
 - e. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has during the audit period covering the financial year ended on March 31, 2023 (Audit Period) complied with the Statutory Provisions listed hereunder and also that the Company has proper Board-Processes and compliance-mechanism in place to the extent, in the manner and subject the reporting made hereinafter:
- We have examined the books, papers, minutes, books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2023 according to the provisions of:
- (i) The Companies Act 2013 ('the Act') and the Rules made there under:
 - (ii) The Securities Contracts (Regulation) Act.1956 (SCRA) and Rules made there under.
 - (iii) The Depositories Act,1996 and the Regulations and Byelaws framed there-under.
 - (iv) Foreign Exchange Management Act 1999 and the Rules & Regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not applicable to the company during audit period)**
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 (SEBI ACT).
 - a. The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulation Act 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during audit period)**
 - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 and The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations 2014 notified on October 28, 2014. **(Not applicable to the Company during audit period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008. **(Not applicable to the Company during the audit period)**
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulation 1993 regarding the Companies Act and dealing with the client.

- g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations 2009 **(Not applicable to the company during the audit period)**.
- h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations Act 1998 **(Not applicable to the company during the audit period)**

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) SEBI (listing Obligations and Disclosure Requirements) Regulations 2015 and the Listing Agreement entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Company has provided ₹ 15.95 lakh for CSR and spent ₹ 15.95 lakh under the Corporate Social Responsibility as per the relevant provisions of the Companies Act 2013. During the year there was related party transactions at an arm's length basis for which omnibus approval had been taken. During the year under audit, the Company has not declared any dividends. During the audit period the Company is not required to appoint the cost auditor but maintaining the cost records as per the section 148(1) Act in respect of its product.

Adequate notice was given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. One Board Meetings was held at shorter notice and notices were given to all the Directors. During the audit period no resolution was passed by way of circulation. During the audit period no extraordinary general meeting was held. The Annual General Meeting was held through Video Conferencing, and proper Notice was sent to members.

All decisions at Board Meeting and Committee Meetings are carried out unanimously as recorded in the minutes of the meeting of the Board of Directors or Committee of the Board, as the case may be. There is Inter-Corporate Investment as per section 186 of the Companies Act 2013 in the Company. During the audit period an unsecured loan of ₹ 5.00 crore taken from the Director as per the provisions of the Company Act 2013. Company has paid to the supplier covered under Micro, small and Medium Enterprise Act, 2006 within 45 days.

We have relied on the Management Representation made by the Managing Director, CFO and Company Secretary for systems and mechanism formed by the Company to ensure the compliances under other applicable Acts, Laws and Regulations for two Units i.e Hosur (Tamil Nadu) and Jaipur (Rajasthan) which are listed below:

1. Factories Act 1948;
2. Industries (Development and Regulation) Act, 1951;
3. Labour laws and Incidental laws related to Labour and Employees appointed by the Company either on its payroll or on contractual basis as related to Wages, Gratuity, Provident Fund, ESIC, Compensation etc.;
4. Acts prescribed under Prevention and Control of pollution;
5. Acts prescribed under Direct and Indirect taxes;
6. Land Revenue laws of respective States;
7. Labour welfare Act of respective States;
8. Legal Metrology Act 2009;
9. Employees State Insurance Act 1948;
10. Indian Boilers Act 1923 & Indian Boilers Regulation Act 1950 as amended in 2015, 2017, 2022;
11. Tamil Nadu Prevention of illegal Mining, Transportation and storage of Mineral and Mineral Dealers rules 2011 frames under section 23c(1) of MMDR Act.;
12. The Bio-medical Waste Management & Handling Rules, 1998 as amended in 2000, 2003, 2016, 2018, 2019
13. The Central Motor Vehicles Rules 1989, 2015, 2017, 2021 & 2022;
14. The Maternity Benefit Act, 1961 & The TN Maternity Benefit Rules, 1967 Amended in 2022;
15. The Petroleum Act, 1934 and Rules, 2002. The petroleum and Natural Gas Regulatory Board Act, 2006
16. The Tamil Nadu Ground Water (Development and Management) Act, 2003 as amended 2011;
17. The Tamil Nadu Panchayat Act, 1994;
18. The Rajasthan Fire & Emergency Act, 2016;
19. The Tamil Nadu Fire Service Act, 1985, Rules 1990;

20. The Occupational Safety, Health and Working Conditions Code, 2020;
21. The Environment Impact Assessment Notification, 1994, 2006;
22. Acts as prescribed under the Shops and Establishment Act of Various Local Authorities.

We further report that during the audit period the company has not taken any event/action having a major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc.

Place: Hosur
Date: May 19, 2023

Latika Jetley
Practising Company Secretary
ACS 12120, C.P.3074
UDIN: A012120E000335069

Annual Secretarial Compliance Report of Aro granite industries limited for the financial year ended 31.03 2023.
[Pursuant to sub-regulation 2 of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015]

I/We have examined:

- (a) all the documents and records made available to us and explanation provided by Aro granite industries limited ("the listed entity"),
- (b) the filings/submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2023 from April 1, 2022 to March 31, 2023 ("Review Period") in respect of compliance with the provisions of:
1. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 2. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");
- The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include:
- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable during the period under review)**
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable during the period under review)**
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable during the period under review)**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **(Not Applicable during the period under review)**
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable during the period under review)**
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) Securities and Exchange Board of India (Depository and Participant) Regulations, 2018; and circulars/guidelines issued thereunder;

I/We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
1.	<p>Secretarial Standards:</p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.</p>	Yes	
2.	<p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of Board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI. 	Yes	

3.	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/section of the website. 	Yes
4.	<p>Disqualification of Director: None of the Director(s) of the Company is/are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.</p>	Yes
5.	<p>Details related to Subsidiaries of listed entities have been examined w.r.t.:</p> <p>(a) Identification of material subsidiary companies</p> <p>(b) Disclosure requirement of material as well as other subsidiaries</p>	N.A
6.	<p>Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015</p>	Yes
7.	<p>Performance Evaluation: The listed entity has conducted performance valuation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.</p>	Yes
8.	<p>Related Party Transactions:</p> <p>(a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or</p> <p>(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.</p>	Yes
9.	<p>Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.</p>	Yes
10.	<p>Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015</p>	Yes
11.	<p>Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/guidelines issued thereunder except as provided under separate paragraph herein (**).</p>	Yes
12.	<p>Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.</p>	Yes

Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019: **We noted that during the Review Period the statutory auditors of the Company did not resign and thus the Circular is not applicable.**

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor.		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/audit report for such quarter; or	N.A	
	ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/audit report for such quarter as well as the next quarter; or		
	iii. If the auditor has signed the limited review/audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/audit report for the last quarter of such financial year as well as the audit report for such financial year.		
2.	Other conditions relating to resignation of statutory auditor.		
	i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:	N.A	
	ii. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information/non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings:		
	a. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/explanation from the company, the auditor has informed the Audit Committee the details of information/explanation sought and not provided by the management, as applicable.	N.A	
	b. The Audit Committee/Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.		
	c. Disclaimer in case of non-receipt of information:		
	The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI/NFRA, in case where the listed entity/its material subsidiary has not provided information as required by the auditor.		
3.	The listed entity/its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/CFD/CMD1/114/2019 dated October 18, 2019.	N.A	

(a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below:

Sl. No	Compliance Requirement (Regulations/ Circulars/ Guidelines Including Specific Clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company secretary	Management Response	Re-Marks
NIL										

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No	Compliance Requirement (Regulations/ Circulars/ Guidelines Including Specific Clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company secretary	Management Response	Re-Marks
NOT APPLICABLE										

Place: Delhi
Date: May 25, 2023

Latika Jetley
 ACS 12120,
 C.P.3074
 Peer Review No.1779/2022
 UDIN: A012120E000375331

Annexure III to The Board's Report

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Aro granite industries limited,

We have examined the compliance of conditions of Corporate Governance by Aro granite industries limited, for the year ended March 31, 2023, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Hosur
Date: May 19, 2023

Latika Jetley
Practising Company Secretary
ACS 12120/C.P.3074
UDIN: A012120E000335102

Annexure IV to The Board's Report

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules 2014

(I) CONSERVATION OF ENERGY

The plant installed by the Company is of latest technology and energy efficient. Power consumption of the Company is very low. During the year under consideration a total 93,47,558 units were consumed and the per Sq. mt. power consumption cost only ₹ 182.93

(II) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Company has not imported any technology. Effective pollution control system has already been installed in the factory. Total Quality Management System has already implemented. Due to its consistent efforts the Company could achieve improvement & development in the quality of the product. It has also achieved process development, cost reduction etc.

(III) FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earned in terms of actual inflows during the year and Foreign Exchange outgo during the year in terms of actual outflows. The details regarding foreign exchange earnings and outgo are given below.

(a) Earnings in Foreign Exchange

(₹ in lakh)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Export of Goods (FOB)	14,154.38	20,185.55

(b) Expenditure in Foreign Currency

(₹ in lakh)

Value of Imports (CIF)	Year ended 31.03.2023		Year ended 31.03.2022	
Capital Goods	838.09	21.07%	385.65	9.56%
Raw Materials	1,201.72	30.22%	941.21	23.35%
Consumables	1,808.70	45.48%	2,077.02	51.53%
Stores & Spares	86.53	2.18%	593.79	14.73%
Overseas Business Travelling	21.88	8.55%	-	-
Other Expenses	20.00	0.50%	33.24	0.83%

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in good Corporate Governance, which is an integral part of its business ethics. Through Corporate Governance, the Company wants to achieve highest level of transparency, accountability and equity in all its activities and functions. The overall target is to enhance the value of the stakeholders by providing them with all sorts of information with regard to the functioning of the Company and remain committed to the highest level of customer satisfaction and high standard of business ethics in the long run. The Company firmly believes that over a period of time all its operations and actions must serve the underlying goal of enhancing overall shareholders value.

2. BOARD OF DIRECTORS

The Board of Directors presently consists of Six Directors comprised of Four Non-Executive Directors (NED) of which three are Independent. The Board does not have a permanent Chairman. At each Board Meeting, Directors present elect one amongst themselves as the Chairman. Five Board Meetings were held during the Financial Year ended March 31, 2023 on April 29, 2022, June 7, 2022, July 29, 2022, November 10, 2022 and February 1, 2023. Attendance and other details are given below:

Name of the Director	Category	No. of Board Meetings attended	Whether last AGM attended (26.08.2022)	Outside Directorships and Committee positions			Directorship in other listed entity (Category of Directorship)
				Directorships#	Committee Membership*	Committee Chairmanship*	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Shri Sunil Kumar Arora @ (Managing Director) (00150668)	Executive (Promoter)	5	Yes	-	-	-	-
Shri Sahil Arora @ Director (07970622)	Executive (Promoter)	5	Yes	-	-	-	-
Shri Dinesh Chandra Kothari (00195609)	Non-Executive and Independent	2	Yes	-	-	-	-
Smt. Sujata Arora @ (00112866)	Non-Executive (Promoter)	4	Yes	-	-	-	-
Smt. Vinita Sood (06926832)	Non-Executive and Independent	5	Yes	-	-	-	-
Shri Sundareshwara G Sastry (00165762)	Non-Executive and Independent	5	Yes	-	-	-	-

#As per Section 165 of the Companies Act 2013 and Regulation 25 of the SEBI (LODR) 2015

*Only covers Membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee.

@ Shri. Sunil Kumar Arora is the husband of Smt. Sujata Arora and father of Shri Sahil Arora

The Board periodically reviews Compliance Reports of all laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliances, if any.

Details of equity shares of the Company held by the Directors as on March 31, 2023, are given below:

Name	Category	No. of Equity Shares
Sujata Arora	Non-independent, Non-executive	598572

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company/Business which are currently available with the Board:

International Business	Understanding of the international business dynamics across the globe specifically under various geographical markets, prevailing regulations and challenging situations filled with adversity.
Governance	Experience in driving corporate ethics & values, maintaining board and management accountability, practicing corporate governance of highest standard amongst the stakeholders.
Strategy	Understanding of the requirement of long-term strategy and planning taking into account the diversified international business environment.

