



Aro granite industries Ltd.

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Date: August 16, 2024

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
(SYMBOL: AROGRANITE/EQ)

**Sub: Annual Report for the financial year 2023-24 and Notice convening the
36th Annual General Meeting**

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we submit herewith the Annual Report of the Company for the year 2023-24 along with the Notice convening the 36th Annual General Meeting scheduled to be held on September 18, 2024. The Annual Report is also available on the Company's website www.arotile.com.

You are requested to kindly take the same on record.

Thanking You

Yours faithfully
For Aro granite industries Ltd.

Ayush Goel
Company Secretary

Enc.: As above

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Aro granite industries Ltd.

An 100% EOU



Navigating Challenges Shaping Our Future

**36th ANNUAL REPORT
2023-24**

Aro granite industries limited



Inside the Report

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Navigating Challenges Shaping Our Future

FY24 has been a testament to our resilience and unwavering commitment to excellence. At Aro granite industries limited, we have always believed that challenges are not just obstacles but opportunities in disguise. This year, we navigated through a myriad of global economic uncertainties, geopolitical tensions, and supply chain disruptions, emerging stronger and more determined than ever.

Our journey has been one of transformation and growth. By embracing change and adapting to the evolving market dynamics, we have not only safeguarded our legacy but also laid the groundwork for a promising future. Our strategic initiatives, innovative approaches, and sustainable practices have positioned us to seize new opportunities and drive forward with renewed vigour. As we reflect on the past year, we are proud of our achievements and the collective effort of our dedicated team. Their relentless pursuit of excellence and unwavering dedication have been the cornerstone of our success. Together, we have turned challenges into stepping stones, shaping a future that is bright and full of potential.

Looking ahead, we are excited about the possibilities that lie before us. With a clear vision and a steadfast commitment to our values, we are poised to navigate the complexities of the global market and continue our journey of growth and innovation. At Aro granite, we are not just shaping our future; we are crafting a legacy of excellence that will endure for generations to come.

Key Financial Highlights

Revenue
(₹ in Crores)

155.1

EBITDA
(₹ in Crores)

31.2

PAT
(₹ in Crores)

1.35

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.

ABOUT THE COMPANY

Crafting Excellence in Granite and Quartz

Founded in 1989, Aro granite industries Ltd. (AGIL) has ascended to become India's foremost processor and exporter of refined granite. Our unwavering dedication to excellence and customer satisfaction has cemented our reputation as a leading entity in the industry. With state-of-the-art manufacturing facilities located in Hosur and Jaipur, we convert raw granite into stunning finished products, consistently setting new industry standards.



In line with our growth and diversification strategy, we expanded into quartz stone manufacturing in 2020. This new venture, integrated within our Hosur facility, enhances our ability to meet the evolving needs of our esteemed clients. 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, solidifying our position as India's largest exporter of processed granite.



Our dedicated workforce, supported by an efficient supply chain, propels us forward in this competitive arena. Committed to growth, we adeptly navigate market dynamics, ensuring our product offerings remain adaptable and relevant.

With a sharp focus on client requirements and global trends, we ensure that our granite and quartz stone products uphold the highest standards of quality and aesthetic appeal. We remain steadfast in our commitment to building a stronger, more agile Aro, well-equipped to meet the evolving demands of the global market.

2

Manufacturing facilities, staffed by skilled and trained experts

Largest

Processed granite exporter of India

100+

Shades of granite and quartz stones

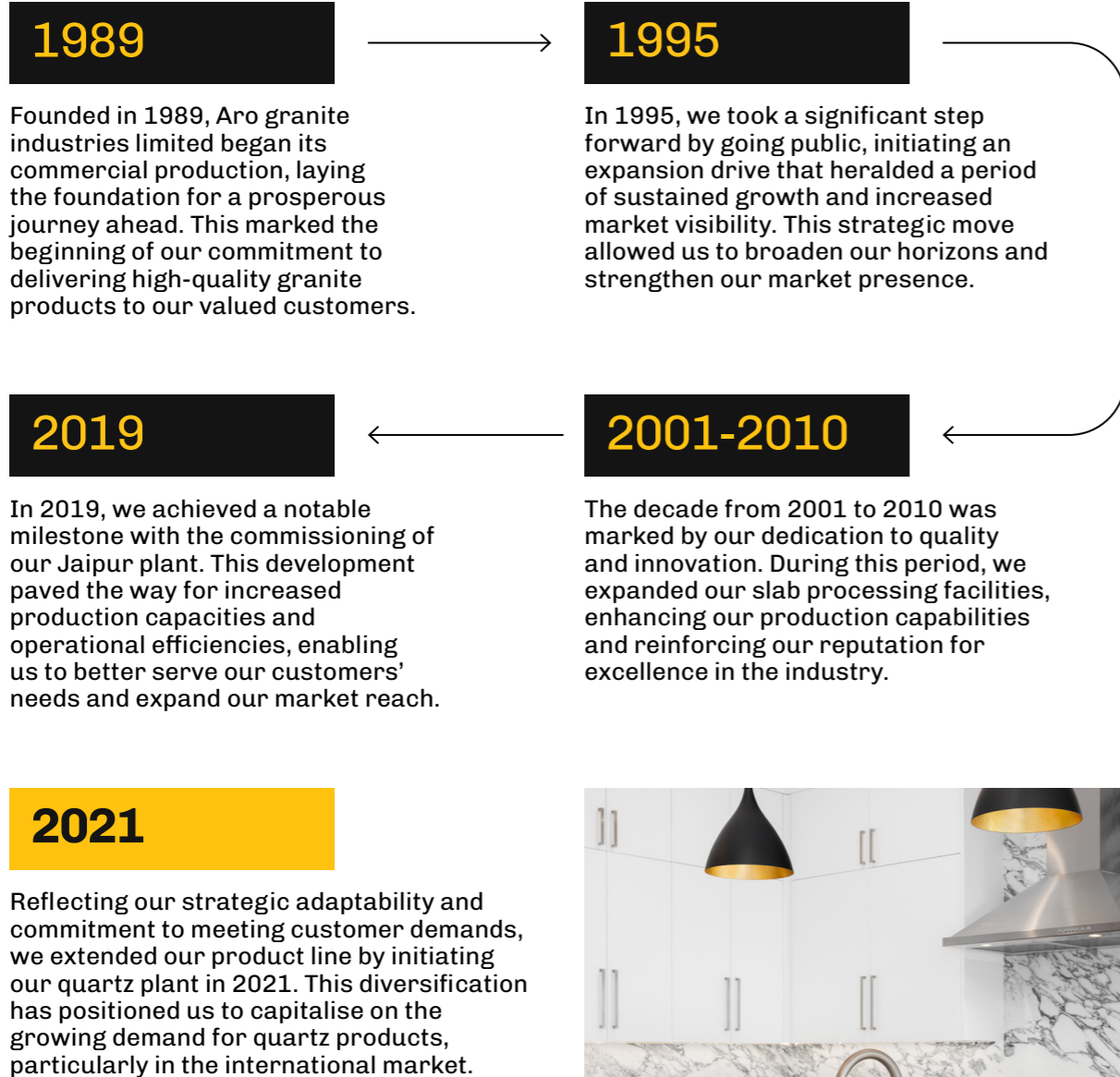
450+

Members efficient workforce

OUR JOURNEY

Milestones of Growth and Innovation

Since our inception in 1989, Aro granite industries limited has embarked on a remarkable journey of growth, innovation, and excellence. Our unwavering commitment to quality and customer satisfaction has driven us to continually evolve and expand, setting new benchmarks in the granite and quartz industry.



Certifications and Recognitions

Our journey has been marked by numerous certifications and accolades that underscore our commitment to quality and industry standards.



1996 - 1999



Between 1996 and 1999, we were honoured with Certificates of Merit from CAPEXIL for three consecutive years, solidifying our reputation as a leader in the granite industry.

1999 - 2010



Our dedication to excellence was further recognised with a series of 'Special Export Awards' from CAPEXIL between 1999 and 2010, highlighting our significant contributions to the export market.

2002 - 2005



In 2002, we achieved ISO 9001:2000 Quality Management Systems certifications for both our units, followed by the initiation of ISO 14000 Environmental Management System in 2005. These certifications reflect our commitment to maintaining high standards of quality and environmental responsibility.

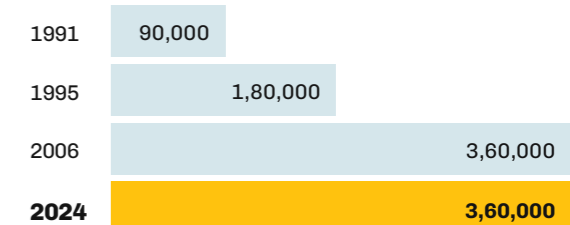
2013 - 2014



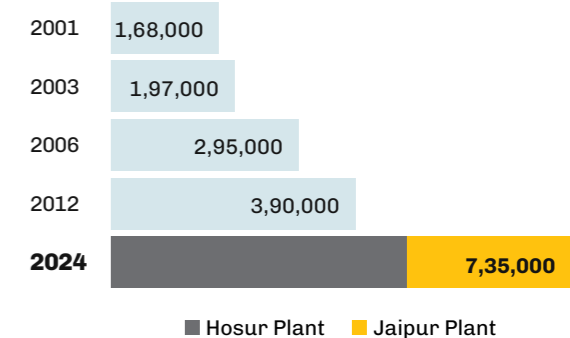
Between 2013 and 2014, we received the prestigious ISO 14001:2004 certification for Environmental Management, OHSAS 18001:2007 for Occupational Health and Safety, and the Star Export House certificate.

Scaling Capacities

Granite Tiles (In Sq. Mt.)



Granite Slabs (In Sq. Mt.)



GLOBAL PRESENCE

Connecting with Customers Globally

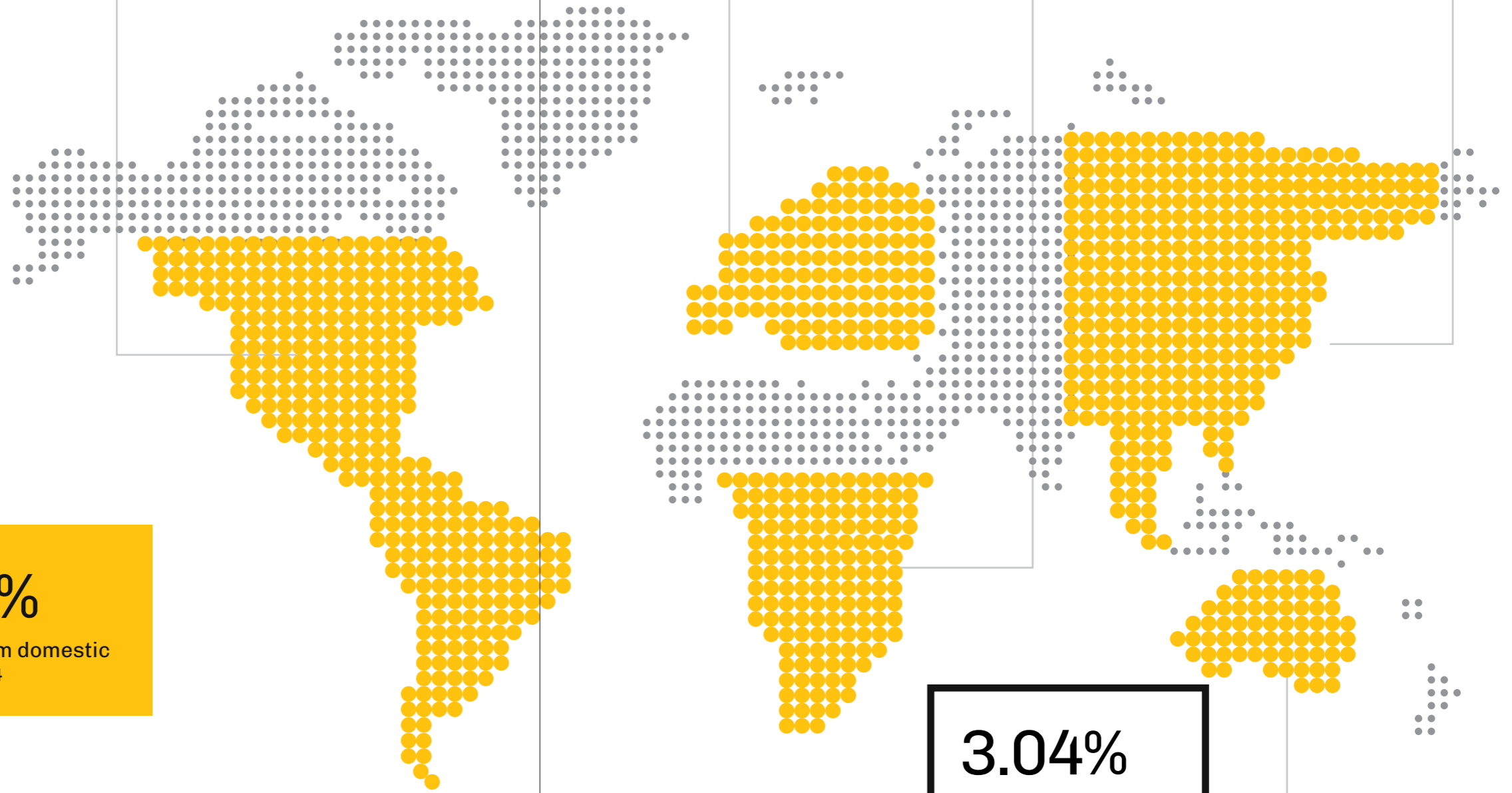
Aro granite industries limited has established a formidable global presence, exporting its high-quality granite and quartz products to over 50 countries worldwide. Our commitment to excellence, innovation, and customer satisfaction has enabled us to build strong relationships with clients across diverse markets. By continuously expanding our international footprint, we aim to meet the evolving needs of our global clientele and set new benchmarks in the natural stone industry.

54.59%
AMERICA

38.21%
EUROPE

0.67%
AFRICA

3.49%
ASIA



AGIL in numbers

90.64%

Revenue from export sales in FY24

9.36%

Revenue from domestic sales in FY24

54%
USA

15%
POLAND

11%
GERMANY

3%
ITALY

3.04%
AUSTRALIA

Map not to scale only for illustration

PRODUCT PORTFOLIO

A Spectrum of Stone Solutions

At Aro granite industries limited, our commitment to quality and innovation is reflected in our diverse product portfolio. We offer a wide range of granite and quartz products that cater to various applications, ensuring that each piece meets the highest standards of excellence. Our portfolio is designed to transform spaces with elegance, durability, and timeless appeal, making us a preferred choice for customers worldwide.



Granite Slabs

Granite slabs are renowned for their luxurious appeal and are meticulously cut to meet a variety of specifications. These slabs are versatile, serving multiple purposes such as flooring, wall cladding, countertops, and backsplashes. While the handling and installation of these large, heavy slabs require careful attention, their elegance and durability make them a preferred choice for a wide range of applications.

Applications



Construction



Home Renovation



Granite Tiles

Granite tiles offer a cost-effective alternative to slabs, providing robust and aesthetically pleasing solutions. Their unique natural variations create a charm that stands out in different lighting conditions. Easier to transport and install, these tiles are a practical choice for flooring and walls, making them ideal for both residential and commercial projects.

Applications



Construction



Home Renovation

Quartz Stone

Engineered quartz stones are synthetic yet highly durable materials, created by combining natural quartz crystals with resins and other additives. Their non-porous nature and superior resistance to stains, scratches, and heat have made them increasingly popular in modern interiors. These stones offer a sleek, contemporary look while ensuring longevity and ease of maintenance.

Applications



Interior Surfaces



Architectural Installations



MANUFACTURING FACILITIES

State-of-the-Art Facilities Driving Success

At Aro granite industries limited, our manufacturing facilities are the backbone of our commitment to quality, innovation, and efficiency. Strategically located in Hosur and Jaipur, these state-of-the-art plants are not only a testament to our technical prowess but also the driving force behind our industry leadership. Each facility is equipped with advanced technology and staffed by skilled professionals, ensuring that we consistently deliver superior products to our global clientele.



Hosur Facility

Our Hosur plant demonstrates resilience and adaptability, even in the face of challenges such as the closure of numerous granite quarries. This facility, equipped with state-of-the-art machinery, enables us to maintain our unwavering focus on customer satisfaction. Its strategic location provides easy access to South India's renowned quarries, known for their diverse premium granites.

