



Aro granite industries ltd.

Regd. Office : 1001, 10th Floor, DLF Tower A, Jasola, New Delhi - 110 025.
Phone : 91-11- 41686169, Fax : 91-11- 26941984, E-mail : arodelhi@arotile.com

Date: August 1, 2022

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

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

Sub.: Annual Report for the financial year 2021-22 and Notice convening the 34th Annual General Meeting

Dear Sir,

Pursuant to Clause 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we submit herewith the Annual Report of the Company for the year 2021-22 along with the Notice convening the 34th Annual General Meeting scheduled to be held on 26th August 2022. The Annual Report is also available on the Company's website www.arotile.com

Thanking You

Yours faithfully
For Aro granite industries ltd.


Company Secretary

CORP. OFF. & WORKS :

KONERIPALLI VILLAGE, SHOOLAGIRI (VIA), HOSUR TALUK - 635 117, KRISHNAGIRI DIST. TAMIL NADU, INDIA.
TEL : 91 - 4344 - 252100 FAX : 91 - 4344 - 252217 E-mail : aro@arotile.com Web : www.arotile.com
CIN : L74899DL1988PLC031510



34th

**ANNUAL
REPORT
2021-22**



Aro granite industries ltd.
(100% Export Oriented Unit)







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From the desk of the
Managing Director

Dear shareholders,

Financial year 2022 started on a good note for our company. Our sales recovered from the impact of Covid-19 and returned to pre-covid levels. Revenues increased by 25.70% to Rs. 225.00 Crores in FY2022 from Rs. 179.00 Crores in FY2021 and our PAT increased by 50% to Rs. 9.00 Crores in FY2022 from Rs. 6.00 Crores in FY2021. While the first half year was good in terms of margins, we faced inflationary challenges in the second half, which materially impacted our margins. Our sales growth was driven largely due to the additional contribution from Quartz and the Jaipur plant.

When the second wave hit India in April 2021, the State Government announced complete lockdown for 1 week in Tamil Nadu. Fear of further lockdown led many workers to return to their hometowns. We faced severe shortage of labour in our Hosur facility. Due to the labour shortage our Hosur plant was operating at 40-50% capacity and our Jaipur plant was operating at 70-80% capacity for 2 months. Labour shortage in-turn impacted production in granite quarries with some quarries even operating at less than 20% capacity. This impacted the availability of raw blocks, which further impacted our operations in Hosur.

Due to working restrictions, social distancing, and stimulus checks there was storage of workers at many destination and transshipment countries. This caused a huge shortage of empty containers as many of the containers were stuck in the delivery cycle. The shortage of containers then led to a price increase of 4-10x.



This sudden rise in shipping cost and resultant high cost of landed goods impacted orders from customers. The transportation costs to USA increased to 40-50% of landed price of goods which earlier used to be 10-15% only. This huge cost inflation impacted demand from our key markets in USA and Europe.

The Shortage of container was in part resolved with the introduction of new and more empty containers. With the total containers increasing there was huge congestion at ports and trans-shipment ports resulting in a delivery time 2-4 times that of pre pandemic. This congestion and increased rollover time has increased total delivery time for our export orders. Delay in order fulfilment led to increase in working capital requirements in-turn increasing our finance costs.

We continue to suffer from raw material shortage in our Hosur plant, while the labour issue has eased out. The crackdown on quarries due to strict environmental norms continues and impacts availability of raw blocks. To worsen the situation in the second half of the year, many quarries in Tamil Nadu, Andhra Pradesh, Telangana and Karnataka were closed due to political exigencies.

Our Jaipur plant performance remained robust. It contributed 19% of sales during the year. It is running at full capacity, and we have installed second multiwire during the year. This will further increase our capacity by 50% without any further capex on utilities and building.

Rajasthan has wide variety of unique semi-exotic colours and shades which have good demand in international markets especially in North America. We added many new granites and quartzites to our portfolio during the course of the year. These new colours were quickly accepted with good feedback and we are getting repeated orders from customers. Our sales and volumes are continuously growing with the help of new range of colours from Rajasthan.