The Directors appointed are drawn from diverse backgrounds and possess special skills with regard to the industries/fields from where they come. The appointment is mainly dependent on whether the person possesses the requisite skill sets identified by the Board and whether the person has the requisite ability in running a business that is relevant to the Company's business. Being an 100% Export Oriented Unit, Company's business runs across different geographical markets and is global in nature.

The Company has a Code of Conduct for Management Cadre Staff which is strictly adhered to. In terms of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, contemporary practices of good corporate governance, a code of conduct was laid down by the Board for all the Board Members and Senior Management of the Company. The said code is available on the Company's website (www.arotile.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said Code. This Report contains a declaration to this effect signed by the Managing Director.

Independent Director

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") define an 'independent director' as a person who, including his/her relatives, is or was not a promoter or employee or key managerial personnel of the company or its subsidiaries. Further, the person and his/her relatives should not have a material pecuniary relationship or transactions with the company or its subsidiaries during the three immediate preceding financial years or during the current financial year, apart from receiving remuneration as an independent director if any.

Based on the disclosures received from all independent directors and in the opinion of the Board, the independent directors fulfill the conditions specified in the Companies Act, 2013, the Listing Regulations and are independent of the Management

Changes To Board During 2022-23

No change took place in the Board during the Financial year 2022-23.

3. AUDIT COMMITTEE

The Company has an Audit Committee of Directors. The "Terms of Reference" of the Committee are in conformity with the provisions of Section 177 of the Companies Act 2013 & Rule 6 of Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee is consisting of four Directors namely Shri Sundareshwara G. Sastry (Chairman of the Committee), Shri Dinesh Chandra Kothari, Smt. Vinita Sood all are non-executive Independent Directors and Shri Sunil Kumar Arora Executive Director. Company Secretary acts as the Secretary of the Committee. During the financial year ended 31.03.2023, four meetings of the Audit Committee were held. Date of meetings (number of members attended): 29.04.2022(4), 29.07.2022(3), 10.11.2022(4) and 01.02.2023(3).

4. NOMINATION AND REMUNERATION COMMITTEE

The Company has a Nomination and Remuneration Committee. The "Terms of Reference" of the Committee are in conformity with the provisions of Section 178 of the Companies Act 2013 & Rule 6 of Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination and Remuneration Committee is consisting of Three Non-Executive Directors namely Shri Sundareshwara G. Sastry (Chairman of the Committee), Shri Dinesh Chandra Kothari and Smt. Vinita Sood. All are Independent Directors. Company Secretary acts as the Secretary of the Committee. During the financial year ended March 31, 2023. Two meeting was held. Date of Meeting (number of members attended): April 29, 2022 (3), July 29, 2022(2).

5. NOMINATION AND REMUNERATION POLICY

In accordance with the provisions of the Companies Act 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has a Nomination and Remuneration Policy which is disclosed below:

Criteria for recommending a person to become Director

The Committee shall take into consideration the following criteria of qualification, positive attributes and independence for recommending to the Board for appointment of a Director:

Qualification & Experience

The incumbent shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, operations, corporate governance, education, community service or other disciplines.

Attributes/Qualities

The incumbent Director may possess one or more of the following attributes/qualities:

- Respect for and strong willingness to imbibe the Company's Core Values.
- Honesty and professional integrity.
- Strategic capability with business vision.
- Entrepreneurial spirit and track record of achievement.
- Ability to be independent and capable of lateral thinking.
- Reasonable financial expertise.
- Have contacts in fields of the business/Corporate World/Finance/Chambers of Commerce & Industry.
- Can effectively review and challenge the performance of management.

In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as Independent

Director as per the provisions of the Act, SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws & regulations. "He" or "his" as mentioned in this policy includes any gender.

The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Companies Act, 2013 or other applicable laws & regulations.

Director's Compensation

The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable Companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

Evaluation

The Board will review the performance of a Director as per the structure of performance evaluation.

Board Diversity

The Committee will review from time-to-time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and Board diversity in mind in recommending any new name of Director for appointment to the Board. It will be Committee's Endeavour to have at least one Director from the following fields:

- a) Accounting and Corporate Finance
- b) Legal and Corporate Laws
- c) Business, Management and Corporate Strategy

Eligibility Criteria & Remuneration of Key Managerial Personnel and other Senior Management Personnel:

The eligibility criteria for appointment of key managerial personnel and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of key managerial personnel shall be filled by senior personnel having relevant qualifications and experience.

The Compensation structure for Key managerial personnel and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks.

The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has stakeholders relationship committee at the Board level which consists of Three Directors, namely Shri Sundareshwara G. Sastry (Chairman of the committee), Shri Sunil Kumar Arora and Shri Dinesh Chandra Kothari. The composition of the committee is in conformity with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Section 178 of the Companies Act, 2013. Shri Sabyasachi Panigrahi, Company Secretary is the Compliance Officer of the Committee who oversees the investors grievances including Transfer/Transmission of Equity Shares, De-materialisation/ Re-materialisation of Equity Shares, non-receipt of Dividend, Annual Reports etc. All the complaints received by the Company have been resolved promptly to the satisfaction of the Shareholders. All the valid requests for transfer of Equity Shares in physical form were processed in time and there are no pending transfers of Equity Shares. During the Financial Year ended 31.03.2023, One meeting of the Stakeholders Relationship Committee was held. Date of meeting (number of members attended): 29.04.2022(3).

7. CSR COMMITTEE

The CSR Committee is comprising of Smt. Vinita Sood (Chairman), Shri Dinesh Chandra Kothari, Smt. Sujata Arora, and Shri Sundareshwara G. Sastry as other members. During the financial year ended 31.03.2023, one meeting was held. Date of Meeting (number of members attended): 29.04.2022 (3)

8. REMUNERATION OF DIRECTORS

- a) Executive Directors: The aggregate amount of Salary, HRA paid during the financial year ended March 31, 2023 Shri Sunil Kumar Arora, Managing Director was ₹ 1,86,47,863/- and Shri Sahil Arora, Whole Time Director was ₹ 43,88,188/-
- b) Non-Executive Directors: During the year 2022-2023, the Company has paid sitting fees of ₹ 5,00,000/- to all the Independent Directors. Other Non-Executive Director Smt. Sujata Arora was paid sitting fees of ₹ 1,35,000/

9. GENERAL BODY MEETINGS

Location and time for the last three Annual General Meetings (AGMs) of the Company were:

Year	Location	Date	Time	Whether Spl. Resolution passed
2019-2020	Through VC/OAV means	September 25, 2020	12.30 P.M.	Yes
2020-2021	Through VC/OAV means	September 24, 2021	12.30 P.M.	Yes
2021-2022	Through VC/OAV means	August 26, 2022	12.30 P.M.	Yes

10. OTHER DISCLOSURES

- a) Materially significant related party transactions: All transactions entered into with related parties as defined under the Companies Act 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. There have been no materially significant related party transactions that may have potential conflict with the interests of listed entity at large as provided in the Related party transactions policy. The Related Party Transactions Policy is available on our website, at <http://www.arotile.com>
- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years 2019-20, 2020-21 and 2021-22 respectively: **Nil**
- c) The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for Directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link <http://www.arotile.com>
- d) The Company has also adopted Policy on Determination of Materiality for Disclosures and Policy for Preservation of Documents. The said policy has been also put up on the website of the Company at the following link <http://www.arotile.com>
- e) Reconciliation of share capital audit: A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.
- f) Code of Conduct: The members of the Board and senior management personnel have affirmed the compliance with Code applicable to them during the year ending March 31, 2023. The annual report of the Company contains a certificate by the Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

g) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013:

Sl. No	Particulars	Details
1	Number of Complaints filed during the FY	NIL
2	Number of Complaints disposed off during the FY	NIL
3	Number of complaints pending at the end of the FY	NIL

h) Certification from Company Secretary in Practice

Latika Jetley, Practising Company Secretary has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The Certificate is enclosed with this section as **Annexure A**.

During the year 2022-23, total fees for all services paid by the Company to M/s. Alok Mittal & Associates, Statutory Auditors is ₹ 6.70 lakh.

11. MEANS OF COMMUNICATION

Quarterly, Half-yearly and Annual results are normally published in the leading English newspapers, namely, Financial Express, MINT, Pioneer and Veer Arjun, having wide circulation and promptly furnished to the Stock Exchanges for display on their respective websites. The financial results are also displayed on the Company’s website www.arotile.com. “Management Discussion and Analysis” and ‘Shareholders Information’ forms part of the Annual Report.

12. GENERAL SHAREHOLDERS’ INFORMATION

- (i) Registered Office : 1001, 10th floor, DLF Tower ‘A’, Jasola, New Delhi 110025
(CIN: L74899DL1988PLC031510)
- (ii) Annual General Meeting
- (a) Day and Date : Friday, the September 8, 2023
- Time : 12.30 P.M. (IST)
- Venue : VC/OAV Means

(b) As required under Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a brief resume and other particulars of the appointment of Directors retiring by rotation at the aforesaid Annual General Meeting and seeking re-appointment are being given in the Notes to Notice convening the said meeting.

(iii) Financial Calendar (Tentative)

- Financial Reporting
- for the quarter ending 30.06.2023 Within 45 days of the end of the quarter
- for the quarter ending 30.09.2023
- for the quarter ending 31.12.2023
- for the year ending 31.03.2024
(If unaudited) Within 60 days of the end of the quarter
(If audited) Between July and September 2024
- Annual General Meeting for the
Financial Year 2023-24

(iv) Date of Book Closure : **From 02.09.2023 to 08.09.2023 (both days inclusive)**

(v) Listing on Stock Exchange : The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited (NSE). Annual Listing Fee for the Financial Year 2023-24 has been paid to BSE and NSE.

(vi) Security Code for : **BSE:** 513729,
: **NSE:** AROGRANITE/EQ

Company's Equity Shares ISIN No. : INE210C01013

(vii) Stock Market Data

Month (2022-23)	Bombay Stock Exchange (BSE)		National Stock Exchange of India Limited (NSE)	
	HIGH	LOW	HIGH	LOW
APRIL 2022	64.95	54.20	65.00	53.35
MAY 2022	56.90	40.75	56.95	40.60
JUNE 2022	45.90	35.00	46.35	35.00
JULY 2022	52.80	36.30	52.80	37.05
AUGUST 2022	51.90	43.55	51.95	43.65
SEPTEMBER 2022	56.30	44.90	56.70	45.00
OCTOBER 2022	53.00	45.60	52.40	45.90
NOVEMBER 2022	50.15	43.25	50.45	43.60
DECEMBER 2022	57.25	42.80	57.70	42.65
JANUARY 2023	53.25	45.30	53.45	45.20
FEBRUARY 2023	49.80	40.60	49.90	41.50
MARCH 2023	47.24	36.64	47.45	36.60

(viii) Distribution of Shareholding as on March 31, 2023

Category (No. of Shares)	No. of Equity Shares	%	No. of Shareholders	%
1-500	1518512	9.92	10997	81.94
501-1000	1000114	6.54	1260	9.39
1001-5000	2050972	13.41	988	7.36
5001-10000	659449	4.31	92	0.69
10001 and above	10070953	65.82	83	0.62
TOTAL	15300000	100.00	13420	100.00

(ix) Shareholding Pattern as on March 31, 2023

Sr. No.	Shareholders	No of Shares	% of Shareholding
1	Directors & Relatives	6282859	41.06
2	Non-Residents Individuals/OCBs	263916	1.73
3	Private Corporate Bodies	851939	5.57
4	General Public	7901286	51.64
	Total	15300000	100.00

(x) Share Transfer System

All valid requests for transfer/transmission of Equity Shares in physical form are processed within a period of 15 days from the date of receipt thereof and the share certificates duly transferred are immediately returned to the transferee/ lodger. In the case of Equity Shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

(xi) Dematerialisation of Shares & Liquidity

Trading in the Equity Shares of the Company is permitted only in dematerialised form. Shareholders may therefore, in their own interest, dematerialise their holdings in physical form, with any one of the Depositories namely NSDL and CDSL. The ISIN No. for Equity Shares of the Company for both the depositories is INE210C01013. As on March 31, 2023, 98.30% the Equity Shares stands dematerialised. It may be noted that in respect of shares held in demat form, all the requests for nomination, change of address, ECS, Bank Mandate and rematerialisation etc. are to be made only to the Depository Participant (DP) of the Shareholder.