Key Offerings and Capacities

GRANITE SLABS
Production Capacity
(In Sq. Mt. PA)
5,85,000

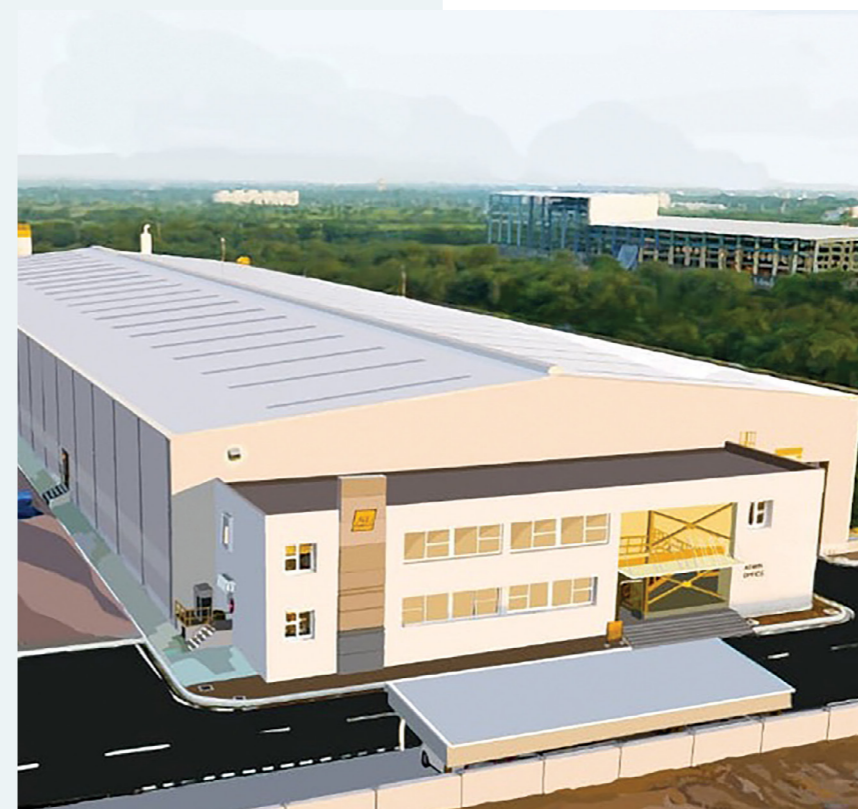
GRANITE TILES
Production Capacity
(In Sq. Mt. PA)
3,60,000

QUARTZ STONE
Production Capacity
(In Sq. Mt. PA)
1,80,000

Recognising the importance of diversification, we began producing quartz stone at our Hosur facility in 2021. This strategic move has shown promising growth since its inception, broadening our product portfolio and enhancing our market competitiveness.

Jaipur Facility

In response to raw material shortages at our Hosur plant, we established a state-of-the-art facility in Jaipur in 2019. This strategic decision allows us to tap into the rich granite quarries of Rajasthan, providing us with a significant competitive advantage. The Jaipur site not only ensures a steady supply of high-quality raw materials but also expands our production capabilities to meet growing market demands.



Key Offerings and Capacities

GRANITE SLABS
Production Capacity
(In Sq. Mt. PA)
1,50,000

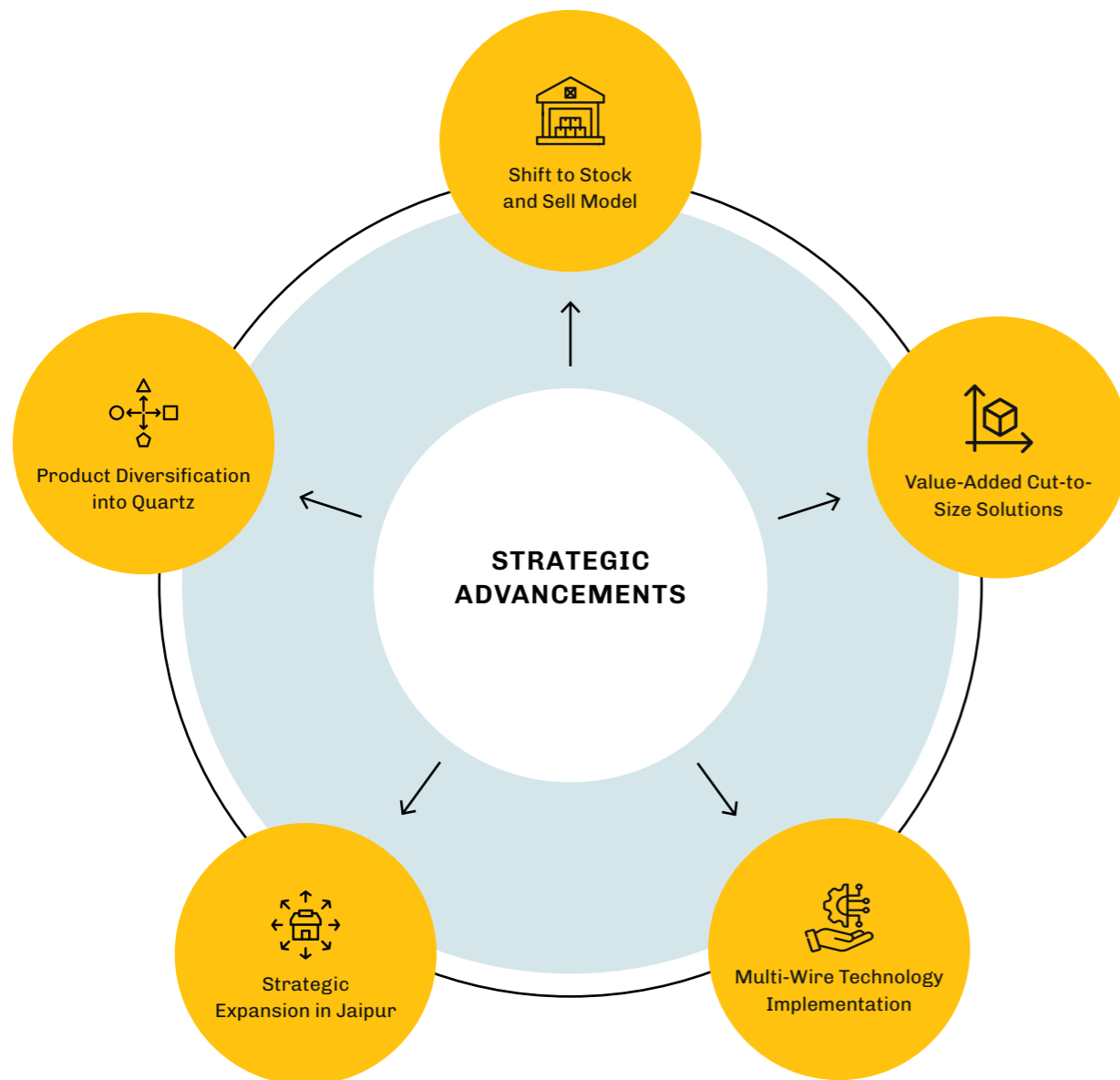
With a selection of over 100 exquisite shades in granite and an ever-expanding portfolio in quartz, our commitment to delivering unparalleled products remains steadfast. Our manufacturing infrastructure harmoniously blends cutting-edge technology with environmental responsibility, ensuring that we meet the highest standards of quality and sustainability.

Both our Hosur and Jaipur facilities are designed to optimise production efficiency while maintaining the highest standards of quality. These manufacturing hubs are instrumental in our ability to deliver superior products to our customers worldwide, reinforcing our position as a leader in the granite and quartz industry.

STRATEGIC ADVANCEMENTS

Transforming Challenges into Opportunities

In the dynamic landscape of the granite industry, Aro granite industries limited has consistently demonstrated an exceptional ability to adapt and thrive, even in the face of unprecedented challenges. Our strategic advancements reflect our commitment to innovation, resilience, and market leadership. By embracing change and proactively responding to industry shifts, we have not only overcome obstacles but also positioned ourselves for sustained growth and success.



Strategy



Shift to Stock and Sell Model

We transitioned from a made-to-order approach to a stock and sell model, establishing an 11,000 Sq. Mt. warehouse to meet market demands efficiently.



Value-Added Cut-to-Size Solutions

Invested in a dedicated cut-to-size unit at our Hosur facility, featuring advanced Intra CNC bridge sawing and polishing machines.



Multi-Wire Technology Implementation

Installed a cutting-edge Multi Wire granite cutting machine at our Hosur facility to overcome raw material challenges and boost operational efficiency.



Strategic Expansion in Jaipur

Established a new granite slab manufacturing facility in Jaipur as part of our prudent CAPEX strategy.



Product Diversification into Quartz

Successfully ventured into Quartz stone manufacturing, broadening our product portfolio.

Impact on Business

- Mitigated revenue decline and potential business loss
- Enhanced customer satisfaction through informed purchase decisions

- Catered to niche customer requirements with tailored solutions, enhancing our market position

- Expanded sourcing options, enabling the processing of imported rough blocks and materials from Rajasthan mines

- Mitigated raw material availability challenges
- Expanded business horizons and diversified operations

- Offered premium products to customers
- Reduced dependency on natural quarries

Impact on Financials

- Increased working capital requirement to manage inventory levels
- Incremental capital expenditure aligned with market realities

- Achieved incremental margins and value generation, differentiating us from competitors focused solely on processing rough granite blocks

- Improved operational efficiencies leading to enhanced margins

- Achieved higher margins due to limited regional competition, driving financial growth and profitability

- Increased operating revenue
- Potential for higher margins compared to traditional granite business

KEY PERFORMANCE INDICATORS

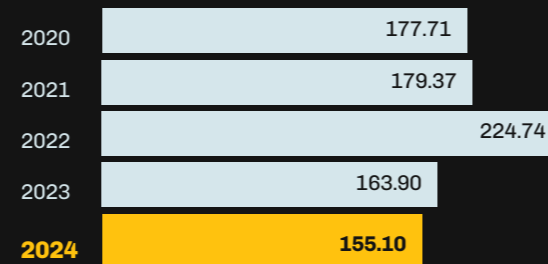
Measuring Resilience Through Adversity

FY24 has been a challenging period for Aro granite industries limited, marked by global economic uncertainties, supply chain disruptions, and geopolitical tensions. Despite these hurdles, we have remained steadfast in our commitment to excellence and resilience.



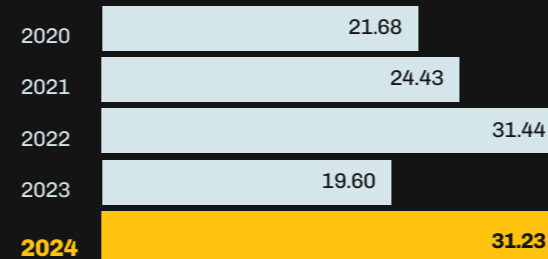
Revenue from Operations (₹ in Crores)

155.10



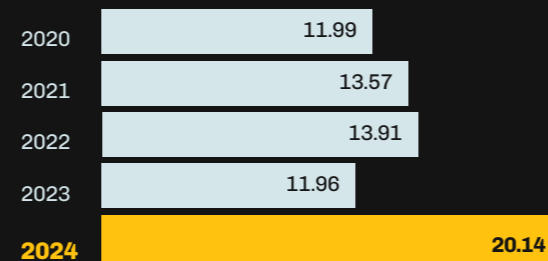
EBITDA (₹ in Crores)

31.23



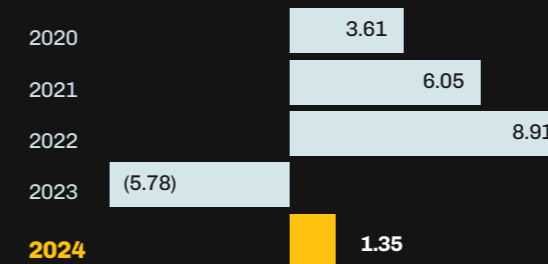
EBITDA Margin (In %)

20.14%



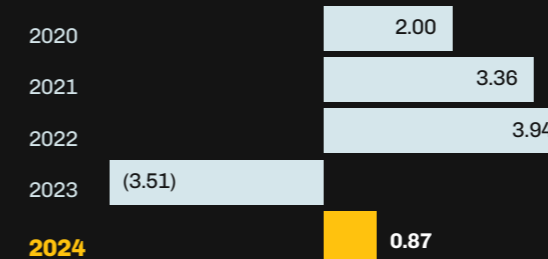
Profit After Tax (₹ in Crores)

1.35



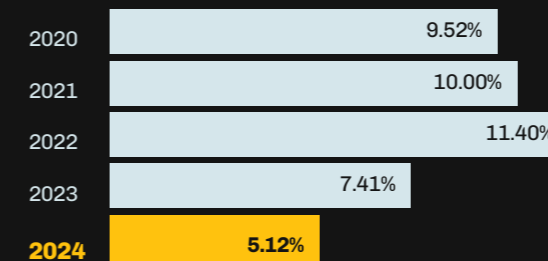
Profit After Tax Margin (In %)

0.87%



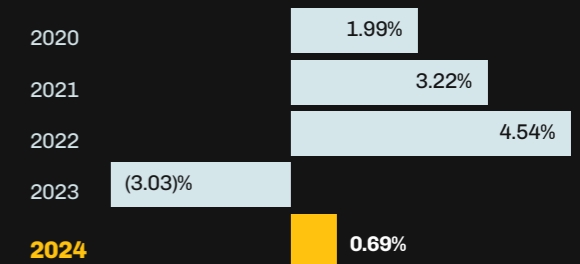
ROCE (In %)

5.12%



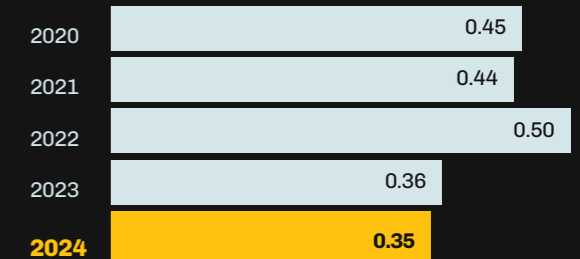
ROE (In %)

0.69%



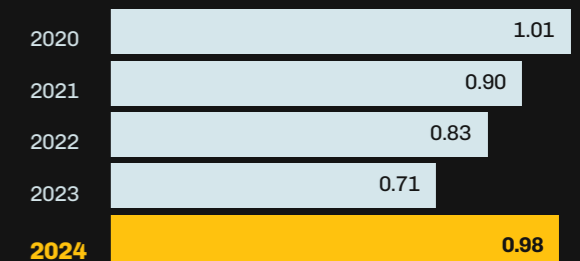
Asset Turnover (In times)

0.35



Debt to Equity (In times)

0.98



LETTER TO SHAREHOLDERS

Navigating Economic Challenges with Resilience



Sunil Kumar Arora
MANAGING DIRECTOR



Sahil Arora
WHOLE TIME DIRECTOR

Dear Shareholders,

“As we look back on the financial year 2024, we are filled with a deep sense of resilience and pride. This year has challenged us in unprecedented ways, yet it has also provided valuable insights and opportunities for growth. The obstacles we faced have only strengthened our resolve and commitment to our vision. It is with this spirit of determination that we present to you the annual report for Aro granite industries limited for FY24.

Global Economic Dynamics

The year began with cautious optimism as we observed a recovery in sales across various sectors. The previous period had been marked by significant disruptions in supply chains and increased costs, primarily due to unstable freight rates. However, as the year progressed, a stabilisation in shipping costs played a crucial role in restoring confidence among businesses and consumers alike. This recovery was further supported by controlled inflation rates globally, thanks to the effective monetary and fiscal policies implemented by central banks and governments. These measures ensured that consumer purchasing power remained intact, fostering economic growth and market stability.

As the year unfolded, the global economic landscape continued to evolve. Rising inflation rates prompted central banks worldwide to increase interest rates to curb consumption. While these measures were necessary to control inflation, they had significant repercussions on industries sensitive to borrowing costs. The construction and renovation sectors, for instance,

faced increased financing costs, leading to project delays and cancellations. Additionally, regional economic challenges, such as the recessionary effects experienced in Western Europe, added to the pressures faced by businesses. These combined economic difficulties highlighted the interconnectedness of global markets and the need for businesses to remain adaptable and resilient.

The economic challenges of the year were particularly pronounced for our Company. The reduction in credit limits by our banking partners significantly strained our working capital, restricting our ability to purchase raw materials and impacting our production capabilities. This necessitated a reassessment of our financial strategies and the exploration of alternative ways to manage cash flow and maintain business continuity.

Despite these constraints, we remained focused on optimising our resources and improving operational efficiency. Our team demonstrated remarkable agility in adapting to these challenging circumstances, implementing cost-saving measures

and streamlining processes to maintain productivity. Geopolitical instability also played a significant role in shaping the year's challenges. The renewed conflict in the Israel-Palestine region had far-reaching consequences on global trade and logistics, leading to increased shipping rates and prolonged shipping times. These disruptions affected our supply chains and had a direct impact on our sales, particularly in markets that accounted for a significant portion of our revenue. The heightened risks and increased costs associated with these geopolitical events further strained our profit margins and operational efficiency.