We have started commercial production from our Quartz plant. However due to non-availability of engineers from machine suppliers we are only working on basic colours and textures, which command lower margins. We are continuously improving our product quality and have now reached very low levels of rejections. We are exporting Quartz slabs and tiles to our existing customers and getting positive feedback and repeated order for basic colours.

Our quartz plant is running at 50% of capacity and have achieve breakeven within one year of operation. The quartz plant has contributed 19% of our sales during the year. We are able to drive our sales in the quartz segment due to our long-term relationship with customers around the world.

The cut-to-size segment is doing well and it contributed 10% of the Revenues in FY2022. We are getting orders from Europe and USA where we are doing a lot of small and medium sized projects. We are running at full capacity in cut-to-size segment and aim to further scale up in coming years.

In domestic markets we have two segments, high-end and exports rejects. We are focusing on high-end segment. Our domestic sales increased from Rs 13.00 Crores in FY2021 to Rs 20.00 Crores in FY2022 and contributed 9% of our sales during the year. We expect India's luxury housing segment to keep growing and it will help us to grow the sales in India.

We are hopeful that FY2023 will continue as a growth year. We thank all our valued shareholders and look forward to their continued support.

Sunil Kumar Arora
Managing Director



Board of Directors

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
.....

Company Secretary
Sabyasachi Panigrahi
.....

Chief Financial Officer
M. Madangopal
.....

Statutory Auditors
M/s VAPS & Company, New Delhi
.....

Internal Auditors
M/s Sreekantha & Co., Hosur
.....

Secretarial Auditor
Ms. Latika Jetley, New Delhi
.....

Bankers
Bank of Baroda
HDFC Bank Limited
.....

Registered Office
1001, 10th Floor, DLF Tower A,
Jasola, New Delhi 11 0 025, India
Phone: 91-11-41686169
Fax: 91-11-26941984
E-mail: investorgrievance@arotile.com
Website: www.arotile.com
CIN: L74899DL1988PLC031510
.....

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

Registrar & Share Transfer Agent
M/s Alankit Assignments Ltd
Alankit Heights, 4E/2, Jhandewalan
Extension
New Delhi 110 055
.....

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



Financial Highlights

10 YEARS AT A GLANCE

(₹ in Lakhs)

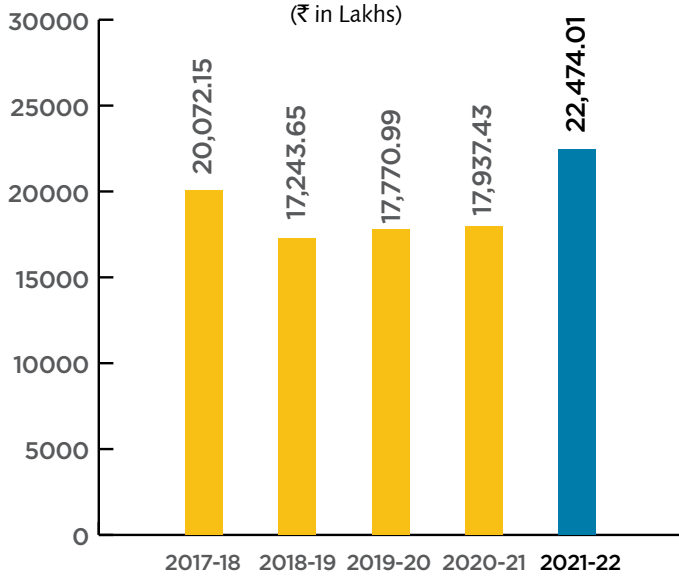
Description	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Sales	18,725.68	25,133.83	25,477.97	21,558.84	23,865.18	20,072.15	17,243.65	17,770.99	17,937.43	22,474.01
EBITDA	2,504.25	3,886.82	3,380.55	2,112.09	3,067.70	1,378.25	2,585.20	2,167.70	2,442.78	3,144.49
Depreciation	470.00	516.13	858.75	912.09	909.55	865.03	825.44	1,052.59	1,106.90	1,273.74
Tax	380.01	743.83	738.47	312.46	376.02	11.26	281.55	156.72	192.95	186.98
Profit After Tax	1,125.93	2,109.21	1,668.85	586.14	1,262.31	117.33	971.11	360.62	604.81	890.59
Gross Block	12,490.33	11,869.22	11,406.51	12,193.88	14,903.85	16,245.57	18,798.24	25,572.75	26,135.60	26,916.50
Net Worth	12,261.87	14,192.08	15,469.12	15,865.93	16,947.42	17,059.77	18,022.47	18,148.68	18,764.10	19,642.19
Reserves & surplus	11,241.87	12,662.08	13,939.12	14,335.93	15,417.42	15,529.77	16,492.47	16,618.68	17,234.10	18,112.19
Equity Share Capital	1,020.00	1,530.00	1,530.00	1,530.00	1,530.00	1,530.00	1,530.00	1,530.00	1,530.00	1,530.00
Dividend (%)	10	10	10	10	10	00	10	00	00	00
Dividend Payout Ratio (%)	9.06	7.25	9.17	26.11	12.12	00	15.76	00	00	0.00
EPS (₹)	11.04	17.11	10.91	3.83	8.25	0.77	6.29	2.14	4.02	5.89
Book Value Per Share (₹)	120.21	92.76	101.11	103.70	110.77	110.50	117.29	118.62	122.64	128.38
ROCE (%)	10.89	12.84	8.83	3.70	8.63	0.69	5.17	1.41	5.47	4.73
RONW (%)	9.18	14.86	12.26	3.69	7.45	0.70	5.39	1.99	3.22	4.53