(xii) Outstanding GDRs/ADRs/Warrants/Options or any convertible instruments, conversion date and its likely impact on Equity: There are no outstanding GDRs/ADRs/Warrants of the Company.

(xiii) Corp. Off. & Works

At: Koneripalli Village, Via: Shoolagiri
Taluka: Hosur, Dist: Krishnagiri,
Tamil Nadu 635 117.

(xiv) Address for Correspondence regarding share transfers and other matters

Aro granite industries ltd.

Regd. Office:
1001, 10th Floor, DLF Tower 'A', Jasola
New Delhi 110 025
Phone No.: 91-11-41686169
Fax No.: 91-11-26941984
E mail: investorgrievance@arotile.com

M/s Alankit Assignments Limited

Registrar & Transfer Agent (RTA)
Alankit House, 4E/2,
Jhandewalan Extension
New Delhi 110055
Phone No: 91-11-23541234,91-11-42541234
Fax No.: 91-11-23552001
E mail: info@alankit.com

13. DECLARATION

This is to confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the code of conduct for Directors and Senior Management adopted by the Board.

Sunil Kumar Arora
Managing Director

Managing Director Certification

To,
The Board of Directors
Aro granite industries ltd.

1. I have reviewed financial statements and the cash flow Statement of Aro granite industries ltd for the financial year ended March 31, 2023 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material factor contain any statements that might be misleading;
 - (ii) these statements together present true and fair view of the Company's affairs and are in Compliance with the existing accounting standards, applicable Laws and regulations.
2. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. I accept the responsibility for establishing and maintaining internal control for financial reporting and I have evaluated the effectiveness of the Company's internal control system pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operation of such internal control.
4. I have indicated to the Auditors and Audit Committee:
 - i. that there are no significant changes in the internal control over the financial reporting during the year;
 - ii. that there are no significant changes in accounting policies during the year; and
 - iii. that there are no instances of significant fraud of which I have become aware.

Sunil Kumar Arora
Managing Director

Annexure A

Practising Company Secretary's Certificate on Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Aro granite industries ltd.
1001, 10th Floor, DLF Tower 'A'
Jasola, New Delhi 110025.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Aro granite industries ltd. having CIN L74899DL1988PLC031510 and having registered office at 1001, 10th Floor, DLF Tower 'A', Jasola, New Delhi 110025 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ('DIN') status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Name of the Director	DIN	Date of Appointment
SUNIL KUMAR ARORA	00150668	29.01.2021
SAHIL KUMAR ARORA	07970622	30.10.2020
DINESH CHANDRA KOTHARI	00195609	31.08.2019
SUNDARESH G SASTRY	00165762	28.10.2022
SUJATA ARORA	00112866	26.08.2022
VINITA SOOD	06926832	19.10.2019

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: May 19, 2023

Place: Hosur

-sd-

Latika Jetley

Company Secretaries

ACS: 12120/C.P.NO.: 3074

UDIN: A012120E000435125

Independent Auditor's Report

TO THE MEMBERS OF ARO GRANITE INDUSTRIES LIMITED Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of **ARO GRANITE INDUSTRIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, 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 ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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, 2023 and its Loss, total comprehensive income, changes in equity and its cash flows For the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing

("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 standalone 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 audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>1. Provisions and contingent liabilities in relation to tax positions</p> <p>The Management have made judgements relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p> <p>Refer Note 38 to the financial statements.</p>	<p>We have involved our experts to gain an understanding of the current status of the tax cases and monitored changes in the disputes by reading external opinions received by the Company if any, where relevant to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments.</p> <p>For Legal, regulatory and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> • Testing key controls surrounding litigation, regulatory and tax procedures. • Performing substantive procedures on the underlying calculations supporting the provisions recorded. • Where relevant, reading external legal opinions obtained by the management • Discussing open matters with the litigation, regulator, general counsel and tax teams • Assessing management's conclusions through understanding precedents set in similar cases. <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at March 31, 2023 to be appropriate.</p>

(Contd.)

Key Audit Matter	Auditor's Response
<p>2. Related Party Transactions</p> <p>The Company has entered into several transactions with related parties during the year 2022-23. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the standalone financial statements including recoverability thereof; compliance with statutory regulations governing relate party relationships such as the Companies Act, 2013 and SEBI Regulations and the judgement involved in assessing whether transactions with related parties are undertaken at arms' length.</p> <p>Refer Note 40 to the standalone financial statements.</p>	<p>Our audit procedures on related party transactions included:</p> <ul style="list-style-type: none"> • Assessed the key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standard. • Assessed compliances with the listing regulations and the regulations under Companies Act, 2013 including checking of approvals/scrutiny as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions. • Considered the adequacy and appropriateness of the disclosures in the standalone financial statements, including recoverability thereof, relating to the related party transactions. • Inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. Further, we also tested completeness of related parties with reference to the various registers maintained by the Company statutorily. <p>On a sample basis, tested Company's assessment of related party transactions for arms' length pricing.</p>

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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE 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 standalone financial statements

that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole

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

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

- Identify and assess the risks of material misstatement of the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 standalone 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Companies Act, 2013.

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 no pending litigations.
- 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 including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (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 Board of Directors of the Company have not proposed any final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting or paid any interim dividend during the financial year. Accordingly, the provisions of section 123 of the Act, are not applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly reporting under Rule 11(g) of Companies (Audit and Auditors) Rules 2014 is not applicable for the financial year ended March 31, 2023.

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, to the extent applicable

For Alok Mittal & Associates

Chartered Accountants
Firm Regn. No. 005717N

Alok Kumar Mittal

Partner
Membership No.: 071205
UDIN: 23071205BGUATW6088

Place: Hosur, Tamilnadu

Date: May 19, 2023

Annexure A

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aro Granite Industries Limited 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 **ARO GRANITE INDUSTRIES LIMITED** (the "Company") as of March 31, 2023 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 Management 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

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 ICAI 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 with reference to standalone financial statements.

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, 2023, 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 ICAI.

For Alok Mittal & Associates

Chartered Accountants
Firm Regn. No. 005717N

Alok Kumar Mittal

Partner
Membership No.: 071205
UDIN: 23071205BGUATW6088

Place: Hosur, Tamilnadu

Date: May 19, 2023

Annexure B

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aro Granite Industries Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every 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 program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. In respect of inventories:
 - (a) According to the information available to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies is noticed on physical verification between the physical stocks and the book records.
 - (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- iii. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties, during the year, except some investments.
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.
 - (c) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year and hence reporting under clause 3(iii)(c) of the Order is not applicable.
 - (d) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year and hence reporting under clause 3(iii)(d) of the Order is not applicable.
 - (e) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year and hence reporting under clause 3(iii)(d) of the Order is not applicable.
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Companies Act 2013, Hence reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- 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 borrowings to any bank. Further, there were no dues payable to financial institution or Government or debenture holders as at Balance Sheet date
- (b) 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 explanation given to us, the term loans obtained by the Company have been applied for the purpose for which the loans were obtained;
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company does not have any subsidiary Company, associate or joint ventures during the year. Hence reporting on clause 3(ix)(e) of the Order is not applicable.
- (f) The Company does not have any subsidiary Company, associate or joint ventures during the year and has not raised loans during the year on the pledge of securities held in its subsidiaries, associates and joint ventures.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) No report under sub-section (12) of section 143 of the Companies Act is required to be filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and hence clause (xi)(b) of the order is not applicable for the year.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii)(a), (xii)(b), and (xii)(c), of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no amount remaining unspent in respect of other than ongoing projects, requiring transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act to the Companies Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year
- (b) There are no unspent amount towards Corporate Social Responsibility (CSR) in respect of ongoing projects, requiring a transfer to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.
- xxi. The provisions relating to preparation of Consolidated Financial Statements are not applicable to the Company during the year. Therefore, reporting under clause 3(xxi) of the order is not applicable to the Company.

For Alok Mittal & Associates

Chartered Accountants
Firm Regn. No. 005717N

Alok Kumar Mittal

Partner
Membership No.: 071205
UDIN: 23071205BGUATW6088

Place: Hosur, Tamilnadu

Date: May 19, 2023

Balance Sheet

As at March 31, 2023

(Amount in ₹ lakh)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	14,942.05	15,181.47
Capital Work in Progress	5	97.75	781.26
Intangible Assets	5	17.37	19.78
Right of Use Asset	6	1,056.22	1,065.76
Financial assets			
- Investments	7(a)	93.35	88.55
- Other financial assets	7(b)	204.32	85.78
Other non current assets	8	4.94	99.26
Total non current assets		16,416.00	17,321.87
Current Assets			
Inventories	9	19,936.37	17,730.58
Financial Assets			
- Investments	10(a)	16.19	25.31
- Trade Receivables	10(b)	6,153.64	7,308.18
- Cash and Cash Equivalents	10(c)	42.14	128.85
- Earmarked Balances with Bank	10(d)	10.56	14.03
- Bank balances other than cash and cash equivalents	10(e)	544.78	814.72
- Loans	10(f)	6.04	3.42
Other current assets	11	1,908.94	1,790.46
Current Tax Assets (Net)	22	3.10	-
Total current assets		28,621.76	27,815.55
Total Assets		45,037.76	45,137.42
Equity and Liabilities			
Equity			
Equity Share Capital	12	1,530.00	1,530.00
Other Equity	13	17,531.43	18,112.19
Total equity		19,061.43	19,642.19
Liabilities			
Non-current liabilities			
Financial Liabilities			
- Borrowings	14	6,020.78	6,532.22
Provisions	15	231.14	259.07
Deferred Tax Liabilities (Net)	16	1,128.99	1,150.60
Current Tax Assets (Net)	22	-	-
Total non-current liabilities		7,380.91	7,941.89
Current Liabilities			
Financial Liabilities			
- Borrowings	17	14,481.27	13,398.09
- Trade Payables	18	-	21.84
Total Outstanding Dues of micro & small enterprises		-	21.84
Total Outstanding Dues of creditors other than above		3,571.69	3,291.32
- Other Financial Liabilities	19	246.91	590.92
Other Current Liabilities	20	226.00	112.97
Provisions	21	69.55	57.26
Current Tax Liability (Net)	22	-	80.95
Total current liabilities		18,595.42	17,553.34
Total Liabilities		25,976.33	25,495.23
Total Equity and Liabilities		45,037.76	45,137.42

The above balance sheet should be read in conjunction with the accompanying notes 1-46
This is the balance sheet referred to in our report of even date

For Alok Mittal & Associates
Firm Registration No. 005717N
Chartered Accountants

Alok Kumar Mittal
Partner
Membership No. 071205
UDIN: 23071205BGUATW6088

Place: Hosur, Tamilnadu
Date: May 19, 2023

Sunil Kumar Arora
Managing Director
DIN: 00150668

S Panigrahi
Company Secretary
FCS No.: F - 4522

For and on behalf of the Board

Sahil Arora
Whole-Time Director
DIN: 07970622

M. Madangopal
CFO
ICAI M No.: 207947

Statement of Profit and Loss

For the year ended March 31, 2023

(Amount in ₹ lakh)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from Operations	23	16,390.20	22,474.01
Other Income	24	54.63	136.12
Total Income		16,444.83	22,610.13
Expenses:			
Cost of materials consumed	25	10,211.43	14,780.81
Purchase of Stock-in-Trade		64.38	71.33
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(2,029.22)	(2,602.51)
Employee Benefit Expense	27	1,661.41	1,879.05
Financial Costs	28	1,278.01	793.18
Depreciation and Amortization Expense	29	1,272.74	1,273.74
Other Expenses	30	4,576.77	5,336.96
Total Expenses		17,035.52	21,532.56
Profit before exceptional items & Tax		(590.69)	1,077.57
Less: Exceptional Items		-	-
Profit/(Loss) before Tax		(590.69)	1,077.57
Tax Expenses:	31		
- Current tax		-	190.57
Less: Mat Credit Entitlement		-	(190.57)
- Deferred tax		(11.88)	186.98
		(11.88)	186.98
Profit/(Loss) for the period		(578.81)	890.59
Other Comprehensive Income/(Expenditure) (Net of Deferred tax)		(8.28)	11.02
Total Comprehensive Income/(Loss)		(587.09)	901.61
Earning per equity share of ₹ 10 each	32		
Basic		(3.84)	5.89
Diluted		(3.84)	5.89