Adapting to Market Dynamics

Despite the numerous challenges, our financial performance for the year reflects our resilience and adaptability. We achieved a total operating revenue of ₹155.10 Crores and a net profit of ₹1.35 Crores. These results demonstrate our ability to navigate through challenging times while maintaining a focus on long-term growth and sustainability. Our strategic initiatives, including the optimisation of existing resources and the implementation of cost-saving measures, played a crucial role in achieving these outcomes. Our commitment to excellence and customer satisfaction remained unwavering throughout the year. We continued to invest in innovation, quality, and sustainability to meet the evolving demands of the global market. Our dedicated workforce, supported by an efficient supply chain, played a pivotal role in driving our success in this competitive landscape. Their tireless efforts and dedication have been instrumental in maintaining our market position and delivering value to our customers.

Building for the Future

Over the past several years, we have laid a strategic foundation for our growth and prosperity. Despite macroeconomic challenges and a complex operating environment, we persevered, investing time and resources in new capacities and initiatives. Our venture into quartz production, initially hindered by

COVID-19 and unexpected duties, demonstrates our determination for growth. The reversal of the Anti-Dumping Duty (ADD) has opened new opportunities for us in the quartz business. Our operational advancements, particularly the Jaipur processing plant, highlight our commitment to strategic improvements. This plant, designed to process material from Rajasthan, plays a crucial role in our granite business's success. We transitioned from a made-to-order model to a stock-and-sell approach, adapting to the evolving needs of our customers and the widespread shutdown of mines. This shift has made us more resilient and empowered our customers to make quick, informed decisions from an array of ready-to-ship products.

Technological adaptations, such as the implementation of Multi-Wire technology, have allowed us to process granite mined from Rajasthan more efficiently. Our greenfield plant in Jaipur, established in 2019, is specifically designed for this purpose, enhancing our production capabilities and allowing us to meet the diverse needs of our customers.

Our quartz plant, already operating at 63.75% capacity, is expected to significantly contribute to our growth. With a strategic investment of ₹20 Crores, we plan to double our capacity at the right time. This expansion, coupled with our commitment to develop high-end designs and optimally utilise the quartz facility, will drive our revenue growth and profitability in the coming years. We have also focused on strengthening our financial position by improving cash flow management and seeking alternative financing options. These efforts have enhanced our financial resilience and positioned us to capitalise on emerging opportunities in the market.

Looking ahead, we see the potential of our strategic initiatives reflecting positively on our financial performance from FY25 onwards. The anticipated easing of interest rates and a more favourable operating environment offer a

promising landscape for Aro granite industries limited. We are ready and eager to seize emerging opportunities, strengthen our market position, and pivot towards significant growth and success.

In conclusion, FY24 has been a year of resilience and strategic focus for Aro granite industries limited. We have navigated through significant economic challenges with determination and adaptability. Our performance reflects our ability to manage risks, optimise resources, and maintain a focus on long-term growth. We are confident that our strategic initiatives will position us well for future success. As we move forward, we remain committed to innovation, quality, and customer satisfaction. We will continue to invest in our people, processes, and technologies to ensure that we remain at the forefront of the industry. Our diverse product portfolio, coupled with our strong market presence, provides a solid foundation for sustainable growth in the years to come.

We extend our heartfelt gratitude to our shareholders, employees, customers, and partners for their unwavering support and trust. Your confidence in our vision and capabilities has been a source of strength and motivation. Together, we will continue to build a stronger, more resilient Aro granite industries limited, ready to seize the opportunities that lie ahead and create lasting value for all our stakeholders.

Thank you for your continued faith in Aro granite industries limited. We look forward to a future of shared success and growth.

Warm regards,

Sunil Kumar Arora
MANAGING DIRECTOR

Sahil Arora
WHOLE TIME DIRECTOR

CORPORATE SOCIAL RESPONSIBILITY

Building a Better World Beyond Business

At Aro granite industries limited, we believe that true success extends beyond financial achievements to encompass the positive impact we make on society. Our approach to Corporate Social Responsibility (CSR) is not merely an obligation but an integral part of our corporate ethos. We are driven by a collective purpose to touch lives, catalyse change, and inspire hope in the communities we serve.



Our CSR initiatives are rooted in the belief that we have a fundamental responsibility to empower and uplift the communities in which we operate. This commitment is unwavering and forms a cornerstone of our corporate identity. We strive to create a ripple effect of kindness, making a lasting difference in the world we share.



At the heart of our CSR efforts lies a deep concern for community health and well-being. In September 2017, we established a rural health centre adjacent to our factory premises in Hosur, marking a significant milestone in our commitment to social welfare. This facility has become a beacon of hope, providing free medical services to local residents and surrounding villages.

Key Features of Our Rural Health Centre

Infrastructure



The centre boasts a patient waiting hall, consultation room, pharmacy, nursing station, and patient observation room.

Technology



Equipped with desktop systems, printers, and custom-built software that automates patient registration, medical checks, and medicine prescription and dispensing.

Dedicated Staff



Our medical team comprises one doctor, two nurses, one pharmacist, and a housekeeper, ensuring comprehensive care for patients.

Impact



On average, 50 to 60 patients receive treatment daily, demonstrating the centre's vital role in the community.



The rural health centre exemplifies our commitment to accessible healthcare, regardless of socio-economic background. By providing quality medical services, we aim to foster a healthier, stronger, and more resilient society. This initiative goes beyond mere healthcare provision; it represents our vision of a community where every individual has the opportunity to lead a life of dignity and well-being.

RISKS AND MITIGATION STRATEGIES

Mitigating Risks for Sustainable Growth

As we navigate an ever-evolving landscape, our ability to identify and mitigate risks is crucial to sustaining growth and maintaining our competitive edge. From raw material shortages to regulatory changes and currency fluctuations, each challenge has prompted us to develop robust strategies to ensure resilience and adaptability.



Risks

Raw Material Shortage

The Indian granite industry faces significant raw material shortages, particularly in South India where our Hosur plant is located. The closure of numerous granite quarries has led to a scarcity of raw materials, impacting the competitiveness of Indian exports and reducing the operational capacity of our Hosur plant.

Regulatory Challenges

Unfavourable state government policies, especially 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, reducing the availability of raw granite blocks.

Currency Fluctuations

With the majority of the Company's revenue generated from exports, currency fluctuations pose a significant risk. Appreciation of the Indian Rupee relative to other currencies can impact competitiveness and demand for Indian exports.

Change in Consumer Preferences

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.

Supply Chain Disruptions

Global supply chain disruptions, exacerbated by geopolitical tensions and logistical challenges, can impact the timely delivery of raw materials and finished products.

Uncertainties

Mitigation Strategies

- Established the Jaipur plant and began sourcing from new mines in regions like Rajasthan and Andhra Pradesh.
- Initiated the import of raw blocks to improve the utilisation of the Hosur plant and maintain a steady supply of raw materials.

- Diversified sourcing locations to reduce dependency on specific regions.
- Actively sourcing granite blocks from other geographic regions and considering the import of raw blocks to ensure a steady supply.

- Implemented a diversified export strategy by exporting to over 50 countries, reducing the impact of adverse currency movements in specific markets.
- Targeting the export of unique granite shades exclusive to India and expanding domestic sales to balance currency risks.

- Established an engineered stone unit at our Hosur facility to cater to evolving consumer preferences and capitalise on the demand for engineered stone materials.
- Adapting product offerings to maintain a competitive edge and mitigate risks associated with changing consumer preferences.

- Strengthened supply chain resilience by diversifying suppliers and logistics partners.
- Implemented advanced inventory management systems to ensure timely procurement and delivery.

MD&A

Management Discussion and Analysis



Global Economy

The global economy in 2024 has been characterised by a series of complex challenges and opportunities. According to the latest reports from the International Monetary Fund (IMF) and the World Bank, global growth is projected to remain steady at 3.2% in 2024 and 3.3% in 2025. This growth rate, while stable, is below the historical average, reflecting the ongoing impact of restrictive monetary policies, geopolitical tensions, and supply chain disruptions.

Inflation has been a significant concern throughout the year. Despite central banks' efforts to control inflation through interest rate hikes, inflationary pressures have persisted in many regions. The IMF's April 2024 World Economic Outlook highlights that global headline inflation is expected to decrease from an annual average of 6.8 percent in 2023 to 5.9 percent in 2024 and further to 4.5 percent in 2025. However, core inflation remains high in several economies, necessitating continued vigilance and policy adjustments.

Geopolitical tensions have further complicated the economic landscape. The renewed conflict in the Israel-Palestine region has had far-reaching consequences on global trade and logistics. Increased shipping rates and prolonged shipping times due to heightened security measures have disrupted supply chains, affecting the pricing and availability of goods worldwide. Additionally, the conflict has introduced significant risks, leading to increased costs and reduced profit margins for businesses operating in affected regions.

Supply chain issues have been a persistent challenge, exacerbated by geopolitical tensions and the lingering effects of the COVID-19 pandemic. Efforts to enhance supply chain resilience, such as diversifying sources of raw materials and investing in advanced logistics technologies, are crucial in mitigating these challenges.

Indian Economy

The Indian economy has demonstrated remarkable resilience and growth in the face of global economic challenges, according to the latest reports from the International Monetary Fund (IMF) and the World Bank. As of April 2024, both institutions have revised their growth projections for India upwards, reflecting the country's robust economic performance and positive outlook. The IMF, in its World Economic Outlook released in April 2024, has raised India's growth forecast for the fiscal year 2024-25 to 6.8%, up from its earlier projection of 6.5%. This upward revision is attributed to stronger-than-expected domestic demand, improved prospects for private consumption, particularly in rural areas, and the carryover effects from upward revisions to growth in 2023. The IMF also projects India's growth to remain strong at 6.5% in the fiscal year 2025-26, highlighting the country's sustained economic momentum.

Similarly, the World Bank, in its Global Economic Prospects report published in June 2024, has revised India's GDP growth forecast for 2024-25 to 6.6%, up from its January 2024 projection of 6.4%. The World Bank cites several factors for this upward revision, including better-than-expected growth in the industrial sector, particularly in manufacturing and construction, as well as strong performance in the service sector. The report also notes that robust public investment in infrastructure and increased private capital investment have boosted demand in the economy, leading to higher private consumption.

India's economic performance is particularly noteworthy in the context of global economic trends. Both the IMF and World Bank reports emphasise that India remains the fastest-growing major economy in the world, outpacing other emerging markets and developing economies. This growth is supported by a range of factors, including a large and growing working-age population, ongoing economic reforms, and increasing integration into global value chains.



Global Granite Industry and Key Trends

The global granite industry has experienced significant growth and transformation over recent years, driven by increasing demand for natural stone in various construction and decorative applications. According to a report by Verified Market Reports, the global granite market was valued at USD 100 Billion in 2023 and is projected to reach USD 140 Billion by 2030, growing at a compound annual growth rate (CAGR) of 5% from 2024 to 2030.

THE GLOBAL GRANITE MARKET IS PROJECTED TO REACH

140

(In USD\$ BN)

Granite, a coarse-grained igneous rock composed of minerals such as quartz, feldspar, and mica, is renowned for its durability, aesthetic appeal, and versatility. It is widely used as a building material for countertops, flooring, monuments, and landscaping. The market's growth is primarily driven by the rising demand for premium building materials in both residential and commercial sectors, as well as the increasing recognition of granite's unique aesthetic qualities.

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Key Market Trends

Urbanisation and Infrastructure Development

The rapid pace of urbanisation and infrastructure development, particularly in emerging economies, is a major driver of the granite market. Countries like China and India are investing heavily in construction and urban projects, which is expected to boost the demand for granite. The World Bank's Global Economic Prospects report highlights the significant role of infrastructure development in driving economic growth and demand for construction materials, including granite.

Sustainability Initiatives

Environmental consciousness is increasingly influencing consumer preferences and industry practices. There is a growing demand for granite products that are ethically sourced and produced with minimal environmental impact. The industry is adopting sustainable quarrying techniques and recycling programs to address these concerns. For instance, the use of resin-based binders and less harmful epoxy adhesives is becoming more prevalent, aligning with global sustainability goals.

Digital Transformation

The digital revolution is also impacting the granite industry. Technologies like virtual reality (VR) and 3D modelling are being used to visualise granite installations in site, allowing for seamless integration into design schemes. Digital platforms are facilitating direct interaction between homeowners and granite suppliers, enhancing transparency and reducing costs by cutting out traditional intermediaries. Automation in quarrying and processing is further increasing efficiency and reducing waste.

Technological Advancements

Innovations in extraction and processing technologies have enhanced productivity and product quality in the granite industry. Modern quarrying techniques and advanced machinery have made it possible to extract and process granite more efficiently, reducing waste and improving the overall quality of the finished products. Techniques such as Multi-Wire technology and waterjet cutting are enabling the creation of intricate and customised designs, catering to the evolving preferences of consumers.

Customisation and Design Trends

The demand for unique and customised granite products is on the rise. Homeowners and designers are seeking exotic and rare granite varieties, such as Azul Bahia and Cambrian Blue, known for their striking veining and vibrant colours. Fabrication methods like bookmatching and waterjet cutting are enabling the creation of bespoke designs, including statement backsplashes and granite islands, catering to the desire for personalised and distinctive interiors.

Challenges And Opportunities

Despite the positive growth trajectory, the granite industry faces challenges related to supply chain disruptions and geopolitical tensions. The renewed conflict in the Israel-Palestine region, for instance, has led to increased shipping rates and prolonged shipping times, affecting global trade and logistics. These disruptions have had a direct impact on the pricing and availability of granite products, straining profit margins for businesses operating in affected regions.

However, the industry's focus on sustainability and innovation presents significant opportunities for growth. As consumer preferences continue to evolve towards environment friendly and customised products, the granite market is well-positioned to capitalise on these trends. The ongoing investments in technology and sustainable practices are expected to enhance the industry's resilience and competitiveness in the global market.



Indian Granite Industry

The Indian granite industry holds a prominent position in the global market, known for its rich variety of colours, textures, and high-quality stones. India is one of the largest producers and exporters of granite, contributing significantly to the global supply.

Key Market Trends

Diverse Granite Varieties

India is renowned for its diverse granite varieties, including Black Galaxy, Kashmir White, and Absolute Black, which are highly sought after in international markets. The country's vast geological diversity allows for the extraction of unique and exotic stones that cater to a wide range of aesthetic and functional requirements.

Technological Advancements

The adoption of advanced technologies in quarrying and processing has significantly improved the efficiency and quality of granite production in India. Techniques such as diamond wire sawing and waterjet cutting have reduced waste and enhanced the precision of cuts, leading to higher quality finished products. These advancements have also enabled the industry to meet the growing demand for customised and intricate designs.

Challenges

Despite its strengths, the Indian granite industry faces several challenges that could impact its growth trajectory. One of the most significant issues is the availability of raw materials due to mining bans in certain regions.

Mining Bans

The southern states of India, particularly Tamil Nadu and Karnataka, have faced intermittent mining bans due to environmental concerns and regulatory issues. These bans have led to a shortage of high-quality raw granite, disrupting the supply chain and increasing production costs. The industry has been advocating for a balanced approach that addresses environmental concerns while ensuring sustainable mining practices.

Regulatory Hurdles

The granite industry in India is also grappling with regulatory challenges, including stringent environmental regulations and complex approval processes. These hurdles can lead to delays in project execution and increased compliance costs. The industry is calling for streamlined regulations that promote sustainable mining practices without compromising on environmental standards.

Labour Issues

The industry relies heavily on skilled labour for quarrying and processing activities. However, there is a growing concern about the availability of skilled workers, as many are migrating to urban areas for better opportunities. This labour shortage can affect production timelines and quality, necessitating investments in training and skill development programs.

Opportunities

Despite these challenges, the Indian granite industry has several opportunities for growth and expansion.

Domestic Demand

The rapid urbanisation and infrastructure development within India are driving domestic demand for granite. The government's focus on building smart cities and improving urban infrastructure is expected to boost the construction sector, thereby increasing the demand for granite in residential and commercial projects.

Sustainability Initiatives

There is a growing emphasis on sustainable mining practices and environmental responsibility within the industry. Companies are investing in eco-friendly technologies and adopting practices that minimise environmental impact. These initiatives not only enhance the industry's reputation but also align with global sustainability trends, making Indian granite more attractive to environmentally conscious consumers.

Value-Added Products

The industry is increasingly focusing on value-added products such as customised countertops, tiles, and decorative items. This shift towards higher-margin products can enhance profitability and cater to the evolving preferences of consumers both domestically and internationally.

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Global Quartz Industry

The global quartz industry has seen significant growth, particularly in the construction sector, driven by its extensive use in residential and commercial applications. According to a report by Spherical Insights, the global quartz market was valued at USD 7.2 Billion in 2023 and is projected to reach USD 12.2 Billion by 2033, growing at a compound annual growth rate (CAGR) of 5.42% from 2023 to 2033. This growth is largely attributed to the increasing demand for high-quality, durable materials in construction, with a notable emphasis on the US market for kitchen countertops.

Key Market Trends

Rising Demand in Construction and Infrastructure

The construction sector remains a significant driver of the quartz market. Quartz is highly valued for its durability, aesthetic appeal, and resistance to weathering, making it a preferred material for countertops, flooring, and decorative elements. The World Bank's Global Economic Prospects report highlights the ongoing urbanisation and infrastructure development in emerging economies, particularly in the Asia-Pacific region, as key factors boosting the demand for construction materials, including quartz.

Key Market Trends (Contd.)

US Market for Kitchen Countertops

In the United States, quartz has become the material of choice for kitchen countertops, surpassing granite and other natural stones. This surge is driven by quartz's superior properties, such as non-porosity, resistance to stains and scratches, and low maintenance requirements, making it ideal for kitchen environments. Homeowners and designers are increasingly opting for quartz due to its wide range of colours and patterns, which can mimic the look of natural stone while offering enhanced performance.

Technological Advancements

Innovations in quartz extraction and processing technologies have significantly improved the efficiency and quality of quartz products. Advanced techniques such as waterjet cutting and precision grinding have enabled the production of intricate and customised designs, catering to the evolving preferences of consumers. The adoption of these technologies has also reduced waste and enhanced the sustainability of quartz production.

Challenges and Opportunities

Despite the positive growth trajectory, the quartz industry faces several challenges. Supply chain disruptions, geopolitical tensions, and environmental regulations can impact the availability and cost of raw materials. The renewed conflict in the Israel-Palestine region, for instance, has led to increased shipping rates and prolonged shipping times, affecting global trade and logistics. These disruptions have had a direct impact on the pricing and availability of quartz products, straining profit margins for businesses operating in affected regions.

Company Overview

Aro granite industries limited, established in 1989, has grown to become India's leading processor and exporter of granite tiles and slabs. With state-of-the-art manufacturing facilities located in Hosur and Jaipur, the company transforms raw granite into exquisite finished products, setting industry benchmarks for quality and innovation. Aro granite operates as a 100% Export Oriented Unit (EOU) in Hosur and a Special Economic Zone (SEZ) unit in Jaipur, boasting an impressive annual production capacity of 1 Million square metres.

Company Performance in FY24

FY24 was marked by significant challenges and opportunities for Aro granite industries limited. Despite the global economic uncertainties and disruptions caused by geopolitical tensions and supply chain issues, the company demonstrated resilience and adaptability.

Revenue and Profitability

Aro granite reported a total operating revenue of ₹155.1 Crores for FY24, reflecting a 5.67% degrowth compared to the previous year. The Company's net profit stood at ₹1.35 Crores, showcasing its ability to navigate through challenging times while maintaining a focus on long-term growth and sustainability. The company's EBITDA margin improved to 20.14%, driven by strategic cost-saving measures and operational efficiencies.

Operational Highlights

The Hosur facility, integrated with the quartz stone manufacturing unit, continued to meet the evolving demands of clients, contributing significantly to the company's revenue. The Jaipur plant, designed to process material from Rajasthan, played

a crucial role in the success of the granite business, enhancing the company's production capabilities and market reach.

Strategic Position and Outlook

Aro granite industries limited is strategically positioned to capitalise on the growing demand for high-quality granite and quartz products in both domestic and international markets. The Company's robust infrastructure, advanced technologies, and skilled workforce provide a solid foundation for sustained growth and competitiveness.

The Company's strategic focus on expanding its production capabilities and diversifying its product portfolio is expected to drive future growth. The quartz processing facility is set to add a new dimension to the product offerings, catering to the increasing demand for customised and high-end quartz products. With a strategic investment of ₹20 Crores, the Company plans to double its quartz production capacity, enhancing its ability to meet market demands and drive revenue growth.



Particulars	Hosur Tiles	Hosur Slabs	Jaipur Slabs	Hosur Quartz
Sales (In Sq. Mt.)	95078.81	124659.11	81968.41	119372.77
Production (In Sq. Mt.)	95923.69	117072.49	86938.75	114744.33
Capacity Utilisation	26.65%	18.29%	57.96%	63.75%

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Key Financial Ratios

Particulars	FY24	FY 23
Current Ratio	1.54	1.54
Debt Equity Ratio	0.98	1.08
Debt Service Coverage Ratio	1.21	0.95
Return on Equity Shares	0.01	(0.03)
Inventory Turnover Ratio	1.00	1.15
Trade Recievables Turnover Ratio	2.79	2.44
Trade Payables Turnover Ratio	2.29	3.08
Net Capital Turnover Ratio	1.53	1.62
Net Profit Ratio	0.01	(0.04)
Return on Capital Employed	0.05	0.02

Human Resources

Aro granite industries limited considers its workforce to be the lifeblood of the organisation. Operating in an industry that prioritises efficiency and innovation, AGIL recognises the necessity of maintaining a skilled and motivated team committed to driving the Company's growth. Employees at AGIL not only contribute to the efficiency of processes and management but also foster intellectual advancement within the Company.

As we enter a new fiscal year, our focus remains steadfast on nurturing our human capital while attracting and retaining the top talent in the industry. Our dedication to creating a healthy and positive work environment that promotes personal development and skill enhancement among our employees is unwavering. To achieve this, we continue to conduct regular training workshops aimed at bolstering the capabilities of our workforce.

With a motivated and engaged team, we are confident in our ability to deliver value to all stakeholders and seize the numerous opportunities that lie ahead. As of 31st March, 2024, the Company proudly employs over 453 individuals.

Internal Control Systems and Their Adequacies

Our vigilant and prudent management ensures that the Company's Internal Control System is robust enough to meet operational requirements. The management holds the overarching responsibility to protect the Company's assets and ensure the accuracy and reliability of its financial records. The Internal Control System guarantees that all transactions are authorised, recorded, and reported accurately, with ongoing efforts to enhance the system. Regular asset protection measures are conducted to prevent unauthorised use. Furthermore, the Audit Committee undertakes a comprehensive review of all financial statements, ensuring the sufficiency of the internal control systems. We have also implemented an extensive CCTV surveillance system that monitors the entire factory premises to prevent material loss and ensure safety. These measures are continuously monitored and assessed by the management, with improvements made as necessary to maintain the effectiveness of the Internal Control System.

Cautionary Statement

Statements in the Management Discussion and Analysis section, outlining the Company's objectives, projections, estimates, and expectations, including those of its direct and indirect subsidiaries and associates, may be 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may vary significantly from those expressed or implied. Key factors that could influence the Company's operations include economic conditions affecting demand and supply, price conditions in the domestic and international markets where the Company operates, changes in government regulations, tax laws, and other statutes, as well as 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,
Jasola, New Delhi 110025, India
Phone: 91-11-41686169
Fax: 91-11-26941984
E-mail: investorgrievance@arotile.com
Website: www.arotile.com
CIN: L74899DL1988PLC031510

CORPORATE OFFICE & 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
NSE Limited: AROGRANITE/EQ
ISIN No.: INE210C01013

Notice

NOTICE is hereby given that the 36th Annual General Meeting of the Members of **ARO GRANITE INDUSTRIES LIMITED** will be held on Wednesday, the 18th September 2024 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 31st March 2024 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Smt. Sujata Arora (DIN: 00112866), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT Shri Keshava Murthy Kalasachar (DIN: 10694491), who was appointed as an Additional Director of the Company with effect from 26th July 2024 by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (‘the Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with the Articles of Association of the Company, who is eligible for appointment and consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, the appointment of Shri Keshava Murthy Kalasachar, who had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing

Regulations and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years, i.e., from 26th July 2024 to 25th July 2029 (both days inclusive), be and is hereby approved.”

4. To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT Shri Ashish Jyotindra Bhuta (DIN: 02149827), who was appointed as an Additional Director of the Company with effect from 26th July 2024 by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (‘the Act’) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with the Articles of Association of the Company, who is eligible for appointment and consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17, 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, the appointment of Shri Ashish Jyotindra Bhuta, who had submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years, i.e., from 26th July 2024 to 25th July 2029 (both days inclusive), be and is hereby approved.”

For & on behalf of the Board

(Sunil Kumar Arora)
Managing Director
DIN:00150668

Place: Hosur
Date: 26th July 2024

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 5th May 2022 and Circular No.10/2022 dated 28th December 2022 and General Circular No. 09/2023 issued dated 25th September 2023 and circular No SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 and circular No. SEBI/HO/CFD/CFD-POD-2/P/CIR/2023/167 dated 7th October 2023 permitted the Companies to hold their AGM through VC/OAVM by 30th September 2024, the 36th AGM of the Company is being held through VC/OAVM on 18th September 2024 at 12.30 p.m. (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 MCA Circulars and the SEBI Circulars, Notice of the AGM along with the Annual Report 2023-24 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 2023-24 are also available on the Company's website viz www.arotile.com websites of the Stock Exchanges i.e., BSE Limited and NSE 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 1st April 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) vide various Circulars issued since May 2020 including the General Circular No. 02/2022 issued dated 5th May 2022 and Circular No. 10/2022 dated 28th December 2022 and General Circular No. 09/2023 issued dated 25th September 2023 and circular No SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January 2023 and circular No. SEBI/HO/CFD/CFD-POD-2/P/CIR/2023/167 dated 07th October 2023 permitted the Companies to hold their AGM through VC/OAVM by 30th September 2024, the 36th AGM of the Company is being held through VC/OAVM on 18th September 2024 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 and in terms of SEBI vide circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09th december 2020 & MCA Circulars (as amended) 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 atleast 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. In terms of MCA Circulars 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 compliance with the Ministry of Corporate Affairs (MCA) Circulars 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 NSE 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 8th April, 2020, No. 17/2020 dated 13th April, 2020, No. 20/2020 dated 5th May, 2020 and No.10/2022 dated 28th December, 2022 General Circular No. 09/2023 issued dated 25th September, 2023 and SEBI circular No SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 and circular No. SEBI/HO/CFD/CFD-POD-2/P/CIR/2023/167 dated 07th october 2023.

INTRUCTIONSTOSHAREHOLDERSFORREMOTE E-VOTING AND E-VOTING DURING AGM/EGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on **15th September, 2024 at 10.00 A.M. and ends on 17th September, 2024 at 5.00 P.M.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 11th September, 2024** 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 9th December, 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 9th December, 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	<ol style="list-style-type: none"> 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. 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. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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"> 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.nsdl.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. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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.

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
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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.

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 limited**.
- (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.

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.
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.

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., 11th September, 2024** 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., 11th September, 2024**.
- (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 12th September, 2024 to 18th September, 2024 (Both days inclusive).
15. Members who have not registered their e-mail address so far 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 (DIN: 00112866), whose appointment as Director liable to retire by rotation (proposed at Item No. 2) is given hereunder:

Smt. Sujata Arora is a graduate from 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 598572 (3.91%) Equity Shares in the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), given hereunder sets out all material facts relating to the special business mentioned in Item Nos. 3 & 4 of the accompanying Notice dated 26th July 2024.

Item No. 3

On recommendation of the Nomination and Remuneration Committee ('NRC'), the Board appointed Shri Keshava Murthy Kalasachar (DIN: 10694491) as an Additional Director of the Company and also as an Independent Director not liable to retire by rotation, for a term of five years, i.e., from 26th July 2024 upto 25th July 2029 (both days inclusive), subject to approval by the Members. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and the Articles of Association of the Company, Shri Keshava Murthy Kalasachar shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing notice from a Member, proposing his candidature for the office of Director. The profile and specific areas of expertise of Shri Keshava Murthy Kalasachar is mentioned below. Shri Keshava Murthy Kalasachar has given his declaration to the Board, inter alia, that (i) he meets the criteria of independence as provided under Section 149(6) of the Act and the rules made thereunder, and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act and (iv) he is not aware of any circumstance which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgement and without any external influence. He has also given his consent to act as a Director.

In the opinion of the Board, Shri Keshava Murthy Kalasachar is a person of integrity, possesses relevant expertise/experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the Management. Given his experience, the Board considers it desirable and in the interest of the Company to have Shri Murthy on the Board of the Company and accordingly the Board recommends the appointment of Shri Murthy as an Independent Director, as proposed in the Special Resolution set out at Item No. 3 of the accompanying Notice for approval by the Members. Except for Shri Murthy and/or his relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Brief Resume of Shri Keshava Murthy Kalasachar

Shri Keshava Murthy Kalasachar, aged 59 years, (DIN: 10694491) holds a Bachelor of Engineering Degree (Mech) from one of Bengaluru's prestigious colleges, BMS College of Engineering. He has acquired extensive and rich experience in the field of granite. He is the founder president of the Federation of Karnataka Granite Quarry and Stone Industry (FKGQSI). The objective was to focus on the problems prevailing in the Granite Quarry and Stone Industry in the State and to achieve better representation at the state level. It also plays a pivotal role in obtaining industry-friendly policies from the Government of Karnataka. Shri Murthy is also a first-generation entrepreneur and has established K-Mark, a firm engaged in merchant and manufacture of Dimensional granite blocks. He has the distinction of supplying the entire flooring material for the Brussels Airport Project. Shri Murthy has traveled extensively across the globe and is frequently consulted by various granite bodies.

Currently, in the Federation of Indian Granite and Stone Industry (FIGSI), he is the Chairman of the PR & Electronic & Print Media Sub Committee. Earlier he served as the Chairman of the Committee for Seminars & Conferences and Chairman of the State-Wise Chapter-Karnataka. Shri Murthy has organized and conducted an All India National Seminar on "Dimensional Stone Quarrying" and represented FIGSI at Trade Fairs in Moscow (2015), Morocco (2017), and Jakarta (2024). He attended the "I for AFRICA 2017 Summit", an event organized by the Indo-African Chamber of Commerce & Industry to promote bilateral trade between India and Africa. He connected with ambassadors, high commissioners, exhibitors, and delegates from African countries to promote STONA 2018. He led a delegation to African countries, namely, Namibia, Tanzania, Malawi, and Zimbabwe, with the objective of exploring potential opportunities for purchasing blocks, investing in granite quarries, and establishing stone processing units for value addition.

Item No. 4

On recommendation of the Nomination and Remuneration Committee ('NRC'), the Board appointed Shri Ashish Jyotindra Bhuta, aged 49 years (DIN No: 02149827) as an Additional Director of the Company and also as an Independent Director not liable to retire by rotation, for a term of five years, i.e., from 26th July 2024 upto 25th July 2029 (both days inclusive), subject to approval by the Members. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ('the Act') and the Articles of Association of the Company, Shri Ashish Jyotindra Bhuta, shall hold office up to the date of this AGM and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing notice from a Member, proposing his candidature for the office of Director. The profile and specific areas of expertise of Shri Ashish Jyotindra Bhuta is mentioned below. Shri Ashish Jyotindra Bhuta has given his declaration to the Board, inter alia, that (i) he meets the criteria of

independence as provided under Section 149(6) of the Act and the rules made thereunder, and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), (ii) is not restrained from acting as a Director by virtue of any Order passed by SEBI or any such authority and (iii) is eligible to be appointed as a Director in terms of Section 164 of the Act and (iv) he is not aware of any circumstance which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgement and without any external influence. He has also given his consent to act as a Director.

In the opinion of the Board, Shri Ashish Jyotindra Bhuta is a person of integrity, possesses relevant expertise/experience and fulfills the conditions specified in the Act and the SEBI Listing Regulations for appointment as an Independent Director and he is independent of the Management. Given his experience, the Board considers it desirable and in the interest of the Company to have Shri Ashish on the Board of the Company and accordingly the Board recommends the appointment of Shri Ashish

as an Independent Director, as proposed in the Special Resolution set out at Item No. 4 of the accompanying Notice for approval by the Members. Except for Shri Ashish and/or his relatives, no other Director, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

Brief Resume of Shri Ashish Jyotindra Bhuta

Shri Ashish Jyotindra Bhuta, aged 49 years (DIN No: 02149827), has been working in the granite industry for more than 16 years. He is the Director of M/s. Kuntal Granites Pvt. Ltd. looking into the overall operation of the Company. The Company has been awarded "ONE STAR EXPORT HOUSE" from DGFT. He was also elected as the President of Hosur Natural Stone & 100% EOU Association. Shri Ashish was elected as a committee member of Federation of Indian Granite and Stone Association of India (FIGSI). He was also elected as a President of the Sub Committee formed by FIGSI of EOU. During his tenure, he worked extensively to resolve the issues related to EOU units.

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 31st March, 2017 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.
- Nomination: Pursuant to 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 Shares 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 1st April, 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.
- 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 36th Annual Report together with Audited Accounts of the Company for the year ended on 31st March, 2024.