The above balance sheet should be read in conjunction with the 1-46 accompanying notes

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

For Alok Mittal & Associates

Firm Registration No. 005717N
Chartered Accountants

Alok Kumar Mittal

Partner
Membership No. 071205
UDIN: 23071205BGUATW6088

Place: Hosur, Tamilnadu

Date: May 19, 2023

Sunil Kumar Arora

Managing Director
DIN: 00150668

S Panigrahi

Company Secretary
FCS No.: F - 4522

For and on behalf of the Board

Sahil Arora

Whole-Time Director
DIN: 07970622

M. Madangopal

CFO
ICAI M No.: 207947

Statement of Cash Flows

As at March 31, 2023

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before exceptional item and tax	(590.69)	1,077.57
Adjustments For		
Depreciation and amortization expense	1,272.74	1,273.74
Finance Cost	1,278.01	793.18
Foreign currency fluctuation (Gain/Loss)	746.70	(99.84)
Profit on sale of Property, Plant and equipment	-	(0.58)
Interest Income on FD with banks and others	(37.37)	(32.39)
Operating Profit before working capital changes	2,669.39	3,011.67
Adjustment for Working Capital Changes		
Decrease/(Increase) in Trade receivables	1,154.54	(905.72)
Decrease/(Increase) in other receivables	(140.99)	(498.70)
Decrease/(Increase) in inventories	(2,205.79)	(3,817.02)
(Decrease)Increase in Provisions	(15.64)	45.57
(Decrease)Increase in Trade and other payables	27.55	454.26
Cash generated from Operations	1,489.07	(1,709.94)
Taxes paid	93.40	105.00
Net Cash flow from operating activities	1,395.67	(1,814.92)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and equipment & WIP	(340.18)	(651.83)
Sale of Fixed Assets	-	0.58
Interest received	37.37	32.39
Net cash flow from investing Activities	(302.81)	(618.86)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Current Borrowings	(511.43)	2,353.80
Repayment of Long term Borrowings (Secured)	1,083.18	733.25
Interest paid	(1,278.01)	(793.18)
Foreign currency fluctuation (Gain/Loss)	(746.70)	99.84
Net Cash from financing Activities	(1,452.96)	2,393.70
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	(360.10)	(40.08)
Opening balance of Cash & Cash equivalents	957.59	997.67
Closing balance of Cash & cash equivalent	597.48	957.59
Cash and cash Equivalents comprises		
Cash in Hand	2.77	4.65
Balance with Scheduled Banks		
- In current Accounts	39.37	124.20
- Earmarked Balances with Bank	10.56	14.03
- In Other Fixed Deposit Accounts	189.45	189.45
- In Fixed Deposit Accounts as Margin Money	355.33	625.27
Total Cash and Cash Equivalents	597.48	957.59

- i) The above Cash Flow Statement has been prepared under the ' Indirect Method' as set out in Indian Accounting Standard 7, "Statement of Cash flows"
- ii) Figures in Bracket indicate cash outgo
- iii) The figures for the previous year have been regrouped in order to make them comparable with the current year figures.

For Alok Mittal & Associates
Firm Registration No. 005717N
Chartered Accountants

For and on behalf of the Board

Alok Kumar Mittal
Partner
Membership No. 071205
UDIN: 23071205BGUATW6088

Sunil Kumar Arora
Managing Director
DIN: 00150668

Sahil Arora
Whole-Time Director
DIN: 07970622

Place: Hosur, Tamilnadu
Date: May 19, 2023

S Panigrahi
Company Secretary
FCS No.: F - 4522

M. Madangopal
CFO
ICAI M No.: 207947

Statement of Changes in Equity

As at March 31, 2023

A. EQUITY SHARE CAPITAL

(Amount in ₹ lakh)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Balances as at the beginning of the current reporting period		1,530.00	1,530.00
Changes in Equity Share Capital due to prior period errors		-	-
Restated Balance at the beginning of the current reporting period		-	-
Changes in equity share capital during the current year		-	-
Balances as at the end of the current reporting period		1,530.00	1,530.00

B. OTHER EQUITY

(Amount in ₹ lakh)

Particulars	Reserves and Surplus			Total
	General Reserve #	Retained Earnings	Securities Premium Reserve ^	
Balance as at March 31, 2021	3,170.68	13,656.22	407.20	17,234.10
Profit for the year	-	890.59	-	890.59
Other comprehensive income for the year				
Equity Instrument through OCI	-	14.29	-	14.29
Remeasurement of Defined Benefit Plan	-	(26.79)	-	(26.79)
Transfer from Retained Earnings to General Reserves	50.00	(50.00)	-	-
As At March 31, 2022	3,220.68	14,484.31	407.20	18,112.19
Profit for the year	-	(578.81)	-	(578.81)
Previous Year Adjustment	-	6.33	-	6.33
Other comprehensive income for the year				
Equity Instrument through OCI	-	(6.58)	-	(6.58)
Remeasurement of Defined Benefit Plan	-	(1.69)	-	(1.69)
As at March 31, 2023	3,220.68	13,903.55	407.20	17,531.43

Notes:

General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income; items included in the General Reserve will not be reclassified subsequently to profit or loss.

^ Securities Premium Reserve is used to record the premium on issue of shares. This is utilized in accordance with the provisions of the Companies Act, 2013.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the statement of changes in equity referred to in our report of even date.

For Alok Mittal & Associates

Firm Registration No. 005717N
Chartered Accountants

Alok Kumar Mittal
Partner
Membership No. 071205
UDIN: 23071205BGUATW6088

Place: Hosur, Tamilnadu
Date: May 19, 2023

For and on behalf of the Board

Sunil Kumar Arora
Managing Director
DIN: 00150668

Sahil Arora
Whole-Time Director
DIN: 07970622

S Panigrahi
Company Secretary
FCS No.: F - 4522

M. Madangopal
CFO
ICAI M No.: 207947

Notes to the Financial Statements

1. CORPORATE INFORMATION

Aro Granite Industries Limited incorporated on May 3, 1988 is engaged in the manufacturing and trading of Granite Slabs and Tiles. The Company is a public Company listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The registered office of the Company is in New Delhi.

The financial statements for the period ended March 31, 2023 were approved by the Board of Directors and authorized for issue on May 19, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation

(i) Compliance with Ind AS

The Financial statements (FS) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') [Companies (Indian Accounting Standards) Rules, 2015, as amended by notification dated March 31, 2016] and other provisions of the Act.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 'First time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP) which was the previous GAAP.

These financial statements are authorized for issue on March 31, 2023 in accordance with a resolution of the Board of Directors. Board of Directors permits the revision to the financial statements after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Companies Act, 2013.

(ii) Historical Cost Convention

The Financial Statements have been prepared on a historical cost basis, except the following:

- Certain financial assets and liabilities which are measured at fair value/amortized cost
- Defined Benefit Plans- plan assets measured at fair value

(iii) Current v/s Non Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading

- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless 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 current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

The operating cycle is the time between the acquisition of assets for processing and its realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.2 Property, Plant & Equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in profit or loss during the reporting period, in which they are incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the Straight Line method (SLM) over the estimated useful lives of assets, based on the rates prescribed under Schedule II to the Companies Act, 2013, as applicable on the last date of accounting period. The useful life of assets has been used as per Schedule - II of the companies Act, 2013.

Assets	Estimated useful life (Years)
Factory Building	30
Building Other Than Factory	60
Computers	3
Plant and Machinery	15
Electrical Equipment	10
Furniture and Fixtures	10
Office Equipment	5
Vehicles	8

The property, plant and equipment acquired under finance leases and other leasehold improvements are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

The asset's useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively, if appropriate..

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount of the asset. These are included in profit or loss within other income.

2.3 Intangible Assets

Intangible assets acquired separately are measured on initial recognition at historical cost. Intangibles assets have a finite life and are subsequently carried at cost less any accumulated amortization.

Intangible assets with finite lives are amortized over the useful life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

2.4 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually

defined terms of payment and excludes taxes/duties collected on behalf of the government.

(a) Sale of goods

Revenue from the sale of goods is recognized, when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discounts, volume rebates. Accordingly, revenues from sale of goods are stated gross of GST, sales tax and value added tax (VAT) are not received by the Company on its own account but collected on behalf of the government and accordingly, are excluded from revenue.

(b) Interest income

Interest income is recognized using the time proportion basis, based on the underlying interest rates.

(c) Rental Income

Rental income is recognized on a time-apportioned basis in accordance with the underlying substance of the relevant contract.

(d) Dividend

Dividend is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.5 Inventories

Inventories are valued at the lower of cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition) and net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

Raw materials, goods in transit, packing materials and stores and spares are valued at cost. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Finished goods and work-in-progress are valued at lower of cost and net realizable value. Cost is determined on the basis of actual cost and comprises material, labour and applicable overhead expenses including depreciation. The net realizable value of materials in process is determined with reference to the selling prices of related finished goods. Stores and spares are valued at cost.

Traded Goods are valued on actual cost. The cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

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

2.6 Fair Value Measurement

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

2.7 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.8 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

(a) Initial recognition and measurement:

All financial assets are recognized initially at fair value and, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(b) Subsequent measurement:

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

(c) Classification:

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

(d) Financial assets measured at fair value through other comprehensive income (FVTOCI):

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

(e) Financial assets measured at fair value through profit or loss (FVTPL):

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognized in profit or loss.

Financial Liabilities

(a) Initial recognition and measurement:

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(b) Classification & Subsequent measurement:

If a financial instrument that was previously recognized as a financial asset is measured at fair value through profit or loss and its fair value decreases below zero, it is a financial liability measured in accordance with ind AS. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

(c) Financial liabilities measured at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. At initial recognition, such financial liabilities are recognized at fair value.

Financial liabilities at fair value through profit or loss are, at each reporting date, measured at fair value with all the changes recognized in the Statement of Profit and Loss.

Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis to realize the asset and settle the liability simultaneously.

Subsequent recoveries of amounts previously written off are credited to Other Income.

2.9 Leases

As a lessee

The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months

or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

2.10 Employee Benefit

Employee benefits include provident fund, employee state insurance scheme, gratuity, compensated absences and performance incentives.

(i) Short-term 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 recognized 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.

The cost of short-term compensated absences is accounted as under: (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

(ii) Other long-term employee benefit obligations

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the 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 recognized 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.

(iii) Post-employment obligations

Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plan

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in the Other Comprehensive Income in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortized."

2.11 Income Taxes

Tax Expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and current tax.

Current Income Taxes

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity).

Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are recognized for all temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that 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 utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. The carrying amount of deferred 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 all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Minimum Alternate Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the relevant members of the Company will pay normal income tax during the specified period. Such asset is reviewed at each reporting period end and the adjusted based on circumstances then prevailing.

2.12 Share Capital and Securities Premium Reserve

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as securities premium reserve.

2.13 Earnings per Share

As per Ind AS 33, Earning Per Share, Basic earnings per share are computed by dividing the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments. Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential

equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

2.14 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

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.

3. PROVISIONS, CONTINGENT LIABILITIES, CONTINGENT ASSETS AND COMMITMENTS

(a) General

Provisions are recognized 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. If the effect of the time value of money is material, the amount of a provision shall be the present value of expense expected to be required to settle the obligation. Provisions are therefore discounted, when effect is material, The discount rate shall be pre-tax rate that reflects current market assessment of time value of money and risk specific to the liability. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

(b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, Contingent assets are not recognized, but are disclosed in the notes. However, when the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

(a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

(i) Contingencies:

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

(ii) Recognition of Deferred tax Assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible

temporary differences and tax loss carry-forward can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

(b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of tangible/in tangible assets:

The Company reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

(ii) Defined benefit obligation:

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

(iii) Inventories:

The Company estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date.

(iv) Fair Value measurement of Financial Instruments:

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets shows at cost.

NOTE 5: PROPERTY, PLANT AND EQUIPMENT
5. Property, Plant and Equipment (A)

	(Amount in ₹ lakh)									
	Plant Buidings & Equipment	Furniture & Fixtures	Office Equipment	Vehicle	Freehold Land	Tangible Assets	Intangible Assets	Capital Work -in Progress	Total	
Gross Block										
As at April 1, 2022	9,608.62	5,865.88	210.59	471.55	306.63	16,519.09	24.23	97.75	16,641.07	
Add: Addition	0.44	-	0.87	47.12	-	48.43	-	-	48.43	
Less: Diposals/Adjustment	-	-	-	0.15	-	0.15	-	-	0.15	
Add/Less: Change Due to Revaluation	-	-	-	-	-	-	-	-	-	
As at March 31, 2023	9,609.06	5,865.88	211.46	518.82	306.63	16,567.37	24.23	97.75	16,689.35	
Accumulated Depreciation										
As at April 1, 2022	7,483.77	1,854.21	123.57	378.11	-	9,889.66	4.45	-	9,894.30	
Add: Charge For the year	340.64	313.71	8.29	38.86	-	704.20	2.42	-	706.61	
Less: Disposals/Adjustment	-	-	-	-	-	-	-	-	-	
Add/Less: Change Due to Revaluation	-	-	-	-	-	-	-	-	-	
As at March 31, 2023	7,824.41	2,167.92	131.86	416.97	-	10,593.85	6.86	-	10,600.91	
Net Block										
As at April 1, 2022	2,124.66	4,011.67	87.02	93.44	306.63	6,629.43	19.78	97.75	6,746.96	
As at March 31, 2023	1,784.65	3,697.96	79.60	101.85	306.63	5,973.52	17.37	97.75	6,088.63	

5. Property, Plant and Equipment at Jaipur (B)

	(Amount in ₹ lakh)									
	Plant Buidings & Equipment	Furniture & Fixtures	Office Equipment	Vehicle	Freehold Land	Tangible Assets	Intangible Assets	Capital Work -in Progress	Total	
Gross Block										
As at April 1, 2022	2,688.42	2,026.17	77.51	31.91	126.08	4,959.89	-	683.51	5,643.40	
Add: Addition	791.82	-	0.91	-	-	792.73	-	-	792.73	
Less: Diposals	-	-	-	-	-	-	-	683.51	683.51	
Add/Less: Change Due to Revaluation	-	-	-	-	-	-	-	-	-	
As at March 31, 2023	3,480.24	2,026.17	78.42	31.91	126.08	5,752.62	-	-	5,752.63	
Accumulated Depreciation										
As at April 1, 2022	522.01	175.41	28.65	10.54	-	738.55	-	-	738.54	
Add: Charge For the year	233.85	63.07	9.25	3.79	-	310.60	-	-	310.60	

5. Property, Plant and Equipment at Jaipur (B) (Contd.)

	(Amount in ₹ lakh)									
	Plant & Equipment	Buildings & Equipment	Furniture & Fixtures	Office Equipment	Vehicle	Freehold Land	Tangible Assets	Intangible Assets	Capital Work -in Progress	Total
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Add/Less: Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	755.86	238.47	2.59	37.90	14.32	-	1,049.15	-	-	1,049.14
Net Block										
As at April 1, 2022	2,166.41	1,850.77	7.86	48.86	21.37	126.08	4,221.35	-	683.51	4,904.86
As at March 31, 2023	2,724.37	1,787.70	7.21	40.52	17.58	126.08	4,703.47	-	-	4,703.48

5. Property, Plant and Equipment at Quartz Plant (C)

	(Amount in ₹ lakh)									
	Plant & Equipment	Buildings & Equipment	Furniture & Fixtures	Office Equipment	Vehicle	Freehold Land	Tangible Assets	Intangible Assets	Capital Work -in Progress	Total
Gross Block										
As at April 1, 2022	2,749.58	1,865.04	16.45	0.96	-	-	4,632.03	-	-	4,632.03
Add: Addition	179.87	-	0.27	-	-	-	180.15	-	-	180.15
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Add/Less: Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	2,929.45	1,865.04	16.72	0.96	-	-	4,812.17	-	-	4,812.17
Accumulated Depreciation										
As at April 1, 2022	226.09	73.60	1.08	0.35	-	-	301.14	-	-	301.14
Add: Charge For the year	185.44	58.67	1.58	0.29	-	-	245.98	-	-	245.98
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Add/Less: Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As at March 31, 2023	411.53	132.27	2.66	0.64	-	-	547.12	-	-	547.12
Net Block										
As at April 1, 2022	2,523.48	1,791.44	15.36	0.61	-	-	4,330.89	-	-	4,330.89
As at March 31, 2023	2,517.92	1,732.78	14.06	0.32	-	-	4,265.06	-	-	4,265.06
GROSS TOTAL (A+B+C) As at March 31, 2022	6,814.55	7,653.87	29.03	136.49	114.82	432.71	15,181.67	19.78	781.26	15,982.71
GROSS TOTAL (A+B+C) As at March 31, 2023	7,026.95	7,218.43	24.39	120.45	119.43	432.71	14,942.05	17.37	97.75	15,057.17

SEGMENT WISE REVENUE, ASSETS & LIABILITY

(Amount in ₹ lakh)

Particulars	QUARTZ DIVISION	GRANITES DIVISION	Total	Unallocable	Grand Total
(1) Revenue from Operations					
Domestic Sales	-	1,928.34	1,928.34	-	1,928.34
Export Sale	1,923.90	12,537.96	14,461.86	-	14,461.86
Misc. Income	-	54.63	54.63	-	54.63
Grand Total	1,923.90	14,520.93	16,444.83	-	16,444.83
(2) Expenses					
(i) RM Consumption					
Opening Stock	283.86	1,311.76	1,595.62	-	1,595.62
Purchase	870.18	6,686.76	7,556.94	-	7,556.94
	1,154.04	7,998.52	9,152.56	-	9,152.56
Closing Stock	(170.22)	(1,417.59)	(1,587.81)	-	(1,587.81)
	983.82	6,580.93	7,564.74	-	7,564.74
(ii) Consumption of Packing Material					
Opening Stock	2.29	129.67	131.96	-	131.96
Purchase	32.55	437.87	470.42	-	470.42
	34.84	567.54	602.39	-	602.39
Closing Stock	(6.70)	(69.50)	(76.20)	-	(76.20)
	28.14	498.05	526.19	-	526.19
(iii) Consumption of Consumable					
Opening Stock	330.65	1,066.76	1,397.41	-	1,397.41
Purchase	66.21	2,203.41	2,269.62	-	2,269.62
	396.86	3,270.17	3,667.03	-	3,667.03
Closing Stock	(226.80)	(1,319.75)	(1,546.55)	-	(1,546.55)
	170.06	1,950.43	2,120.49	-	2,120.49
(iv) Consumption of Store and Spares					
Opening Stock	42.58	786.94	829.52	-	829.52
Purchase	13.23	241.38	254.61	-	908.30
	55.81	1,028.32	1,084.13	-	1,737.82
Closing Stock	(52.38)	(868.15)	(920.53)	-	(920.53)
	3.43	160.17	163.60	-	163.60
(v) Purchase of Stock In Trade	-	64.38	64.38	-	64.38
(vi) Changes of Inventory in Finished Goods and Work-In-Process	192.92	(2,222.13)	(2,029.22)	-	(2,029.22)
(vii) Finance Cost	254.42	1,023.59	1,278.01	-	1,278.01
(viii) Depreciation	245.98	1,026.76	1,272.74	-	1,272.74
(ix) Employee Benefit Expenses					
Salaries, Wages & Bonus	150.41	1,180.77	1,331.18	-	1,331.18
Contribution to provident and other funds	6.10	62.47	68.57	-	68.57
Gratuity	-	39.14	39.14	-	39.14
Compensated Absences	-	4.53	4.53	-	4.53
Staff welfare expenses	35.90	182.09	217.99	-	217.99
	192.41	1,468.99	1,661.41	-	1,661.41

SEGMENT WISE REVENUE, ASSETS & LIABILITY (Contd.)

(Amount in ₹ lakh)

Particulars	QUARTZ DIVISION	GRANITES DIVISION	Total	Unallocable	Grand Total
(x) Other Expenses					
Advertisement & Publicity	-	5.04	5.04	-	5.04
Auditors Remuneration					
- Auditor's Fee	-	6.70	6.70	-	6.70
CSR Activity Expenses	-	15.95	15.95	-	15.95
Commission Paid		0.41	0.41	-	0.41
Donation	-	2.55	2.55	-	2.55
Freight and Forwarding Charges	84.30	740.68	824.97	-	824.97
Insurance Expenses	10.67	58.90	69.57	-	69.57
Loss on Exchange Fluctuation	(64.99)	811.69	746.70	-	746.70
Legal Expenses	-	9.25	9.25	-	9.25
Membership & Subscription	-	3.07	3.07	-	3.07
Miscellaneous Expenses	1.30	3.87	5.17	-	5.17
Other Manufacturing Expenses	58.07	547.74	605.81	-	605.81
Printing & Stationery	1.43	11.74	13.18	-	13.18
Power & Fuel	97.28	765.34	862.62	-	862.62
Professional Service Charges	2.03	66.12	68.14	-	68.14
Rates & Taxes	5.02	62.36	67.38	-	67.38
Custom Duty on Domestic Sales	-	128.46	128.46	-	128.46
Rebate & Discount	1.06	47.49	48.55	-	48.55
Repairs to Buildings	33.28	202.48	235.76	-	235.76
Repair to Plant & Machinery	11.33	201.78	213.10	-	213.10
Repair & Maintenance					
- Electricals	0.24	2.08	2.32	-	2.32
- Vehicles	13.68	101.68	115.35	-	115.35
- Others	-	25.96	25.96	-	25.96
Sales Promotion	8.24	147.07	155.31	-	155.31
Telephone & Telex	4.04	22.62	26.66	-	26.66
Travelling & Conveyance					
- Employees (Foreign Travel - NIL) (P.Y. NIL)	1.59	113.20	114.79	-	114.79
- Director (Foreign Travel - NIL) (P.Y. NIL)	-	37.10	37.10	-	37.10
	268.57	4,141.32	4,409.89	-	4,409.89
Total Cost	2,339.75	14,692.47	17,032.22	-	17,032.22
(3) Profit Before Tax	(415.85)	(171.54)	(587.39)	-	(587.39)
(4) Segment Assets					
Property, Plant and Equipment	4,265.06	10,676.99	14,942.05	-	14,942.05
Capital Work-in-Progress	-	97.75	97.75	-	97.75
Intangible Assets	-	20.99	20.99	-	20.99
Right of Use Asset	-	1,056.22	1,056.22	-	1,056.22

SEGMENT WISE REVENUE, ASSETS & LIABILITY (Contd.)