FINANCIAL RESULTS

Particulars	(Rs. in Lakhs)	
	31 st March, 2024	31 st March, 2023
Gross profit before depreciation	1,512.53	682.05
Depreciation	1,172.29	1,272.74
Profit before tax	340.24	(590.69)
Provision for tax		
Current	56.80	-
- MAT credit	(56.80)	-
- Deferred	208.84	(11.88)
Surplus available for appropriation	131.40	(578.81)
Dividend (including dividend tax)	-	-
Amount transferred to general reserve	-	-
Surplus carried to balance sheet	131.40	(578.81)

WORKING RESULTS

The first quarter of the year began positively, with sales across various sectors showing a strong recovery from the turmoil caused by the unstable freight rates over the previous 18 months. This period of instability had significantly disrupted supply chains and increased costs, leading to widespread economic challenges. However, as Q1 progressed, businesses started to regain their footing, benefiting from more stable and predictable shipping costs. Globally, inflation rates remained under control, which was a crucial factor in this recovery. Central banks and Governments had implemented effective monetary and fiscal policies to keep inflation in check, ensuring that consumer purchasing power was not eroded. This stability in inflation rates provided a favorable environment for both consumers and businesses, fostering economic growth and confidence in the markets. The recovery was evident across various industries, from manufacturing and retail to technology and services. Companies reported increased demand for their products and services, leading to higher sales volumes and improved financial performance. This positive trend indicated a robust rebound from the previous period of economic uncertainty, setting a hopeful tone for the rest of the year.

By the second quarter, however, rising inflation rates prompted central banks across the globe to increase interest rates in an effort to curb consumption. These rate hikes were necessary to control inflation but had significant side effects, particularly on industries that are sensitive to borrowing costs. One of the most affected sectors was the construction and renovation industry. Higher interest rates led to increased costs for financing projects, which in turn caused delays

and cancellations of both residential and commercial construction activities. This slowdown was felt acutely, as construction Companies struggled with reduced demand and higher expenses. In addition to these challenges, Germany announced that it was experiencing recessionary effects during Q1, which had a ripple effect across Western Europe. By Q2, these effects manifested as a noticeable slump in sales across the region. This downturn in the European market added to the pressures faced by businesses already grappling with higher interest rates and inflation. The compounded economic difficulties were particularly severe for our Company. By the end of Q2, our banks reduced our credit limits, significantly straining our working capital. This reduction in available financing restricted our ability to purchase raw materials, directly impacting our production capabilities and overall operations. The tighter credit conditions forced us to reassess our financial strategies and seek alternative ways to manage cash flow and maintain business continuity. Overall, the second quarter presented a stark contrast to the optimism of Q1, highlighting the volatility and interconnectedness of global economic conditions. The combination of rising interest rates, regional recessions, and tighter credit conditions underscored the challenges businesses face in navigating an unpredictable economic landscape.

The third quarter, typically a seasonally slow period for many businesses, was marked by several significant challenges. Among the most impactful was the outbreak of renewed conflict in the Israel-Palestine region. This geopolitical instability had far-reaching consequences on global trade and logistics. The conflict led to increased shipping rates as insurers and freight companies adjusted

their risk assessments. The heightened risks associated with the region caused a surge in shipping costs, which in turn affected the pricing and availability of goods worldwide. Additionally, shipping times lengthened considerably due to increased security checks, rerouted shipping lanes, and port congestion. These delays disrupted supply chains, making it difficult for businesses to receive materials and deliver products on schedule. The escalation of shipping rates and prolonged shipping times compounded the existing economic pressures from earlier in the year. Businesses that were already struggling with higher interest rates and reduced working capital found it even more challenging to manage their logistics and maintain inventory levels. The increased costs and delays in shipping further strained profit margins and operational efficiency. Compounding these logistical challenges, the Israel-Palestine conflict directly impacted our sales, as Palestine and surrounding countries accounted for close to 10% of our total sales. The disruptions in these markets led to a significant drop in revenue from the region. With consumers and businesses in these areas facing uncertainty and reduced purchasing power, our sales efforts were severely hampered. The overall impact of these developments during Q3 underscored the vulnerabilities in global supply chains and the significant influence of geopolitical events on economic stability. Companies had to navigate these complexities by seeking alternative supply routes, renegotiating contracts, and adjusting their operational strategies to mitigate the disruptions caused by the conflict and rising shipping costs. This period highlighted the importance of flexibility and resilience in business operations, as well as the need for robust risk management strategies to cope with unforeseen geopolitical and economic challenges.

The fourth quarter was significantly impacted by the limited cash flow resulting from the challenges faced in Q3 and the banks' reduction in credit limits. The combined effects of a slow Q3, driven by geopolitical instability and disrupted supply chains, alongside tighter financial constraints, created a difficult operating environment. In Q3, the renewed conflict in the Israel-Palestine region had already strained our resources. Shipping rates surged, shipping times increased, and a critical market that constituted close to 10% of our sales was severely disrupted. These factors led to a downturn in revenue and increased operational costs. As Q4 began, these issues had a lingering impact on our cash flow. The banks' decision to reduce our credit limits at the end of Q2 continued to create significant pressure on our working capital. With reduced access to funds, we struggled to finance the purchase of raw materials and other essential inputs needed for production. This constrained our ability to maintain inventory levels, meet customer demand, and invest in growth opportunities. As a result, Q4 saw a cautious approach to expenditure across the board. Investments in new projects were delayed or scaled back, and operational budgets were tightened. We focused on optimizing existing resources, improving efficiency, and finding cost-saving measures wherever possible. This period demanded stringent financial management and strategic prioritization to navigate the cash flow limitations.

Despite these efforts, the limited cash flow affected various aspects of our business operations. Production schedules were disrupted, leading to delays in fulfilling orders. Our ability to respond to market opportunities and customer needs was constrained, which further impacted sales performance. The overall financial strain also led to challenges in maintaining supplier relationships and negotiating favorable terms. In summary, Q4 was marked by the significant impact of limited cash flow, a consequence of the slow Q3 and the reduction in credit limits by banks. This period highlighted the critical importance of liquidity and financial flexibility in maintaining business continuity and adapting to economic pressures. The experiences of Q4 reinforced the need for robust financial planning and risk management strategies to mitigate the effects of unforeseen disruptions.

DIVIDEND

Your directors have not recommended any dividend for the year 2023-2024.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year amount of Rs. 372,849/- for the Financial Year 2015-16 transferred 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 financial year 2023-24 there was no change in the Board.

However, in the Board meeting held on 26th July, 2024, the Board has appointed Shri Keshava Murthy Kalasachar (DIN: 10694491) and Shri Ashish Jyotindra Bhuta (DIN: 02149827) as Additional Directors in the category of Non-Executive Independent w.e.f. 26th July, 2024 for a consecutive period of five years subject to approval of the members in the ensuing Annual General Meeting.

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

Practicing Company Secretary Ms. Latika Jetley (CP No.: 3074) was appointed as the Secretarial Auditor by the Board for the financial year 2023-24 to conduct the Secretarial Audit. The Secretarial Audit Report along with the Annual compliance Secretarial Audit Report under SEBI Regulation for the year 2023-24 is annexed herewith as **Annexure II**. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

(c) Internal Auditor

The Board had appointed M/s Sreekantha & Co., Chartered Accountants, Hosur as the Internal Auditor of the Company for the year 2023-2024. Internal Audit report does not contain any qualifications, reservations or adverse remarks.

COMPLIANCE WITH SECRETARIAL STANDARDS

Secretarial Standards on Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries 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 Practicing Company Secretary's Certificate on Corporate Governance is enclosed as **Annexure III** to the Board's Report. The Auditors' Certificate for the year 2023-24 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 31st March, 2024.

Employed throughout the financial year, ended 31st March, 2024 in receipt of remuneration not less than One Crore Two Lakhs rupees per annum.

Name	Age	Qualification	Experience	Date of Commencement Employment	Designation	Remuneration	Last Employment
Shri Sunil Kumar Arora	65	B. Sc.	37 Years Years	3 rd May, 1988	Managing Director	18,629,513	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.

Sr. No.	Name	Ratio to median remuneration
1	Shri Sunil Kumar Arora, Managing Director	596.354
2	Shri Sundareshwara G Sastry	7.363
3	Shri Dinesh Chandra Kothari	4.322
4	Smt. Sujata Arora	5.122
5	Smt. Vinita Sood	6.242
6	Shri Sahil Arora, Whole-Time Director	136.061

- 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.

Sr. No.	Name	Ratio to median remuneration
1	Shri Sunil Kumar Arora, Managing Director	(90.01)
2	Shri Dinesh Chandra Kothari	35.00
3	Smt. Sujata Arora	18.52

Sr. No.	Name	Ratio to median remuneration
4	Smt. Vinita Sood	--
5	Shri Sahil Arora, Whole-Time Director	(2.01)
6	Shri Sundareshwara G. Sastry	12.20
7	Shri Sabyasachi Panigrahi, Company Secretary	-
8	Shri M. Madangopal CFO	(1.06)

- The percentage increase in the median remuneration of employees in the financial year: 0.63
- The number of permanent employees on the roll of Company: 248
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year ended 31st March, 2024: 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 forms part of this report also covers the following:

- Particulars of the Six 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 a 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 2024-2025 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: 23rd April, 2024

Sunil Kumar Arora
Managing Director
(DIN: 00150668)

Sahil Arora
Whole-Time Director
(DIN: 07970622)

Annexure I to The Board's Report

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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:**

Sr. 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	1
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:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	2023-24	NIL	NIL

6. Average net profit of the Company as per Section 135(5): Rs. 62,517,667.00
7. (a) Two percent of average net profit of the Company as per Section 135(5): Rs. 1,250,000.00
- (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): Rs. 1,250,000.00
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
1,250,000.00					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)	
Sr. 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 State District		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation -Direct (Yes/No)	Mode of Implementation - Through Implementing Agency 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)	
Sr. 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 State District		Amount spent for the project (in Rs.)	Mode of implementation -Direct (Yes/No)	Mode of implementation - Through implementing agency Name CSR Registration number
1	Rural Health care program	Promoting health care including preventive health care and sanitation	Yes	Tamil Nadu	Krishnagiri	1,250,000.00	No	Aro Charitable Trust --
TOTAL						1,250,000.00		

(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): 1,250,000/-

(g) Excess amount for set-off, if any: NIL

Sr. No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the Company as per Section 135(5)	1,250,000.00
(ii)	Total amount spent for the Financial Year	1,250,000.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(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)]	-

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

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.)	Amount spent in reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in Succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
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)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated form the project (in Rs.)	Amount spent on the project in the reporting Financial Year (Rs.)	Amount spent on the project in the reporting Financial Year (Rs.)	Status of the project - Completed/ Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (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
(DIN: 00150668)

Vinita Sood
Chairman-CSR Committee
(DIN: 06926832)

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
(DIN: 00150668)

Vinita Sood
Chairman-CSR Committee
(DIN: 06926832)

Annexure II To The Board's Report

MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[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 limited
1001, 10th Floor, DLF Tower-A,
Jasola, New Delhi 110025.

We have conducted the Secretarial Audit of the compliance of applicable Statutory Provisions and the adherence to good corporate practices by M/s Aro granite industries limited, (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 that 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. Compliance 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 a 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 31st March, 2024 (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 31st March, 2024 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) Regulations 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during audit period)**
 - d. The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations 2021; **(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) Regulations 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 2018. **(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 Rs. 12.50 Lakhs for CSR and spent Rs. 12.50 Lakhs under the Corporate Social Responsibility as per the relevant provisions of the Companies Act, 2013. During the year there were 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. Two Board Meetings were 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 are investments as per Section 186 of the Companies Act, 2013 by the Company. During the audit period an unsecured loan of Rs. 10.75 Crores taken from the Director as per the provisions of the Company Act, 2013. Total unsecured Loan is Rs. 15.75 Crores, out of which Rs. 13.33 Lakhs have been repaid during the year. The 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: 23rd April, 2024

Latika Jetley
Practising Company Secretary
ACS 12120, C.P.3074
UDIN: A012120F000214916

Annual Secretarial Compliance Report of Aro granite Industries limited for the financial year ended 31st March, 2024

[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:

- | | |
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| <p>(a) all the documents and records made available to us, and explanation provided by Aro granite Industries limited (“the listed entity”);</p> <p>(b) the filings/submissions made by the listed entity to the stock exchanges;</p> <p>(c) website of the listed entity;</p> <p>(d) any other document/filing, as may be relevant, which has been relied upon to make this certification for the year ended 31st March, 2024, from 1st April, 2023 to 31st March, 2024 (“Review Period”) in respect of compliance with the provisions of:</p> <ol style="list-style-type: none"> 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”); | <p>b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. (Not Applicable during the period under review)</p> <p>c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.</p> <p>d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. (Not Applicable during the period under review)</p> <p>e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. (Not Applicable during the period under review)</p> <p>f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not Applicable during the period under review)</p> <p>g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. (Not Applicable during the period under review)</p> <p>h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.</p> <p>i) Securities and Exchange Board of India (Depository and Participant) Regulations, 2018 and circulars/guidelines issued thereunder.</p> |
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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.

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 the 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	

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

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/Remarks by PCS*
3.	Maintenance and disclosures on Website: <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.	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.	Yes	
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: <p>(a) Identification of material subsidiary companies.</p> <p>(b) Disclosure requirement of material as well as other subsidiaries.</p>	N.A.	
6.	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.	Yes	
7.	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.	Yes	
8.	Related Party Transactions: <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.	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.	Yes	
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	
11.	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 (**).	Yes	
12.	Additional non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	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 18th October 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.	<p>Compliances with the following conditions while appointing/re-appointing an auditor:</p> <p>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</p> <p>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</p> <p>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.</p>	N.A.	
2.	<p>Other conditions relating to resignation of statutory auditor.</p> <p>i. Reporting of concerns by Auditor with respect to the listed entity/ its material subsidiary to the Audit Committee;</p> <p>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:</p> <p>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.</p> <p>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.</p> <p>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.</p>	N.A.	
3.	<p>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 18th October, 2019.</p>	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:

Sr. 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	Remarks
NIL										

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

Sr. 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	Remarks
Not Applicable										

Place: New Delhi
Date: 2nd May, 2024

Latika Jetley
 ACS. 12120
 CP NO: 3074
 Peer Review No.1779/2022
UDIN No. A012120F000292510

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 31st March, 2024, 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 the 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: 23rd April, 2024

Latika Jetley
Practising Company Secretary
ACS 12120, C.P.3074
UDIN: A012120F000214949

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 87,59,257 units were consumed and the per Sq. mt. power consumption cost only Rs. 229.80.

(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

(Rs. in Lakhs)

Particulars	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Export of Goods (FOB)	13,777.26	14,154.38

(b) Expenditure in Foreign Currency

(Rs. in Lakhs)

Value of Imports (CIF)	Year ended 31 st March, 2024		Year ended 31 st March, 2023	
Capital Goods	-	-	838.09	21.07%
Raw Materials	134.29	8.32%	1,201.72	30.22%
Consumables	1,298.76	80.43%	1,808.70	45.48%
Stores & Spares	140.44	8.70%	86.53	2.18%
Overseas Business Travelling	20.96	1.30%	21.88	8.55%
Other Expenses	20.24	1.25%	20.00	0.50%

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. Six Board Meetings were held during the Financial Year ended 31st March, 2024, on 19th May 2023, 29th June 2023, 4th August 2023, 8th September 2023, 31st October 2023 and 2nd February 2024. Attendance and other details are given below:

Name of the Director	Category	No. of Board Meetings attended	Whether last AGM attended (8 th September, 2023)	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)	6	Yes	-	-	-	-
Shri Sahil Arora [@] Whole-Time Director (07970622)	Executive (Promoter)	6	Yes	-	-	-	-
Shri Dinesh Chandra Kothari (00195609)	Non-Executive and Independent	3	Yes	-	-	-	-
Smt. Sujata Arora [@] (00112866)	Non-Executive (Promoter)	6	Yes	-	-	-	-
Smt. Vinita Sood (06926832)	Non-Executive and Independent	5	Yes	-	-	-	-
Shri Sundareshwara G Sastry (00165762)	Non-Executive and Independent	6	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 31st March, 2024, 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 immediately 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 2023-24

During the financial year 2023-24 there was no change in the Board.

However, in the board meeting held on 26th July, 2024, the Board has appointed Shri Keshava Murthy Kalaschar (DIN: 10694491) and Shri Ashish Jyotindra Bhuta (DIN: 02149827) as Additional Directors in the category of Non-Executive Independent w.e.f. 26th July, 2024 for a period of consecutive period of five years subject to approval of the members in the ensuing Annual General Meeting.

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 31st March, 2024, four meetings of the Audit Committee were held. Date of meetings (number of members attended): 19th May 2023(4), 4th August 2023(4), 31st October 2023(3) and 2nd February 2024(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 31st March, 2024, two meetings were held. Date of Meeting (number of members attended): 19th May 2023(3), 4th August 2023(3).

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, Dematerialisation/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 31st March, 2024, One meeting of the Stakeholders Relationship Committee was held. Date of meeting (number of members attended): 19th May 2023(3).