(Amount in ₹ lakh)

Particulars	QUARTZ DIVISION	GRANITES DIVISION	Total	Unallocable	Grand Total
Financial assets					
(a) Investments	-	93.35	93.35	-	93.35
(b) Other financial asset	-	204.32	204.32	-	204.32
Other non current assets	-	4.94	4.94	-	4.94
Current Assets					
Inventories	1,135.86	18,800.51	19,936.37		19,936.37
Financial Assets					
(a) Investments	-	16.19	16.19	-	16.19
(b) Trade Receivables	714.47	5,439.15	6,153.63	-	6,153.63
(c) Cash and Cash Equivalent	0.01	42.13	42.14	-	42.14
(d) Bank balances other than (c) above	-	555.33	555.33	-	555.33
(f) Loans	-	6.04	6.04	-	6.04
(g) Other financial assets	-	-	-	-	-
Other current assets	3.32	1,904.40	1,907.72	-	1,907.72
Total	6,118.73	38,918.30	45,037.03	-	45,037.03
Less: Transfer from Inter Segment	(4,727.48)	4,727.48	-	-	-
Total Assets	1,391.25	43,645.78	45,037.03	-	45,037.03
(5) Segment Liabilities					
Non-current Liabilities					
Financial Liabilities					
(a) Borrowings	1,076.92	4,943.86	6,020.78	-	6,020.78
Provisions	-	231.14	231.14	-	231.14
Deferred Tax Liabilities (Net)	335.56	793.43	1,128.99	-	1,128.99
Current Liabilities					
Financial Liabilities					
(a) Borrowings	307.69	14,173.57	14,481.27	-	14,481.27
(b) Trade Payables	513.91	3,057.77	3,571.69	-	3,571.69
(c) Other Financial Liabilities	22.07	224.84	246.91	-	246.91
Provisions	-	69.55	69.55	-	69.55
Other Current Liabilities	1.93	224.07	226.00	-	226.00
Total Liabilities	2,258.09	23,718.24	25,976.35	-	25,976.35

NOTE 6: RIGHT TO USE ASSET

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
	Land	Land
Opening Balance	1,065.76	1,075.31
Reclassified on adoption of IND-AS 116	-	-
Additions	-	-
Deductions	-	-
Depreciation/Amortisation	9.54	9.55
Balance as at March 31, 2023	1,065.22	1,065.76

NOTE 7: (a) Investments

(Amount in ₹ lakh)

Particulars	Paid Up Value	As at March 31, 2023		As at March 31, 2022	
		Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments at FVOCI					
Tulip Renewable Powertech Pvt Ltd	10 each	9,33,525	93.35	8,85,525	88.55
Total		9,33,525	93.35	8,85,525	88.55

* (The Company has made investment in TRPL in line of agreement and the investment has been taken at cost i.e face value of equity share)

NOTE 7: (b) Other Financial Assets

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	204.32	85.78
Total	204.32	85.78

NOTE 8: OTHER NON CURRENT ASSETS

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good:		
Capital Advances	4.94	99.26
Total	4.94	99.26

NOTE 9: INVENTORIES

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw Materials	1,587.81	1,595.62
Finished Goods	15,110.19	13,277.94
Semi Finished Goods	695.09	498.12
Packing Materials	76.20	131.97
Stores and Spares	920.53	829.52
Consumables	1,546.55	1,397.41
Total	19,936.37	17,730.58

NOTE 10: (a) Investments

(Amount in ₹ lakh)

Particulars	As at March 31, 2023			As at March 31, 2022	
	Paid Up Value	Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments					
I. Quoted-Others (at fair value through OCI)					
Bank of Baroda	2 each	5980	10.09	5,980	6.66
Pokerna Limited	2 each	2500	6.10	2,500	18.65
			16.19		25.31

NOTE 10: (b) Trade Receivables

(i)

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivable Considered Good-Secured	-	-
Trade Receivable Considered Good-Unsecured	6,153.64	7,308.18
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable-Credit Impaired	-	-
Total	6,153.64	7,308.18
Details of related parties included in Trade Receivables disclosed at Note No-40 "Related Party Transactions."		
Trade Receivables (Debtors) ageing Schedule:		
Outstanding for following periods from due date of payment		
(i) Undisputed Trade Receivables-Considered Good		
Less than 6 Months	4,999.05	6,296.33
6 Months - 1 Years	527.34	392.34
1-2 Years	42.86	79.89
2-3 Years	7.66	12.70
More than 3 Years	576.73	526.92
Total	6,153.64	7,308.18
(ii) Undisputed Trade Receivable-which have significant increase in credit risk		
Less than 6 Months	-	-
6 Months - 1 Years	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-
(iii) Undisputed Trade Receivables-credit impaired		
Less than 6 Months	-	-
6 Months - 1 Years	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-
(iv) Disputed Trade Receivables-considered good		
Less than 6 Months	-	-
6 Months - 1 Years	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-
(v) Disputed Trade Receivables-which have significant increase in credit risk		
Less than 6 Months	-	-
6 Months - 1 Years	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-

NOTE 10: (b) Trade Receivables (Contd.)

(i)

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Total	-	-
(vi) Disputed Trade Receivables-credit impaired		
Less than 6 Months	-	-
6 Months - 1 Years	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-

NOTE 10: (c) Cash & Cash Equivalents

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks - In Current Account	39.37	124.20
Cash in Hand	2.77	4.65
Total	42.14	128.85

NOTE 10: (d) Earmarked Balances with Bank

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed dividend deposited in Bank	10.56	14.03
Total	10.56	14.03

NOTE 10: (e) Bank Balances other than Cash & Cash Equivalents

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances in fixed deposit accounts with original maturity more than 3 months but less than 12 months	189.45	189.45
Balances in fixed deposit accounts with original maturity more than 12 months	-	-
Balances with the Banks to the extent held as margin money or security against the borrowings, guarantees & other commitments	355.33	625.27
Total	544.78	814.72

NOTE 10: (f) Loans

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good:		
Loan to Employees	6.04	3.42
Total	6.04	3.42

NOTE 11: OTHER CURRENT ASSETS

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Advance other Than Capital Advance:		
Advance to Suppliers	622.92	388.49

NOTE 11: OTHER CURRENT ASSETS (Contd.)

(Amount in ₹ lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount (in ₹ lakh)	Number of Shares	Amount (in ₹ lakh)
Other Advances		0.44		2.09
(ii) Others:				
Prepaid Expenses		126.41		50.53
Indirect Tax Balances/recoverable/credits		723.09		913.27
Income Tax Receivables		26.00		26.00
MAT Credit Entitlement		410.08		410.08
Total		1,908.94		1,790.46

NOTE 12: EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount (in ₹ lakh)	Number of Shares	Amount (in ₹ lakh)
(a) Authorised:				
Equity shares of the par value of ₹ 10/- each	1,96,00,000	1,960	1,96,00,000	1,960
40,000, 10% Convertible Cumulative Preference Shares (CCPS) of ₹ 100 each (PY 40,000 CCPS)	40,000	40	40,000	40
Total	1,96,40,000	2,000	1,96,40,000	2,000
(b) Issued and subscribed:				
Outstanding at the end of the year	1,53,00,000	1,530	1,53,00,000	1,530
Total	1,53,00,000	1,530	1,53,00,000	1,530

a) Reconciliation of Number of Shares

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount (in ₹ lakh)	Number of Shares	Amount (in ₹ lakh)
Balance as at the beginning of the year	1,53,00,000	1,530	1,53,00,000	1,530
Additions during the year	-	-	-	-
Deletion during the year	-	-	-	-
Balance as at the end of the year	1,53,00,000	1,530	1,53,00,000	1,530

b) Shares held by promoters at the Year ended March 31, 2023:

Name of Promoter's	Number of Shares	% of total shares	% Change during the Quarter
1. Sunil Kumar Arora	48,87,540	31.94%	NIL
2. Sujata Arora	5,98,572	3.91%	NIL
3. Aman Arora	33	0.01%	NIL
4. Geeti Arora	1,353	0.01%	NIL
5. Ravi Kumar Arora	1,383	0.01%	NIL
6. Sahil Arora	3,03,688	1.98%	NIL
7. Shivani Aggarwal	3,03,687	1.98%	NIL
8. Sudarshan Arora	1,86,603	1.22%	NIL
Total	62,82,859	41.06%	NIL

c) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

d) Shareholders holding more than 5% share in the Company are set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	% of Shares	Number of Shares	% of Shares
Sunil Kumar Arora	48,87,540	31.94	48,87,540	31.94
Dilip Kumar Lakhi	9,04,286	5.91	14,41,835	9.42

NOTE 13: OTHER EQUITY

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings	14,490.64	13,604.74
General Reserve	3,220.68	3,220.68
Securities premium account	407.20	407.20
Profit for the year	(578.81)	890.59
Other comprehensive income	(8.28)	(11.02)
Total	17,531.43	18,112.19

NOTE 14: BORROWINGS

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Term Loan from Banks	7,398.92	7,734.37
Less: Current Maturities of Long Term Debt	1,378.14	1,202.15
Total	6,020.78	6,532.22

(Amount in ₹ lakh)

Description of Loan	As at March 31, 2023	As at March 31, 2022
FCNRB - BOB A/C NO 21000600000882	2,114.31	2,442.06
HDFC Bank Term Loan	1,384.61	1,692.31
Loan under GECL HDFC Bank Ltd	800.00	-
Loan under BGECL Bank of Baroda	3,100.00	3,600.00
	7,398.92	7,734.37

Description of Loan

Secured-

Note: Secured Loans

Term Loan (FCNR B) for Jaipur Unit	
1.	Exclusive charge on entire fixed assets of the Company proposed to be created out of the term loan.
2.	Extension of First Charge over entire fixed assets of the Company, both present and future including land & building at Nallaganakothapalli village in Hosur Taluk, Krishnagiri District, Tamil Nadu and Land & Building at Kamandoddi Village, Hosur which has been provided as collateral security.
3.	Charge on Debt Service Reserve Account (DSRA) to be maintained for one quarter interest and one installment of the facility.

Description of Loan (Contd.)

Secured-

Note: Secured Loans

Working Capital	<ol style="list-style-type: none"> 1st Pari-Passu Charge on Entire Current Assets of the Company. 2. Extension of charge over entire fixed assets of the Company, both present and future including land and building at Nallaganakothapalli village in Hosur Taluk, Krishnagiri District at Kamandoddi Village, Hosur, Tamil Nadu.
All Facilities	<ol style="list-style-type: none"> 1. First charge on the property in the name of the Company measuring 10.41 acres situated at Kamandoddi Village, Hosur Taluk, District Shoolagiri. 2. EM of Office premises at 1001, 10th Floor, DLF Tower A, Jasola, New Delhi. 3. Pledge of FDR equivalent to 10% of FBP limit in lieu of the waiver of buyer-wise ECGC cover. 4. Cash margin on BG and LC. 5. Personal Guarantee of Mr. Sunil Kumar Arora, Ms. Sujata Arora and Mr. Sahil Arora.
BGECL of ₹ 24.00 Crores	Loans under the scheme shall rank 1 st charge on the assets financed under the Scheme and second charge with the existing credit facilities in terms of cash flows (including repayments) and security.
GECL of ₹ 12.00 Crores	<ol style="list-style-type: none"> 1. Credit under the Scheme will second charge with the existing credit facilities in terms of cash flows (including repayments) and securities, with charge on the assets financed under the scheme to be created on or before 30.06.2022 or date of NPA, whichever is earlier. 2. Existing primary/collateral securities would be extended to cover the BGECLS 2.0 (Extension) facility. 3. Time period allowed for Security Perfection, i.e. ROC/CERSAI registration and any other formalities for charge creation/extension to be completed within a period of 3 months from the date of disbursal or up to 30.06.2022 or date on which account turns NPA, whichever is earlier.
HDFC Bank Limited: Term Loan for Quartz Plant of ₹ 20,00,00,000	<p>Primary:</p> <ol style="list-style-type: none"> 1. Second Pari-passu charge on all the Land & Building of the Company at i) Hosur - 2 locations (35 acres Land & Building at Nallagothpalli Village, Koneripalli Panchayat and a 10.41 acres land at Kamanadoddi Village) and ii) 1 unit at Jaipur, Rajasthan. Containing a value of 788.1 Mn 2. Exclusive Charge on the Entire Movable Fixed Assets of the Proposed Quartz unit, both present and future. <p>Secondary:</p> <ol style="list-style-type: none"> 1. Personal Guarantees of Promoters - Mr. Sunil Kumar Arora, Mr. Sahil Arora and Mrs. Sujata Arora
HDFC Bank Limited: Export Credit/Pre- Post Shipment for Working Capital Purposes for ₹ 20,00,00,000/-	<p>Primary:</p> <ol style="list-style-type: none"> 1. First Pari-passu charge on the entire Current Asset of the Company, both present and future. <p>Secondary:</p> <ol style="list-style-type: none"> 1. Second Pari-passu charge on all the Land & Building of the Company at i) Hosur - 2 locations (35 acres Land&Building at Nallagothpalli Village, Koneripalli Panchayat and a 10.41 acres land at Kamanadoddi Village) and ii) 1 unit at Jaipur, Rajasthan (Mahindra SEZ). 2. Extension of First Charge on the Entire Movable Fixed Assets of the Proposed Quartz unit. 3. Personal Guarantees of Promoters - Mr. Sunil Kumar Arora), Mr. Sahil Arora and Mrs. Sujatha Arora.
HDFC Bank Limited: Guaranteed Emergency Credit Line (GECL) for ₹ 8,00,00,000/-	Extension of second ranking charge over existing primary and collateral securities including mortgage created in favour of the Bank.

NOTE 15: PROVISIONS

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision For Leave Encashment	21.13	25.16
Provision for Gratuity	210.01	233.91
Total	231.14	259.07

NOTE 16: DEFERRED TAX ASSETS/LIABILITIES (NET)

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets		
Provision for Gratuity & Leave Encashment	(83.65)	(84.70)
OCI Adjustments	(3.19)	-
	(86.84)	(84.70)
Deferred Tax Liabilities		
Depreciation	1,215.83	1,235.30
OCI Adjustments	-	-
	1,128.99	1,150.60
Deferred Tax Assets(Net)	-	-
Deferred Tax Liabilities(Net)	1,128.99	1,150.60

NOTE 17: BORROWINGS

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Loan repayable on demand from Banks	12,603.13	12,195.94
Current Maturities of Long Term Debts	1,378.14	1,202.15
Unsecured		
Loan From Directors	500.00	-
Total	14,481.27	13,398.09

NOTE 18: TRADE PAYABLES

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues to Micro, Small and Medium Enterprises	-	21.84
Total outstanding dues to other than Micro, Small and Medium Enterprises	3,571.69	3,291.32
Total	3,571.69	3,313.16
Trade Payable (Creditors) ageing Schedule:		
(i) MSME		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-
(ii) Others		
Less than 1 Year	-	-
1-2 Years	-	-

NOTE 18: TRADE PAYABLES (Contd.)

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-
(iii) Disputed dues - MSME		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-

NOTE 19: OTHER FINANCIAL LIABILITIES

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Contribution to PF & ESI	9.95	11.83
Salary & Wages Payable	0.80	0.39
Expenses Payable	146.38	175.16
Book Overdraft With Bank	9.28	-
Audit Fees Payable	9.00	8.10
Interest Payable	45.55	11.90
Capital Creditors	15.39	369.51
Unclaimed Dividend	10.56	14.03
Total	246.91	590.92

NOTE 20: OTHER CURRENT LIABILITIES

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers	70.79	29.56
Statutory liabilities	155.21	83.41
Total	226.00	112.97

NOTE 21: PROVISIONS

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Gratuity	63.88	52.70
Provision for Compensated Absences	5.67	4.56
Total	69.55	57.26

NOTE 22: CURRENT TAX ASSETS/LIABILITIES (NET)

(Amount in ₹ lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Add: Provision for Tax (Current Period)	-	190.57
Less: Advance Tax & TDS	3.10	109.62
Current Tax Liabilities (Net)	-	80.95
Current Tax Assets (Net)	3.10	-

NOTE 23: REVENUE FROM OPERATIONS

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Products		
Finished Goods:		
Outside India	14,461.86	20,523.62
within India	1,928.34	1,950.39
Total Sales	16,390.20	22,474.01

NOTE 24: OTHER INCOME

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income earned on financial assets that are not designated as at FVTPL		
Bank & Financial Institutions Deposits	37.37	32.39
Other Income		
Profit on Sale of Property, Plant & Equipment	-	0.58
Gain on exchange fluctuation	-	99.84
Misc. Income	17.26	3.31
Total	54.63	136.12

NOTE 25: COST OF MATERIALS CONSUMED

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) Raw Material Consumption		
Opening Stock of Raw Material	1,595.62	1,382.99
Add: Purchases of Raw Material	7,556.94	10,907.09
Less: Closing Stock of Raw Material	(1,587.81)	(1,595.62)
Total (A)	7,564.75	10,694.46
(B) Packing Material Consumption		
Opening Stock of Packing Material	131.97	66.30
Add: Purchases of Packing Material	470.42	723.32
Less: Closing Stock of Packing Material	(76.20)	(131.97)
Total (B)	526.19	657.66
(C) Consumable Consumption		
Opening Stock of Consumable	1,397.41	715.06
Add: Purchases of Consumable	2,269.62	4,111.04
Less: Closing Stock of Consumable	(1,546.55)	(1,397.41)
Total (C)	2,120.49	3,428.69
Total (A+B+C)	10,211.43	14,780.81

NOTE 26: CHANGES IN INVENTORIES OF FINISHED GOODS, WIP & STOCK IN TRADE

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock		
Finished/Semi Finished Goods	13,776.06	11,173.55
(A)	13,776.06	11,173.55
Closing Stock		
Finished/Semi Finished Goods	15,805.28	13,776.06
(B)	15,805.28	13,776.06
Total (A-B)	(2,029.22)	(2,602.51)

NOTE 27: EMPLOYEE BENEFIT EXPENSES

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, Wages & Bonus	1,331.18	1,394.61
Contribution to provident and other funds	68.57	74.86
Gratuity	39.14	38.07
Compensated Absences	4.53	7.36
Staff welfare expenses	217.99	364.15
Total	1,661.41	1,879.05
During the Year, the Company recognized an amount of ₹242.46 lakh (Year ended March 31, 2022 ₹ 230.10 lakh) as remuneration to key managerial personnel. The details of such remuneration is as below:		
- Short term employee benefits	242.46	230.10
- Post employment benefits	-	-
Total	242.46	230.10

NOTE 28: FINANCIAL COSTS

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense:		
Bank Charges & Interest	33.73	46.80
Interest on Unsecured Loans	17.92	24.55
Interest on Term Loan	499.91	414.05
Packing Credit	634.18	285.28
Foreign Bills Discounted/Purchases	92.27	22.50
Total	1,278.01	793.18

NOTE 29: DEPRECIATION AND AMORTIZATION

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Tangible assets	1,263.19	1,264.19
ROU Asset Amortisation	9.55	9.55
Total	1,272.74	1,273.74

NOTE 30: OTHER EXPENSES

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement & Publicity	5.04	4.26
Auditors Remuneration		
- Statutory Audit Fees	6.70	6.11
- Tax Audit Fees	3.30	-
Bad Debts W/off	-	39.16
CSR Activity Expenses	15.95	17.25
Donation	2.55	0.65
Commission Paid	0.41	3.43
Freight and Forwarding Charges	787.56	1,154.90
Insurance Expenses	69.57	71.23
Loss on Exchange Fluctuation	746.70	-
Legal Expenses	9.25	9.73
Membership & Subscription	3.07	4.80
Miscellaneous Expenses	5.17	7.79
Other Manufacturing Expenses	605.81	1,038.62
Printing & Stationery	13.18	22.79
Power & Fuel	862.62	1,023.32
Professional Service Charges	68.14	88.42
Rates & Taxes	67.38	48.05
Custom Duty on Domestic Sales	128.46	52.15
Rebate & Discount	48.55	78.06
Repairs to Buildings	235.76	226.78
Repair to Plant & Machinery	213.10	522.28
Repair & Maintenance		
- Electricals	2.32	9.09
- Vehicles	115.35	140.54
- Others	25.96	40.67
Sales Promotion	155.31	71.55
Stores & Spares Consumptions	201.00	528.00
Telephone & Telex	26.66	20.25
Travelling & Conveyance		
- Employees (Foreign Travel - NIL) (P.Y. NIL)	114.79	95.72
- Director (Foreign Travel - NIL lakh) (P.Y. NIL)	37.10	11.35
Total	4,576.77	5,336.96

NOTE 31: TAX EXPENSES

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Income Tax		
Current Tax on profits for the year	-	190.57
MAT Credit Entitlement	-	(190.57)

NOTE 31: TAX EXPENSES (Contd.)

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total current tax expense (A)	-	-
Deferred Tax		
(Decrease)/increase in deferred tax liabilities	(11.88)	186.98
Total deferred tax expense/(benefit) (B)	(11.88)	186.98
Total	(11.88)	186.98
The reconciliation of estimated income tax to income tax expenses is as below:		
Profit before tax as per standalone statement of profit and loss	(590.69)	1,077.57
Income calculated as per MAT of 17.472% (March 31, 2022: 17.472%)	-	190.57
Adjustment	-	-
Tax Expenses Reported	-	190.57

NOTE 32: EARNINGS PER SHARE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Basic		
Net Profit after Tax attributable to shareholders (₹ in lakh)	(587.09)	901.61
Basic Earnings per share of ₹ 10/- each (March 31, 2022: ₹ 10/- each)	(3.84)	5.89
b) Diluted		
Net Profit after Tax attributable to shareholders (₹ in lakh)	(587.09)	901.61
Weighted Average number of equity shares of ₹ 10/- each (March 31, 2022: ₹ 10/- each) outstanding at the end of the year	153.00	153.00
Diluted Earnings Per share of ₹ 10/- each (March 31, 2022: ₹ 10/- each)	(3.84)	5.89

The Company does not have any potential equity shares and thus, weighted average number of shares for computation of basic EPS and diluted EPS remains same.

NOTE 33: TRANSITION TO IND AS 116

As a lessee The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Following are the changes in the carrying value of right of use assets For the year ended March 31, 2023:

(Amount in ₹ lakh)

Particulars	Category of ROU Asset-Land	Total
Balance as at April 1, 2022	1,065.76	1,075.31
Additions	-	-
Deletions	-	-
Depreciation	9.54	9.55
Balance as at March 31, 2023	1,056.22	1,065.76

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

NOTE 34: PAYABLE TO MSME

Based on the details regarding the status of the supplier obtained by the Company, their amount payable to the supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) has been paid within 45 days. This has been relied upon by the auditors.

NOTE 35: SEGMENT INFORMATION

The Company is engaged in the business of two segments i.e. 1) Manufacturing of Engineered Quartz Stone Slabs and 2) manufacturing of Natural Stone Granites Slab and Tiles. Information is reported to and evaluated regularly by the Operational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing performance focuses on the business as whole. The CODM reviews the Company's performance focuses on the analysis of profit before tax at an overall entity level.

NOTE 36: CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) obligation for the year as computed by the Company and relied upon by the auditors is ₹ 15.95 lakh For the year ended March 31, 2023 (For the year ended March 31, 2022: ₹ 17.25 lakh).

Additional Disclosures:	Amount (in lakh)
(1) Amount required to be spent by the Company during the year	15.95
(2) Amount of expenditure incurred	15.95
(3) Shortfall at the end of the year pertaining to FY 2022-2023	NIL
(4) Total of previous years shortfall	NIL
(5) Reason for shortfall,	NA
(6) Nature of CSR activities: Providing healthcare services for Community near Factory Premises	
(7) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	₹ 15.95 lakh Transferred to ARO CHARITABLE TRUST
(8) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NIL

NOTE 37: EMPLOYEE BENEFITS PLAN**a. General description of the employee Benefit Plan**

The Company has an obligation towards gratuity, unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days/one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

b. Plan typically exposes the Company to actuarial risks

such as: investment risks, interest rate risk, longevity risk and salary risk.

Investment Risk

The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount risk which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, for the plan in India, it has relatively balanced mix of investments in Insurance related products.

Interest Rate Risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality

of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to the employees.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2023 by an actuary. The present value of

the defined benefit obligation were carried out as at March 31, 2023 by an actuary. The present value of the defined benefit obligation, and the related current service cost and the past service cost, were measured using the projected unit credit method.