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
2020-2021	Through VC/OAV means	24 th September, 2021	12.30 P.M.	Yes
2021-2022	Through VC/OAV means	26 th August, 2022	12.30 P.M.	Yes
2022-2023	Through VC/OAV means	8 th September, 2023	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 the 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 2020-21, 2021-22 and 2022-23 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

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 31st March, 2024, one meeting was held. Date of Meeting (number of members attended): 19th May 2023 (4)

8. REMUNERATION OF DIRECTORS

- a) Executive Directors: The aggregate amount of Salary, HRA paid during the financial year ended 31st March, 2024 Shri Sunil Kumar Arora, Managing Director was Rs. 18,629,513/- and Shri Sahil Arora, Whole-Time Director was Rs. 4,250,409/-
- b) Non-Executive Directors: During the year 2023-2024, the Company has paid sitting fees of Rs. 560,000/- to all the Independent Directors. Other Non-Executive Director Smt. Sujata Arora was paid sitting fees of Rs. 160,000/-

(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 31st March, 2024. 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.

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”**.

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

During the year 2023-24, total fees for all services paid by the Company to M/s. Alok Mittal & Associates, Statutory Auditors is Rs. 10.00 Lakhs.

Sr. 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

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 : Wednesday, 18th September, 2024
- 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 30th June 2024
 - for the quarter ending 30th September 2024 : Within 45 days of the end of the quarter
 - for the quarter ending 31st December 2024
 - for the year ending 31st March 2025 (If unaudited) (If audited) : Within 60 days of the end of the quarter Between July and September 2025
 - Annual General Meeting for the Financial Year 2024-25
- (iv) Date of Book Closure : From 12th September, 2024 to 18th September, 2024 (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). The Annual Listing Fee for the Financial Year 2023-24 has been paid to BSE and NSE.
- (vi) Security Code for : **BSE:** 513729
- Company's Equity Shares ISIN No. : **NSE:** AROGRANITE/EQ
- : INE210C01013

(vii) Stock Market Data

Month (2023-24)	Bombay Stock Exchange (BSE)		National Stock Exchange of India Limited (NSE)	
	HIGH	LOW	HIGH	LOW
April 2023	45.70	37.35	45.40	37.60
May 2023	43.40	38.56	43.40	38.70
June 2023	45.89	39.11	45.95	39.20
July 2023	47.50	40.11	47.60	39.50
August 2023	54.00	42.65	53.65	42.30
September 2023	61.50	49.45	61.65	49.00
October 2023	65.55	48.69	66.00	48.90
November 2023	51.00	46.70	52.00	47.00
December 2023	53.90	47.10	53.40	47.10
January 2024	67.95	49.89	69.30	50.00
February 2024	65.05	48.10	65.40	51.20
March 2024	56.75	41.49	56.75	41.10

(viii) Distribution of Shareholding as on 31st March, 2024

Category (No. of Shares)	No. of Equity Shares	%	No. of Shareholders	%
1-500	1328427	8.68	10012	81.72
501-1000	875424	5.72	1096	8.95
1001-5000	1991206	13.01	935	7.63
5001-10000	863902	5.65	113	0.92
10001 and above	10241041	66.93	95	0.78
TOTAL	15300000	100.00	12251	100.00

(ix) Shareholding Pattern as on 31st March, 2024

Sr. No.	Shareholders	No of Shares	% of Shareholding
1	Directors & Relatives	6282856	41.06
2	Non-Residents Individuals/OCBs	230142	1.50
3	Private Corporate Bodies	772593	5.05
4	General Public	8015409	52.38
	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 31st March, 2024, 98.34% 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 Limited

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 ID: 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 ID: 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
(DIN: 00150668)

Managing Director Certification

To,
The Board of Directors
Aro granite industries limited

1. I have reviewed financial statements and the cash flow Statement of Aro granite industries limited for the financial year ended 31st March, 2024 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
(DIN: 00150668)

“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 limited
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 limited** 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 31st March, 2024 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	01.04.2024
Sahil Arora	07970622	01.11.2023
Dinesh Chandra Kothari	00195609	31.08.2019
Sundareshwara G Sastry	00165762	28.10.2022
Sujata Arora	00112866	08.09.2023
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.

Place: Hosur
Date: 23rd April, 2024

Latika Jetley
Company Secretary
ACS 12120, C.P.3074
UDIN: A012120F000214894

Independent Auditors' 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 31st March, 2024, 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 31st March, 2024 and its Profit, 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
1. Provisions and contingent liabilities in relation to tax positions	
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.	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.
Refer Note 38 to the financial statements.	For Legal, regulatory and tax matters our procedures included the following: <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.
	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 31 st March, 2024 to be appropriate.

Key Audit Matter	Auditor's Response
2. Related Party Transactions	
<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 related 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 AUDITORS' 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 Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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 Auditors' 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 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) 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 Auditors' 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 Auditors' 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 1st April 2023, and accordingly reporting under Rule 11(g) of Companies (Audit and Auditors) Rules 2014 is applied for the financial year ended 31st March, 2024.
2. As required by the Companies (Auditors' 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
M.N.: 071205

Place: Hosur, Tamil Nadu
Date: 23rd April, 2024

UDIN: 24071205BKASTJ7550

“Annexure A”

TO THE INDEPENDENT Auditors' 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 31st March, 2024 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.

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

Alok Kumar Mittal
Partner
M.N.: 071205

Place: Hosur, Tamil Nadu
Date: 23rd April, 2024

UDIN: 24071205BKASTJ7550

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 31st March, 2024, 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.

“Annexure B”

TO THE INDEPENDENT AUDITORS' 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 31st March, 2024 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 Crores 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 31st March, 2024 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
M.N.: 071205

Place: Hosur, Tamil Nadu

Date: 23rd April, 2024

UDIN: 24071205BKASTJ7550

Balance Sheet

As at 31st March, 2024

(Amount in Rs. Lakhs)

Particulars	Note	As at 31 st March, 2024	As at 31 st March, 2023
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	13,813.17	14,942.05
Capital Work-in-Progress	5	97.75	97.75
Intangible Assets	5	12.89	17.37
Right of Use Asset	6	1,046.67	1,056.22
Financial assets			
- Investments	7(a)	57.55	93.35
- Other financial assets	7(b)	176.50	204.32
Other non-current assets	8	14.17	4.94
Total non-current assets		15,218.70	16,416.00
Current Assets			
Inventories	9	21,335.17	19,936.37
Financial Assets			
- Investments	10(a)	26.45	16.19
- Trade Receivables	10(b)	4,958.02	6,153.64
- Cash and Cash Equivalents	10(c)	74.91	42.14
- Earmarked Balances with Bank	10(d)	6.73	10.56
- Bank balances other than cash and cash equivalents	10(e)	788.74	544.78
- Loans	10(f)	2.99	6.04
Other current assets	11	2,047.28	1,908.94
Current Tax Assets (Net)	22	-	3.10
Total current assets		29,240.29	28,621.76
Total Assets		44,458.99	45,037.76
Equity and Liabilities			
Equity			
Equity Share Capital	12	1,530.00	1,530.00
Other Equity	13	17,672.41	17,531.43
Total equity		19,202.41	19,061.43
Liabilities			
Non-current liabilities			
Financial Liabilities			
- Borrowings	14	4,640.84	6,020.78
Provisions	15	229.20	231.14
Deferred Tax Liabilities (Net)	16	1,337.54	1,128.99
Total non-current liabilities		6,207.58	7,380.91
Current Liabilities			
Financial Liabilities			
- Borrowings	17	14,233.85	14,481.27
- Trade Payables	18		
Total Outstanding Dues of micro & small enterprises		360.21	-
Total Outstanding Dues of creditors other than above		3,661.20	3,571.69
- Other Financial Liabilities	19	397.18	246.91
Other Current Liabilities	20	259.56	226.00
Provisions	21	83.33	69.55
Current Tax Liability (Net)	22	53.67	-
Total current liabilities		19,049.00	18,595.42
Total Liabilities		25,256.58	25,976.33
Total Equity and Liabilities		44,458.99	45,037.76
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

For and on behalf of the Board

Alok Kumar Mittal
Partner
Membership No. 071205
UDIN: 24071205BKASTJ7550

Place: Hosur, Tamil Nadu
Date: 23rd April, 2024

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

Statement of Profit and Loss

For the year ended 31st March, 2024

(Amount in Rs. Lakhs)

Particulars	Notes	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Revenue from Operations	23	15,509.48	16,390.20
Other Income	24	37.75	54.63
Total Income		15,547.23	16,444.83
Expenses:			
Cost of materials consumed	25	8,326.11	10,211.43
Purchase of Stock-in-Trade		252.22	64.38
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(1,207.78)	(2,029.22)
Employee Benefit Expense	27	1,588.07	1,661.41
Financial Costs	28	1,610.91	1,278.01
Depreciation and Amortization Expense	29	1,172.29	1,272.74
Other Expenses	30	3,465.17	4,576.77
Total Expenses		15,206.99	17,035.52
Profit before exceptional items & Tax		340.24	(590.69)
Less: Exceptional Items		-	-
Profit/(Loss) before Tax		340.24	(590.69)
Tax Expenses:	31		
- Current tax		56.80	-
Less: Mat Credit Entitlement		(56.80)	-
- Deferred tax		208.84	(11.88)
		208.84	(11.88)
Profit/(Loss) for the period		131.40	(578.81)
Other Comprehensive Income/(Expenditure)			
- Remeasurement of the Defined Benefit Plans to Employees		(0.98)	(2.35)
- Net change in fair values of investment in equity shares carried at fair value through OCI		7.58	(9.11)
- Income Tax relating to Items that will not be reclassified to Profit & Loss		(2.58)	3.18
Total Comprehensive Income/(Loss)		135.42	(587.09)
Earning per equity share of Rs. 10 each	32		
Basic		0.89	(3.84)
Diluted		0.89	(3.84)
The above Statement of Profit & Loss should be read in conjunction with the accompanying notes	1-46		

This is the Statement of Profit & Loss referred to in our report of even date.

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: 24071205BKASTJ7550

Sunil Kumar Arora
Managing Director
DIN: 00150668

Sahil Arora
Whole-Time Director
DIN: 07970622

Place: Hosur, Tamil Nadu
Date: 23rd April, 2024

S. Panigrahi
Company Secretary
FCS No.: F-4522

M. Madangopal
CFO
ICAI M No.: 207947

Statement of Cash Flows

For the year ended 31st March, 2024

(Amount in Rs. Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
A. Cash Flow from operating activities		
Profit before exceptional item and tax	340.24	(590.69)
Adjustments For		
Depreciation and amortization expense	1,172.29	1,272.74
Finance Cost	1,610.91	1,278.01
Foreign currency fluctuation (Gain/Loss)	(3.58)	746.70
Interest Income on FD with banks and others	(19.32)	(37.37)
Operating Profit before working capital changes	3,100.54	2,669.39
Adjustment for Working Capital Changes		
Decrease/(Increase) in Trade receivables	1,195.62	1,154.54
Decrease/(Increase) in other receivables	(91.18)	(140.99)
Decrease/(Increase) in inventories	(1,398.79)	(2,205.79)
(Decrease)Increase in Provisions	11.84	(15.64)
(Decrease)Increase in Trade and other payables	685.40	27.55
Cash generated from Operations	3,503.43	1,489.07
Taxes paid	-	93.40
Net Cash flow from operating activities	3,503.43	1,395.67
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and equipment & WIP	(15.16)	(340.18)
Sale of Fixed Assets	-	-
Interest received	19.32	37.37
Net cash flow from investing Activities	4.16	(302.81)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Current Borrowings	(1,379.95)	(511.43)
Repayment of Long term Borrowings (Secured)	(247.41)	1,083.18
Interest paid	(1,610.91)	(1,278.01)
Foreign currency fluctuation (Gain/Loss)	3.58	(746.70)
Net Cash from financing Activities	(3,234.69)	(1,452.96)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	272.90	(360.10)
Opening balance of Cash & Cash equivalents	597.48	957.58
Closing balance of Cash & cash equivalent	870.38	597.48
Cash and cash Equivalents comprises		
Cash in Hand	3.29	2.77
Balance with Scheduled Banks		
- In current Accounts	71.62	39.37
- Earmarked Balances with Bank	6.73	10.56
- In Other Fixed Deposit Accounts	530.45	189.45
- In Fixed Deposit Accounts as Margin Money	258.29	355.33
Total Cash and Cash Equivalents	870.38	597.48

- 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: 24071205BKASTJ7550

Place: Hosur, Tamil Nadu
Date: 23rd April, 2024

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

Statement of Changes in Equity

For the year ended 31st March, 2024

A. EQUITY SHARE CAPITAL

(Amount in Rs. Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
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 Rs. Lakhs)

Particulars	Reserves and Surplus			Total
	General Reserve [#]	Retained Earnings	Securities Premium Reserve [^]	
Balance as at 31st March, 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)
Transfer from Retained Earnings to General Reserves	-	-	-	-
As At 31st March, 2023	3,220.68	13,903.56	407.20	17,531.44
Profit for the year	-	131.40	-	131.40
Previous Year Adjustment	-	5.55	-	5.55
Other comprehensive income for the year				
- Remeasurement of the Defined Benefit Plans to Employees	-	(0.98)	-	(0.98)
- Net change in fair values of investment in equity shares carried at fair value through OCI	-	7.58	-	7.58
- Income Tax relating to Items that will not be reclassified to Profit & Loss	-	(2.58)	-	(2.58)
As at 31st March, 2024	3,220.68	14,044.53	407.20	17,672.41

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

For and on behalf of the Board

Alok Kumar Mittal
Partner
Membership No. 071205
UDIN: 24071205BKASTJ7550
Place: Hosur, Tamil Nadu
Date: 23rd April, 2024

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 3rd May, 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 year ended 31st March, 2024 were approved by the Board of Directors and authorized for issue on 23rd April, 2024.

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 31st March, 2026] and other provisions of the Act.

Effective 1st April, 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 1st April, 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 31st March, 2024 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 assets' useful life or over the shorter of the assets' 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 nonmonetary 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. (A) Property, Plant and Equipment

(Amount in Rs. Lakhs)

	Plant & Equipment	Buildings	Furniture & Fixtures	Office Equipment	Vehicle	Freehold Land	Tangible Assets	Intangible Assets	Capital Work -in-Progress	Total
Gross Block										
As at 1st April 2023	9,609.06	5,865.88	55.81	211.46	518.82	306.63	16,567.66	24.23	97.75	16,689.64
Add: Addition	-	14.83	-	3.33	-	-	18.16	-	-	18.16
Less: Disposals/ Adjustment	-	-	-	-	-	-	-	-	-	-
Add/Less: Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2024	9,609.06	5,880.71	55.81	214.79	518.82	306.63	16,585.82	24.23	97.75	16,707.80
Accumulated Depreciation										
As at 1st April 2023	7,821.44	2,167.92	52.69	131.86	416.96	-	10,590.87	10.13	-	10,601.00
Add: Charge For the year	271.11	290.21	2.79	4.90	24.48	-	593.49	1.21	-	594.70
Less: Disposals/ Adjustment	-	-	-	-	-	-	-	-	-	-
Add/Less: Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2024	8,092.55	2,458.13	55.48	136.76	441.44	-	11,184.36	11.34	-	11,195.70
Net Block										
As at 1st April 2023	1,784.65	3,697.96	3.12	79.60	101.85	306.63	5,973.81	17.37	97.75	6,088.93
As at 31st March, 2024	1,516.51	3,422.57	0.33	78.03	77.38	306.63	5,401.45	12.89	97.75	5,512.09

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

(Amount in Rs. Lakhs)

	Plant & Equipment	Buidings	Furniture & Fixtures	Office Equipment	Vehicle	Freehold Land	Tangible Assets	Intangible Assets	Capital Work -in Progress	Total
Gross Block										
As at 1st April 2023	3,480.24	2,026.17	9.80	78.42	31.91	126.08	5,752.62	-	-	5,752.62
Add: Addition	11.23	-	-	-	-	-	11.23	-	-	11.23
Less: Diposals	-	-	-	-	-	-	-	-	-	-
Add/Less: Change Due to Revaluation										
As at 31st March, 2024	3,491.47	2,026.17	9.80	78.42	31.91	126.08	5,763.85	-	-	5,763.85
Accumulated Depreciation										
As at 1st April 2023	756.06	238.47	2.59	37.90	14.32	-	1,049.34	-	-	1,049.34
Add: Charge For the year	239.82	63.39	0.93	9.18	3.80	-	317.12	-	-	317.12
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Add/Less: Change Due to Revaluation										
As at 31st March, 2024	995.88	301.86	3.52	47.08	18.12	-	1,366.46	-	-	1,366.46
Net Block										
As at 1st April 2023	2,724.37	1,787.70	7.21	40.52	17.58	126.08	4,703.47	-	-	4,703.47
As at 31st March, 2024	2,495.59	1,724.31	6.28	31.34	13.79	126.08	4,397.39	-	-	4,397.39

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

	(Amount in Rs. Lakhs)									
	Plant & Equipment	Buidings	Furniture & Fixtures	Office Equipment	Vehicle	Freehold Land	Tangible Assets	Intangible Assets	Capital Work -in Progress	Total
Gross Block										
As at 1st April 2023	2,929.45	1,865.04	16.72	0.96	-	-	4,812.17	-	-	4,812.17
Add: Addition	-	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Add/Less: Change Due to Revaluation										
As at 31st March, 2024	2,929.45	1,865.04	16.72	0.96	-	-	4,812.17	-	-	4,812.17
Accumulated Depreciation										
As at 1st April 2023	411.53	132.27	2.66	0.65	-	-	547.11	-	-	547.11
Add: Charge For the year	190.18	58.67	1.59	0.29	-	-	250.73	-	-	250.73
Less: Disposals	-	-	-	-	-	-	-	-	-	-
Add/Less: Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2024	601.71	190.94	4.25	0.94	-	-	797.84	-	-	797.84
Net Block										
As at 1st April 2023	2,523.48	1,791.44	15.36	0.61	-	-	4,330.89	-	-	4,330.89
As at 31st March, 2024	2,327.73	1,674.10	12.48	0.02	-	-	4,014.33	-	-	4,014.33
GROSS TOTAL (A+B+C) As at 31 March, 2023	7,026.64	7,218.43	24.39	120.45	119.43	432.71	14,942.05	17.37	97.75	15,057.17
GROSS TOTAL (A+B+C) As at 31 st March, 2024	6,339.83	6,820.99	19.08	109.38	91.18	432.71	13,813.17	12.89	97.75	13,923.79

SEGMENT WISE REVENUE, ASSETS & LIABILITY

(Amount in Rs. Lakhs)

Particulars	Quartz Division	Granites Division	Total	Unallocable	Grand Total
(1) Revenue from Operations					
Domestic Sales	-	1,450.92	1,450.92	-	1,450.92
Export Sale	4,181.80	9,876.76	14,058.56	-	14,058.56
Misc. Income	16.71	21.03	37.74	-	37.74
Grand Total	4,198.51	11,348.71	15,547.22	-	15,547.22
(2) Expenses					
(i) RM Consumption					
Opening Stock	170.22	1,417.59	1,587.81	-	1,587.81
Purchase	2,438.81	3,728.67	6,167.48	-	6,167.48
	2,609.03	5,146.26	7,755.29	-	7,755.29
Closing Stock	(153.51)	(1,848.54)	(2,002.05)	-	(2,002.05)
	2,455.52	3,297.72	5,753.24	-	5,753.24
(ii) Consumption of Packing Material					
Opening Stock	6.70	69.50	76.20	-	76.20
Purchase	53.45	399.22	452.67	-	452.67
	60.15	468.72	528.87	-	528.87
Closing Stock	(2.49)	(116.25)	(118.73)	-	(118.73)
	57.66	352.47	410.14	-	410.14
(iii) Consumption of Consumable					
Opening Stock	226.80	1,319.75	1,546.55	-	1,546.55
Purchase	277.52	1,590.45	1,867.97	-	1,867.97
	504.32	2,910.20	3,414.52	-	3,414.52
Closing Stock	(305.48)	(946.31)	(1,251.79)	-	(1,251.79)
	198.84	1,963.89	2,162.73	-	2,162.73
(iv) Consumption of Store and Spares					
Opening Stock	52.38	868.15	920.53	-	920.53
Purchase	17.43	172.88	190.30	-	190.30
	69.81	1,041.03	1,110.83	-	1,110.83
Closing Stock	(53.79)	(895.75)	(949.54)	-	(949.54)
	16.02	145.28	161.29	-	161.29
(v) Purchase of Stock-In-Trade	-	252.22	252.22	-	252.22
(vi) Changes of Inventory in Finished Goods and Work-In-Process	(342.18)	(865.60)	(1,207.78)	-	(1,207.78)
(vii) Finance Cost	459.50	1,151.41	1,610.91	-	1,610.91
(viii) Depreciation	250.73	921.56	1,172.29	-	1,172.29

SEGMENT WISE REVENUE, ASSETS & LIABILITY (Contd.)

(Amount in Rs. Lakhs)

Particulars	Quartz Division	Granites Division	Total	Unallocable	Grand Total
(ix) Employee Benefit Expenses					
Salaries, Wages & Bonus	170.85	1,056.29	1,227.14	-	1,227.14
Contribution to provident and other funds	5.29	57.08	62.37	-	62.37
Gratuity	-	36.84	36.84	-	36.84
Compensated absences	-	2.79	2.79	-	2.79
Staff welfare expenses	70.23	188.71	258.93	-	258.93
	246.37	1,341.71	1,588.07	-	1,588.07
(x) Other Expenses					
Advertisement & Publicity	-	2.22	2.22	-	2.22
Auditors Remuneration					
- Auditor's Fees	-	6.70	6.70	-	6.70
- Tax Audit Fees	-	3.30	3.30	-	3.30
CSR Activity Expenses	-	16.14	16.14	-	16.14
Commission Paid		-	-	-	-
Donation	-	0.67	0.67	-	0.67
Freight and Forwarding Charges	156.21	527.91	684.12	-	684.12
Insurance Expenses	30.68	53.27	83.95	-	83.95
Legal Expenses	-	10.04	10.04	-	10.04
Membership & Subscription	-	5.85	5.85	-	5.85
Miscellaneous Expenses	1.41	4.38	5.79	-	5.79
Other Manufacturing Expenses	93.17	402.95	496.12	-	496.12
Printing & Stationery	5.33	9.77	15.10	-	15.10
Power & Fuel	225.99	609.08	835.07	-	835.07
Professional Service Charges	3.96	38.89	42.85	-	42.85
Rates & Taxes	17.50	36.15	53.65	-	53.65
Custom Duty on Domestic Sales	-	16.86	16.86	-	16.86
Rebate & Discount	13.96	76.06	90.02	-	90.02
Repairs to Buildings	-	188.87	188.87	-	188.87
Repair to Plant & Machinery	105.36	174.88	280.24	-	280.24
Repair & Maintenance					
- Electricals	-	2.67	2.67	-	2.67
- Vehicles	-	81.00	81.00	-	81.00
- Others	0.69	14.55	15.23	-	15.23
Sales Promotion	43.08	116.21	159.29	-	159.29
Telephone & Telex	6.58	16.28	22.86	-	22.86

SEGMENT WISE REVENUE, ASSETS & LIABILITY (Contd.)

(Amount in Rs. Lakhs)

Particulars	Quartz Division	Granites Division	Total	Unallocable	Grand Total
Travelling & Conveyance					
- Employees (Foreign Travel - NIL) (P.Y. NIL)	23.59	93.94	117.53	-	117.53
- Director (Foreign Travel - NIL) (P.Y. NIL)	-	67.75	67.74	-	67.74
	727.51	2,576.39	3,303.88	-	3,303.90
Total Cost	4,069.95	11,137.04	15,206.99	-	15,207.00
(3) Profit Before Tax	128.56	211.67	340.23	-	340.23
(4) Segment Assets					
Property, Plant and Equipment	4,014.33	9,798.84	13,813.17	-	13,813.17
Capital Work-in-Progress	-	97.75	97.75	-	97.75
Intangible Assets	-	20.99	20.99	-	20.99
Right of Use Asset	-	1,046.67	1,046.67	-	1,046.67
Financial assets					
(a) Investments	-	57.55	57.55	-	57.55
(b) Other financial asset	-	176.50	176.50	-	176.50
Other non current assets	8.24	5.94	14.17	-	14.17
Current Assets					
Inventories	1,537.21	19,797.95	21,335.17	-	21,335.17
Financial Assets					
(a) Investments	-	26.45	26.45	-	26.45
(b) Trade Receivables	991.91	3,966.10	4,958.01	-	4,958.01
(c) Cash and Cash Equivalent	0.01	74.90	74.91	-	74.91
(d) Bank balances other than (c) above	-	795.48	795.48	-	795.48
(e) Loans	-	2.99	2.99	-	2.99
(f) Other financial assets	-	-	-	-	-
Other current assets	20.63	2,025.43	2,046.06	-	2,046.06
Total	6,572.33	37,893.54	44,465.87	-	44,465.87
Less: Transfer from Inter Segment	(4,779.49)	4,779.49	-	-	-
Total Assets	1,792.83	42,673.04	44,465.87	-	44,465.87
(5) Segment Liabilities					
Non-current Liabilities					
Financial Liabilities					
(a) Borrowings	769.23	3,871.60	4,640.84	-	4,640.84
Provisions	-	229.20	229.20	-	229.20
Deferred Tax Liabilities (Net)	410.67	926.87	1,337.54	-	1,337.54
Current Liabilities					

SEGMENT WISE REVENUE, ASSETS & LIABILITY (Contd.)

(Amount in Rs. Lakhs)

Particulars	Quartz Division	Granites Division	Total	Unallocable	Grand Total
Financial Liabilities					
(a) Borrowings	307.69	13,926.16	14,233.85	-	14,233.85
(b) Trade Payables	1,064.91	2,956.50	4,021.41	-	4,021.41
(c) Other Financial Liabilities	44.35	352.83	397.18	-	397.18
Provisions	-	83.33	83.33	-	83.33
Other Current Liabilities	2.29	310.94	313.23	-	313.23
Total Liabilities	2,599.14	22,657.43	25,256.57	-	25,256.57

NOTE 6: RIGHT TO USE ASSET PARTICULARS

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
	Land	Land
Opening Balance	1,056.22	1,065.76
Reclassified on adoption of Ind AS 116	-	-
Additions	-	-
Deductions	-	-
Depreciation/Amortisation	9.55	9.54
Balance as at 31st March, 2024	1,046.67	1,056.22

NOTE 7:**(a) Investments**

Particulars	Paid Up Value	As at 31 st March, 2024		As at 31 st March, 2023	
		Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments at FVOCI	10 each	5,75,525	57.55	9,33,525	93.35
Tulip Renewable Powertech Pvt Ltd		5,75,525	57.55	9,33,525	93.35

*(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)

(b): Other Financial Assets

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Security Deposits	176.50	204.32
Total	176.50	204.32

NOTE 8: OTHER NON-CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unsecured, considered good:		
Capital Advances	14.17	4.94
Total	14.17	4.94

NOTE 9: INVENTORIES

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Raw Materials	2,002.05	1,587.81
Finished Goods	15,876.69	15,110.19
Semi Finished Goods	1,136.37	695.09
Packing Materials	118.73	76.20
Stores and Spares	949.54	920.53
Consumables	1,251.79	1,546.55
Total	21,335.17	19,936.37

NOTE 10:**(a) Investments**

Particulars	Paid Up Value	As at 31 st March, 2024		As at 31 st March, 2023	
		Number of Shares	Amount (Rs. in Lakhs)	Number of Shares	Amount (Rs. in Lakhs)
Investment in Equity Instruments					
I. Quoted- Others (at fair value through OCI)					
Bank of Baroda	2 each	5980	15.80	5,980	10.09
Pokerna Limited	2 each	2500	10.65	2,500	6.10
			26.45		16.19

(b) Trade Receivables*(i)*

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Trade Receivable Considered Good - Secured	-	-
Trade Receivable Considered Good - Unsecured	4,958.02	6,153.64
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable - Credit Impaired	-	-
Total	4,958.02	6,153.64

"Details of related parties included in Trade Receivables disclosed at Note No-40 "Related Party Transactions"

(b) Trade Receivables (Contd.)

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Trade Receivables (Debtors) ageing Schedule:		
Outstanding for following periods from due date of payment		
(i) Undisputed Trade Receivables - Considered Good		
Less than 6 Months	3,686.20	4,999.05
6 Months - 1 Years	248.47	527.34
1-2 Years	395.32	42.86
2-3 Years	35.74	7.66
More than 3 Years	592.29	576.73
Total	4,958.02	6,153.64
(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	-	-
Total	-	-

(b) Trade Receivables (Contd.)

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
(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	-	-

(c) Cash & Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balances with Banks		
- In Current Account	71.62	39.37
Cash in Hand	3.29	2.77
Total	74.91	42.14

(d) Earmarked Balances with Bank

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unclaimed dividend deposited in Bank	6.73	10.56
Total	6.73	10.56

(e) Bank Balances other than Cash & Cash Equivalents

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Balances in fixed deposit accounts with original maturity more than 3 months but less than 12 months	530.45	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	258.29	355.33
Total	788.74	544.78

(f) Loans

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Unsecured, considered good		
Loan to Employees	2.99	6.04
Total	2.99	6.04

NOTE 11: OTHER CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of Shares	Amount (Rs. in Lakhs)	Number of Shares	Amount (Rs. in Lakhs)
(i) Advance other than Capital Advance				
Advance to Suppliers		473.57		622.92
Other Advances		-		0.44
(ii) Others				
Prepaid Expenses		129.60		126.41
Indirect Tax Balances/recoverable/credits		951.23		723.09
Income Tax Receivables		26.00		26.00
MAT Credit Entitlement		466.88		410.08
Total		2,047.28		1,908.94

NOTE 12: EQUITY SHARE CAPITAL

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of Shares	Amount (Rs. in Lakhs)	Number of Shares	Amount (Rs. in Lakhs)
(a) Authorised:				
Equity shares of the par value of Rs. 10/- each	1,96,00,000	1,960	1,96,00,000	1,960
40,000, 10% Convertible Cumulative Preference Shares (CCPS) of Rs. 100 each (PY 40,000 CCPS)	40,000	40	40,000	40
	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
	1,53,00,000	1,530	1,53,00,000	1,530

a) Reconciliation of Number of Shares

Particulars	As at 31 st March, 2024		As at 31 st March, 2023	
	Number of Shares	Amount (Rs. in Lakhs)	Number of Shares	Amount (Rs. in Lakhs)
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 31st March, 2024

Name of Promoter's	No. 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

b) Shares held by promoters at the Year ended 31st March, 2024 (Contd.)

Name of Promoter's	No. of Shares	% of total shares	% Change during the Quarter
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 31 st March, 2024		As at 31 st March, 2023	
	Number of Shares	Amount (Rs. in Lakhs)	Number of Shares	Amount (Rs. in Lakhs)
Sunil Kumar Arora	48,87,540	31.94	48,87,540	31.94
Dilip Kumar Lakhi	6,79,328	4.44	9,04,286	5.91

NOTE 13: OTHER EQUITY

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Retained earnings	13,909.08	14,490.64
General Reserve	3,220.68	3,220.68
Securities premium account	407.20	407.20
Profit for the year	131.40	(578.81)
Other comprehensive income	4.02	(8.28)
Total	17,672.41	17,531.43

NOTE 14: BORROWINGS

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Secured		
Term Loan from Banks	6,010.20	7,398.92
Less: Current Maturities of Long Term Debt	1,369.36	1,378.14
Total	4,640.84	6,020.78

Description of Loans

(Rs. in Lakhs)

Particulars	Term of Repayment	As at 31 st March, 2024	As at 31 st March, 2023
FCNRB - BOB A/C NO 21000600000882	Quarterly	1,658.27	2,114.31
HDFC Bank Term Loan	Quarterly	1,076.91	1,384.61
Loan under GECL HDFC Bank Ltd	Monthly	800.00	800.00
Loan under BGECL Bank of Baroda	Monthly	2,475.00	3,100.00
		6,010.18	7,398.92

Description of Loan

Secured

Note: Secured Loans

Term Loan (FCNR B) for Jaipur Unit	<ol style="list-style-type: none"> 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.
Working Capital	<ol style="list-style-type: none"> 1. 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, DistrictShoolagiri. 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 Rs. 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 Rs. 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 June, 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 June, 2022 or date on which account turns NPA, whichever is earlier.

HDFC Bank Limited: Term Loan for Quartz Plant of Rs. 20,00,00,000	<p>Primary:</p> <ol style="list-style-type: none"> 1. First 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. QPersonal 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 Rs. 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. First 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. Extention 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 Rs. 8,00,00,000/-	Extention of second ranking charge over existing primaty and collateral securities including mortgage created in favour of the Bank.