Details of defined benefit plan -As per Actuarial valuation are as follows:

Defined Contribution Plans

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

During the year, the Company has recognized the following amounts towards defined contribution plan in the Statement of Profit and Loss:

Particulars	(Amount in ₹ lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund	68.57	74.86

Included in 'Contribution to provident and other funds' under Employee Benefits Expense (Refer Note 27)

(i) Change in present value of obligation Gratuity:

Particulars	(Amount in ₹ lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Present value of obligation as at the beginning of the period	286.60	242.57
Acquisition adjustment	-	-
Interest cost	20.78	17.58
Service cost	18.36	20.48
Past service cost including curtailment Gains/Losses	-	-
Benefits paid	(43.36)	(11.51)
Total Actuarial (Gain)/Loss on obligation	(8.49)	17.48
Present value of obligation as at the end of period	273.89	286.60

(ii) Liabilities recognized in the Balance Sheet:

Particulars	(Amount in ₹ lakh)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Net defined benefit liability at the start of the period	286.60	242.57
Acquisition Adjustment	-	-
Total Service Cost	18.36	20.48
Net Interest cost (Income)	20.78	17.59
Re-measurements	39.14	38.07
Contribution paid to the fund	-	-
Benefit paid directly by the enterprise	(8.49)	(11.51)
Net defined benefit liability at the end of the period	273.89	286.60

(ii) Liabilities recognized in the Balance Sheet (Contd.)

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Asset/(Liability) recognized in Balance Sheet	273.89	286.60
Recognized Under:		
Short Term Provision	63.88	52.70
Long Term Provision	210.01	233.90
Total	273.89	286.60

(iii) Expense recognized in the Statement of Profit and Loss

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Total service cost	20.48	20.48
Interest cost	17.59	17.59
Expenses recognized in the Statement of Profit & Losses	38.07	38.07

(iv) Other Comprehensive Income (OCI)

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net cumulative unrecognized actuarial gain/(loss) opening	24.24	6.76
Actuarial gain/(loss) for the year on PBO	(8.49)	17.48
Actuarial gain/(loss) for the year on Assets	-	-
Unrecognized actuarial gain/(loss) for the year	15.75	24.24

(v) Principal Actuarial assumptions

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate per annum	7.50	7.25
Salary Escalation rate per annum	5.00	5.00
Retirement age	58 Years	58 Years
Mortality tables	IALM [2012-2014]	IALM [2012-2014]

NOTE 38: CONTINGENT LIABILITIES**Letters of Credit**

Letter of Credit – ₹ 253.79 lakh (PY – ₹ 126.80 lakh)

Contingent liabilities and commitments (to the extent not provided for)

Bills of Exchange Discounted ₹ 1629.67 lakh (PY- ₹ 135.66 lakh)

Guarantee & counter guarantee outstanding – ₹ 9.61 lakh (PY – ₹ 9.61 lakh)

NOTE 39: AUDITOR'S REMUNERATION

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Other Professional Charges	5.00	0.11
GST Audit Fees Excluding GST	2.00	-
Tax Audit Fees Excluding GST	3.30	-
Statutory Audit Fees Excluding GST	6.70	6.00

NOTE 40: INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED MARCH 31, 2023**Details of related parties:****Key Managerial Personnel:**

Name	Designation
Mr. Sunil Kumar Arora	Managing Director
Mrs. Sujata Arora	Key managerial personnel
Mr. Sahil Arora	Key managerial personnel
Mrs. Shivani Aggarwal	Relative of Key managerial personnel

Relatives of Key Managerial Personnel

Name	Designation
Mrs. Shivani Aggarwal	Daughter of Sunil Kumar Arora
Aro Granite International Inc., USA	Relative of Key managerial personnel

Transactions with Related Parties

		(Amount in ₹ lakh)	
Particulars	Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Goods			
Aro Granite International Inc., USA	Relative of Key managerial personnel	1,822.29	1,977.48
Employee Benefit Expenses			
Mr. Sunil Kumar Arora	Managing Director	186.48	184.88
Mrs. Sujata Arora	Key managerial personnel	1.35	1.85
Mr. Sahil Arora	Key managerial personnel	43.88	43.37
Mrs. Shivani Aggarwal	Daughter of Sunil Kumar Arora	10.75	10.75
Unsecured Loan Taken			
Mr. Sunil Kumar Arora	Managing Director	500.00	-
Interest Paid			
Mr. Sunil Kumar Arora	Managing Director	17.92	-

Balance Outstanding at the end of Accounting Year

		(Amount in ₹ lakh)	
Particulars	Relationship	As at March 31, 2023	As at March 31, 2022
Trade Receivables			
Aro Granite International Inc., USA	Relative of Key managerial personnel	1,050.10	1,977.48
Unsecured Loan Taken			
Mr. Sunil Kumar Arora	Managing Director	500.00	-

NOTE 41: FINANCIAL INSTRUMENTS

Financial Instruments by Category

(Amount in ₹ lakh)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
Investments	16.19	93.35	-	25.31	88.55	-
Trade receivable	-	-	6,153.64	-	-	7,308.18
Cash and Bank Balances	-	-	586.92	-	-	943.56
Loans	-	-	6.04	-	-	3.42
Other Financial Assets	-	-	1,908.94	-	-	1,790.46
Total Financial Assets	16.19	93.35	8,655.54	25.31	88.55	10,045.62
Financial Liabilities						
Borrowings	-	-	20,502.05	-	-	19,930.31
Trade Payables	-	-	3,571.69	-	-	3,313.16
Other Financial Liabilities	-	-	246.91	-	-	590.92
Total Financial Liabilities	-	-	24,320.65	-	-	23,834.39

Fair Value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

(Amount in ₹ lakh)

As at March 31, 2023	Level 1	Level 2	Level 3
Financial Assets			
Financial Investments at FVTPL			
Quoted equity instruments	16.19	-	-
Financial Investments at FVOCI			
Unquoted equity instruments	-	-	93.35
Total Financial Assets	16.19	-	93.35

(Amount in ₹ lakh)

As at March 31, 2023	Level 1	Level 2	Level 3
Financial Assets			
Financial Investments at FVTPL			
Quoted equity instruments	25.31	-	-
Financial Investments at FVOCI			
Unquoted equity instruments	-	-	88.55
Total Financial Assets	25.31	-	88.55

Level 1: Quoted prices in the active market. This level of hierarchy includes financial assets that are measured by reference to quoted prices in the active market. This category consists of quoted equity shares and debt based open ended mutual funds.

Level 2: Valuation techniques with observable inputs. This level of hierarchy includes items measured using inputs other than quoted prices included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable inputs). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly

transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in debt mutual funds: Fair value is determined by reference to quotes from the financial institutions, i.e.. Net asset value (NAV) for investments in mutual funds declared by mutual fund house.

Quoted equity investments: Fair value is derived from quoted market prices in active markets.

Unquoted equity investments: Fair value is derived on the basis of income approach, in this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

NOTE 42: FINANCIAL RISK MANAGEMENT

The Company’s management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The management reviews cash resources, implements strategies for foreign currency exposures and ensuring market risk limit and policies.

Details of derivative instruments and unhedged foreign currency exposure:

(1) The position of foreign currency exposure of loans to the Company as at the end of the year are as follows:

(Amount in ₹ lakh)

Particulars	Buy/Sell	For the year ended March 31, 2023	For the year ended March 31, 2022
USD	Buy	60.94	107.74
Equivalent amount in Rupees	Buy	5,018.98	7,997.54
EURO	Buy	12.65	44.13
Equivalent amount in Rupees	Buy	1,134.42	3,790.77

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

(c) Liquidity Risk

The Company has a liquidity risk management framework for managing its short term, medium term and long term sources of funding vis-à-vis short term and long term utilization requirement. This is monitored through a rolling forecast showing the expected net cash flow, likely

(a) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements can not be normally predicted with reasonable accuracy.

(i) Foreign currency risk

The Company’s functional currency in Indian Rupees (INR). The Company undertakes transactions denominated in the foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company’s revenue from export markets and the costs of imports, primarily in relation to raw material. The Company is exposed to exchange rate risk under its trade and debt portfolio.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result’s in the increase in the Company’s overall debt positions in Rupee terms without the Company having incurred additional debt and favorable movements in the exchange rates will conversely result in reduction in the Company’s receivable in foreign currency.

availability of cash and cash equivalents, and available undrawn borrowing facilities.

NOTE 43: CAPITAL MANAGEMENT

(a) Risk management

The Company’s capital requirement is mainly to fund its capacity expansion, repayment of principal and interest on its borrowings and strategic acquisitions. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by funding from bank borrowings. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

(Amount in ₹ lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Non current borrowings	6,020.78	6,532.22
Current maturities of non current borrowings	1,378.14	1,202.15
Current borrowings	14,481.27	13,398.09
Less: Cash and cash equivalents	42.14	128.85
Less: Bank balances other than cash and cash equivalents	544.78	814.72
Total Debts	21,293.27	20,188.89
Total Equity	19,061.43	19,642.19
Gearing Ratio	111.71	102.78

Equity includes all capital and reserves of the Company that are managed as capital.

NOTE 44: The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.

NOTE 45: ADDITIONAL REGULATORY INFORMATION

(i) The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.

(ii) The company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets), and intangible assets.

(iii) Capital-Work-in Progress (CWIP)

CWIP Schedule

(Amount in ₹ lakh)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	97.75	-	97.75
Projects temporarily suspended	-	-	-	-	-

(iv) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

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

(vi) The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(vii) The Company has registered all the charges and satisfaction thereof with the Registrar of Companies within the statutory Periods.

(viii) Ratio Analysis

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Ratio	1.54	1.58
Debt Equity Ratio	1.08	1.01
Debt Service Coverage Ratio	0.95	1.85
Return on Equity Shares	(0.03)	0.05
Inventory Turnover Ratio	1.15	1.92
Trade Receivable Turnover Ratio	2.44	3.28
Trade Payable Turnover Ratio	3.08	5.45
Net capital Turnover Ratio	1.62	2.66
Net Profit Ratio	(0.04)	0.04
Return on capital Employed	0.02	0.05
Return on Investments		

For Alok Mittal & Associates
Firm Registration No. 005717N
Chartered Accountants

Alok Kumar Mittal
Partner
Membership No. 071205
UDIN: 23071205BGUATW6088

Place: Hosur, Tamilnadu
Date: May 19, 2023

For and on behalf of the Board

Sunil Kumar Arora
Managing Director
DIN: 00150668

S Panigrahi
Company Secretary
FCS No.: F-4522

Sahil Arora
Whole-Time Director
DIN: 07970622

M. Madangopal
CFO
ICAI M No.: 207947

Annexure – I

REFERRED TO IN PARAGRAPH 4 TO THE ACCOUNTS IN SCHEDULE 15 AND FORMING PART OF THE BALANCE SHEET

Balance Sheet Extract and Company's General Business Profile

I. Registration Details

Registration No.: L74899DL1988PLC031510(CIN) State Code: 55

Balance Sheet Date: 31 03 2023
Date Month Year

II. Capital Raised during the year (Amount in thousands)

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. Position of Mobilisation and Development of Funds (Amount in thousands)

Sources of Funds

Total Assets	Total Liabilities
45,03,776	45,03,776
Paid up Capital	Reserve & Surplus
1,53,000	19,06,143
Secured Loans	Unsecured Loans
7,39,892	50,000
Net Fixed Assets	Investments
15,03,980	10,954
Net Current Assets	Misc. Expenditure
10,02,634	NIL
Accumulated Loss	
NIL	

IV. Performance of the Company (Amount in thousands)

Turnover	Total expenditure
16,39,020	17,03,552
Profit/Loss before Tax	Profit/Loss after Tax
(59,069)	(57,881)
Earning Per Share	Dividend Rate
(3.84)	NIL

Generic Name of the Three Principal Product of the Company (As per monetary terms)

ITC Code No.	Product Description
68022390	Granite Tiles & Slabs.
68109990	Engineered Quartz Stone Slabs



Corporate Office & Works:

Koneripalli Village
Shoolagiri (Via)
Hosur (TK) - 635 117
Tamilnadu, INDIA

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Fax : +91 4344 252217
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