NOTE 15: PROVISIONS

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision For Leave Encashment	19.39	21.13
Provision for Gratuity	209.81	210.01
Total	229.20	231.14

NOTE 16: DEFERRED TAX ASSETS/LIABILITIES (NET)

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Deferred Tax Assets		
Provision for Gratuity & Leave Encashment	(79.85)	(83.65)
OCI Adjustments	-	(3.19)
	(79.85)	(86.84)
Deferred Tax Liabilities		
Depreciation	1,416.44	1,215.83
OCI Adjustments	0.95	-
	1,337.54	1,128.99
Deferred Tax Assets (Net)	-	-
Deferred Tax Liabilities (Net)	1,337.54	1,128.99

NOTE 17: BORROWINGS

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Secured		
Loan repayable on demand from Banks	11,302.82	12,603.13
Current Maturities of Long Term Debts	1,369.36	1,378.14
Unsecured		
Loan From Directors	1,561.67	500.00
Total	14,233.85	14,481.27

NOTE 18: TRADE PAYABLES

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Total outstanding dues to Micro, Small and Medium Enterprises	360.21	-
Total outstanding dues to other than Micro, Small and Medium Enterprises	3,661.20	3,571.69
Total	4,021.41	3,571.69
Trade Payable (Creditors) ageing Schedule:		
(i) MSME		
Less than 1 Year	360.21	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	360.21	-
(ii) Others		
Less than 1 Year	3,109.72	3,571.69
1-2 Years	551.48	-
2-3 Years	-	-
More than 3 Years	-	-
Total	3,661.20	3,571.69
(iii) Disputed dues - MSME		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-
(iii) Disputed dues - Others		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-

NOTE 19: OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Contribution to PF & ESI	8.97	9.95
Salary & Wages Payable	15.61	0.80
Expenses Payable	224.05	146.38
Book Overdraft With Bank	-	9.28
Audit Fees Payable	9.00	9.00
Interest Payable	93.27	45.55
Capital Creditors	39.51	15.39
Unclaimed Dividend	6.77	10.56
Total	397.18	246.91

NOTE 20: OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Advances from customers	74.85	70.79
Statutory liabilities	184.71	155.21
Total	259.56	226.00

NOTE 21: PROVISIONS

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Provision for Gratuity	76.44	63.88
Provision for Compensated Absences	6.89	5.67
Total	83.33	69.55

NOTE 22: CURRENT TAX ASSETS/LIABILITIES (NET)

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Add: Provision for Tax (Current Period)	56.80	-
Less: Advance Tax & TDS	3.13	3.10
Current Tax Liabilities (Net)	53.67	-
Current Tax Assets (Net)	-	3.10

NOTE 23: REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Sale of Products		
Finished Goods:		
Outside India	14,058.56	14,461.86
Within India	1,450.92	1,928.34
Total Sales	15,509.48	16,390.20

NOTE 24: OTHER INCOME

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Interest Income earned on financial assets that are not designated as at FVTPL		
Bank & Financial Institutions Deposits	19.32	37.37
Other Income		
Gain on exchange fluctuation	3.58	-
Misc. Income	14.85	17.26
Total	37.75	54.63

NOTE 25: COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
(A) Raw Material Consumption		
Opening Stock of Raw Material	1,587.81	1,595.62
Add: Purchases of Raw Material	6,167.48	7,556.94
Less: Closing Stock of Raw Material	(2,002.05)	(1,587.81)
Total (A)	5,753.24	7,564.75
(B) Packing Material Consumption		
Opening Stock of Packing Material	76.20	131.97
Add: Purchases of Packing Material	452.67	470.42
Less: Closing Stock of Packing Material	(118.73)	(76.20)
Total (B)	410.14	526.19
(C) Consumable Consumption		
Opening Stock of Consumable	1,546.55	1,397.41
Add: Purchases of Consumable	1,867.97	2,269.62
Less: Closing Stock of Consumable	(1,251.79)	(1,546.54)
Total (C)	2,162.73	2,120.49
Total (A+B+C)	8,326.11	10,211.43

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

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Opening Stock		
Finished/Semi Finished Goods	15,805.28	13,776.06
(A)	15,805.28	13,776.06
Closing Stock		
Finished/Semi Finished Goods	17,013.06	15,805.28
(B)	17,013.06	15,805.28
Total (A-B)	(1,207.78)	(2,029.22)

NOTE 27: EMPLOYEE BENEFIT EXPENSES

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Salaries, Wages & Bonus	1,227.14	1,331.18
Contribution to provident and other funds	62.37	68.57
Gratuity	36.84	39.14
Compensated Absences	2.79	4.53
Staff welfare expenses	258.93	217.99
Total	1,588.07	1,661.41

During the Year, the Company recognized an amount of Rs. 241.15 Lakhs (Year ended 31st March, 2023 Rs. 242.46 Lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below:

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
- Short term employee benefits	241.15	242.46
- Post employment benefits	-	-
Total	241.15	242.46

NOTE 28: FINANCIAL COSTS

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Interest expense:		
Bank Charges & Interest	72.86	33.73
Interest on Unsecured Loans	50.45	17.92
Interest on Term Loan	559.43	499.91
Packing Credit	801.65	634.18
Foreign Bills Discounted/Purchases	126.52	92.27
Total	1,610.91	1,278.01

NOTE 29: DEPRECIATION AND AMORTIZATION

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Tangible assets	1,162.74	1,263.19
ROU Asset Amortisation	9.54	9.55
Total	1,172.28	1,272.74

NOTE 30: OTHER EXPENSES

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Advertisement & Publicity	2.22	5.04
Auditors Remuneration		
- Statutory Audit Fees	6.70	6.70

NOTE 30: OTHER EXPENSES (Contd.)

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
- Tax Audit Fees	3.30	3.30
CSR Activity Expenses	16.14	15.95
Donation	0.67	2.55
Commission Paid	-	0.42
Freight and Forwarding Charges	684.12	787.56
Insurance Expenses	83.95	69.57
Loss on Exchange Fluctuation	-	746.70
Legal Expenses	10.04	9.25
Membership & Subscription	5.85	3.07
Miscellaneous Expenses	5.79	5.17
Other Manufacturing Expenses	496.12	605.81
Printing & Stationery	15.10	13.18
Power & Fuel	835.07	862.62
Professional Service Charges	42.85	68.14
Rates & Taxes	53.65	67.38
Custom Duty on Domestic Sales	16.86	128.46
Rebate & Discount	90.02	48.55
Repairs to Buildings	188.87	235.76
Repair to Plant & Machinery	280.24	213.10
Repair & Maintenance		
- Electricals	2.67	2.32
- Vehicles	81.00	115.35
- Others	15.22	25.96
Sales Promotion	159.29	155.31
Stores & Spares Consumptions	161.30	201.00
Telephone & Telex	22.86	26.66
Travelling & Conveyance		
- Employees (Foreign Travel - NIL) (P.Y. NIL)	117.53	114.79
- Director (Foreign Travel Rs. 61.77 Lakhs) (P.Y. NIL)	67.74	37.10
Total	3,465.17	4,576.77

NOTE 31: TAX EXPENSES

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Income Tax		
Current Tax on profits for the year	56.80	-

NOTE 31: TAX EXPENSES (Contd.)

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
MAT Credit Entitlement	(56.80)	-
Total current tax expense (A)	-	-
Deferred Tax		
(Decrease)/increase in deferred tax liabilities	208.84	(11.88)
Total deferred tax expense/(benefit) (B)	208.84	(11.88)
Total	208.84	(11.88)

The reconcillation of estimated income tax to income tax expenses is as below:

Profit before tax as per standalone statement of profit and loss	340.24	(590.69)
Income calculated as per MAT of 17.472% (March, 31 2023 : 17.472%)	56.80	-
Adjustment	-	-
Tax Expenses Reported	56.80	-

NOTE 32: EARNINGS PER SHARE

(Amount in "Rupees" except EPS)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
a) Basic		
Net Profit after Tax attributable to shareholders (Rs. in Lakhs)	135.42	(587.09)
Basic Earnings per share of Rs. 10/- each (31 March, 2023: Rs. 10/- each)	0.89	(3.84)
b) Diluted		
Net Profit after Tax attributable to shareholders (Rs. in Lakhs)	135.42	(587.09)
Weighted Average number of equity shares of Rs. 10/- each (31 March, 2023: Rs. 10/- each) outstanding at the end of the year	153.00	153.00
Diluted Earnings Per share of Rs. 10/- each (31 March, 2023: Rs. 10/- each)	0.89	(3.84)

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 31st March, 2024:

(Rs. in Lakhs)

Particulars	Category of ROU Asset - Land	Total
Balance as at 1 st April, 2023	1,056.22	1,065.76
Additions	-	-
Deletions	-	-
Depreciation	9.55	9.54
Balance as at 31 st March, 2024	1,046.67	1,056.22

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 as per the details provided by the management. 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 Rs. 12.61 Lakhs for the period ended 31st March, 2024 (for the year ended 31 March, 2023: Rs. 15.95 Lakhs).

Additional Disclosures:	Amount (in Lakhs)
(1) Amount required to be spent by the Company during the year	12.61
(2) Amount of expenditure incurred	12.61
(3) Shortfall at the end of the year pertaining to FY 2023-2024	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	Rs. 12.61 Lakhs Tranfered 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 the end of 31st March, 2024 by an actuary. The present value of the defined benefit obligation were carried out as at 31st March, 2024 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	(Rs. in Lakhs)	
	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Employer's Contribution to Provident Fund	62.37	68.57

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

(i) Change in present value of obligation Gratuity

Particulars	(Rs. in Lakhs)	
	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Present value of obligation as at the beginning of the period	273.89	286.60
Acquisition adjustment	-	-
Interest cost	20.54	20.78
Service cost	17.97	18.36
Past service cost including curtailment Gains/Losses	-	-
Benefits paid	(16.00)	(43.36)
Total Actuarial (Gain)/Loss on obligation	(10.15)	(8.49)
Present value of obligation as at the end of period	286.25	273.89

(ii) Liabilities recognized in the Balance Sheet

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Net defined benefit liability at the start of the period	273.89	286.60
Acquisition Adjustment	-	-
Total Service Cost	17.97	18.36
Net Interest cost (Income)	20.54	20.78
Re-measurements	-	39.14
Contribution paid to the fund	-	-
Benefit paid directly by the enterprise	(10.15)	(8.49)
Net defined benefit liability at the end of the period	286.25	273.89
Net Asset/(Liability) recognized in Balance Sheet	286.25	273.89
Recognized Under		
Short Term Provision	76.44	63.88
Long Term Provision	209.81	210.01
Total	286.25	273.89

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

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Total service cost	20.54	20.78
Interest cost	17.97	18.36
Expenses recognized in the Statement of Profit & Losses	38.51	39.14

(iv) Other Comprehensive Income (OCI)

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Net cumulative unrecognized actuarial gain/(loss) opening	15.75	24.24
Actuarial gain/(loss) for the year on PBO	(10.16)	(8.49)
Actuarial gain/(loss) for the year on Assets	-	-
Unrecognized actuarial gain/(loss) for the year	5.59	15.75

(v) Principal Actuarial assumptions

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Discount Rate per annum	7.25	7.50
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 – Rs. NIL Lakhs (PY – Rs. 253.79 Lakhs)

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

Bills of Exchange Discounted Rs. 1365.80 Lakhs (PY- Rs. 1629.67 Lakhs)

Guarantee & counter guarantee outstanding – Rs. NIL Lakhs (PY – Rs. 9.61 Lakhs)

NOTE 39: AUDITOR'S REMUNERATION

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Other Professional Charges	-	5.00
GST Audit Fees Excluding GST	-	2.00
Tax Audit Fees Excluding GST	3.30	3.30
Statutory Audit Fees Excluding GST	6.70	6.70

NOTE 40 : INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31ST MARCH, 2024**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	Relation
Mrs. Shivani Aggarwal	Daughter of Sunil Kumar Arora
Aro granite International Inc., USA	Relative of Key managerial personnel

Transactions with Related Parties

(Rs. in Lakhs)

Particulars	Relationship	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Sale of Goods			
Aro granite International Inc., USA	Relative of Key managerial personnel	1,892.00	1,822.29
Employee Benefit Expenses			
Mr. Sunil Kumar Arora	Managing Director	186.30	186.48
Mrs. Sujata Arora	Key managerial personnel	1.60	1.35
Mr. Sahil Arora	Key managerial personnel	42.50	43.88

Transactions with Related Parties (Contd.)

(Rs. in Lakhs)

Particulars	Relationship	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Mrs. Shivani Aggarwal	Daughter of Sunil Kumar Arora	10.75	10.75
Unsecured Loan Taken			
Mr. Sunil Kumar Arora	Managing Director	1,075.00	500.00
Repayment of Unsecured Loan			
Mr. Sunil Kumar Arora	Managing Director	13.33	-
Interest Paid			
Mr. Sunil Kumar Arora	Managing Director	50.45	17.92

Balance Outstanding at the end of Accounting Year

(Rs. in Lakhs)

Particulars	Relationship	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Trade Receivables			
Aro granite International Inc., USA	Relative of Key managerial personnel	865.95	1,050.10
Unsecured Loan Taken			
Mr. Sunil Kumar Arora	Managing Director	1,561.67	500.00

NOTE 41: FINANCIAL INSTRUMENTS**Financial Instruments by Category**

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024			As at 31 st March, 2023		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
Investments	26.45	57.55	-	16.19	93.35	-
Trade receivable	-	-	4,958.02	-	-	6,153.64
Cash and Bank Balances	-	-	863.65	-	-	597.48
Loans	-	-	2.99	-	-	6.04
Other Financial Assets	-	-	2,047.28	-	-	1,908.94
Total Financial Assets	26.45	57.55	7,871.94	16.19	93.35	8,666.10
Financial Liabilities						
Borrowings	-	-	18,874.69	-	-	20,502.05
Trade Payables	-	-	4,021.41	-	-	3,571.69
Other Financial Liabilities	-	-	397.18	-	-	246.91
Total Financial Liabilities	-	-	23,293.28	-	-	24,320.65

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:

	(Rs. in Lakhs)		
Particulars	Level 1	Level 2	Level 3
As at 31st March, 2024			
Financial Assets			
Financial Investments at FVTPL			
Quoted equity instruments	26.45	-	-
Financial Investments at FVOCI			
Unquoted equity instruments	-	-	57.55
Total Financial Assets	26.45	-	57.55
As at 31st March, 2023			
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

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.

(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.

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:

(Rs. in Lakhs)			
Foreign Currency Outstanding	Buy/Sell	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
USD	Buy	46.87	60.94
Equivalent amount in Rupees	Buy	3,907.29	5,018.98
Japanese Yen	Buy	1,288.50	-
Equivalent amount in Rupees	Buy	709.83	-
EURO	Buy	10.08	12.65
Equivalent amount in Rupees	Buy	909.47	1,134.42

(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

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.

(Rs. in Lakhs)

Particulars	For the Year ended 31 st March, 2024	For the Year ended 31 st March, 2023
Non-current borrowings	4,640.84	6,020.78
Current maturities of non current borrowings	1,369.36	1,378.14
Current borrowings	14,233.85	14,481.27
Less: Cash and cash equivalents	74.91	42.14
Less: Bank balances other than cash and cash equivalents	788.74	544.78
Total Debts	19,380.40	21,293.27
Total Equity	19,202.41	19,061.43
Gearing Ratio	100.93	111.71

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

(Rs. in Lakhs)

	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 31st March, 2024 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.
- (vii) The Company has registered all the charges and satisfaction thereof with the Registrar of Companies within the statutory Periods.

(viii) Ratio Analysis

(Rs. in Lakhs)

Particulars	As at 31 st March, 2024	As at 31 st March, 2023
Current Ratio	1.54	1.54
Debt Equity Ratio	0.98	1.08
Debt Service Coverage Ratio	1.21	0.95
Return on Equity Shares	0.01	(0.03)
Inventory Turnover Ratio	1.00	1.15
Trade Receivable Turnover Ratio	2.79	2.44
Trade Payable Turnover Ratio	2.29	3.08
Net capital Turnover Ratio	1.53	1.62
Net Profit Ratio	0.01	(0.04)
Return on capital Employed	0.05	0.02

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: 24071205BKASTJ7550

Sunil Kumar Arora
Managing Director
DIN: 00150668

Sahil Arora
Whole-Time Director
DIN: 07970622

Place: Hosur, Tamil Nadu
Date: 23rd April, 2024

S Panigrahi
Company Secretary
FCS No.: F - 4522

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	2024
	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

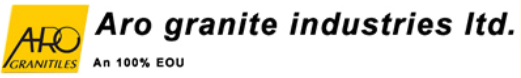
Total Assets	Total Liabilities
44,45,899	44,45,899
Paid up Capital	Reserve & Surplus
1,53,000	19,20,241
Secured Loans	Unsecured Loans
6,01,018	1,56,167
Net Fixed Assets	Investments
13,91,092	8,400
Net Current Assets	Misc. Expenditure
10,19,129	NIL
Accumulated Loss	
NIL	

IV. Performance of the Company (Amount in thousands)

Turnover	Total expenditure
15,50,948	15,20,699
Profit/Loss before Tax	Profit/Loss after Tax
34,024	13,140
Earning Per Share	Dividend Rate
0.89	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



Aro granite industries Ltd.

An 100% EOU

Corporate Office & Works:

Koneripalli Village
Shoolagiri (Via)
Hosur (TK) - 635 117
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