Financial Metrics

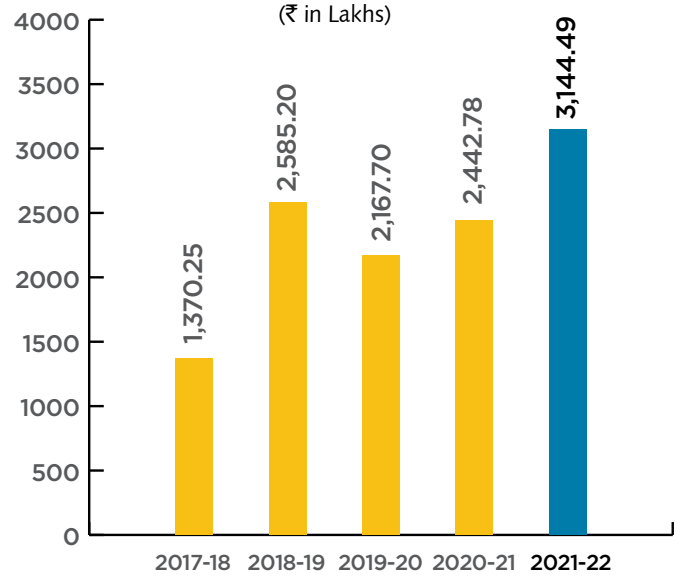
NET SALES

(₹ in Lakhs)



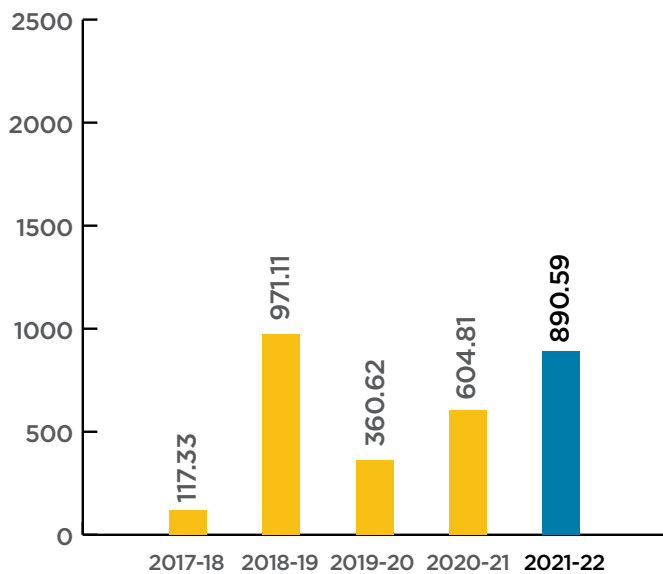
EBITDA

(₹ in Lakhs)



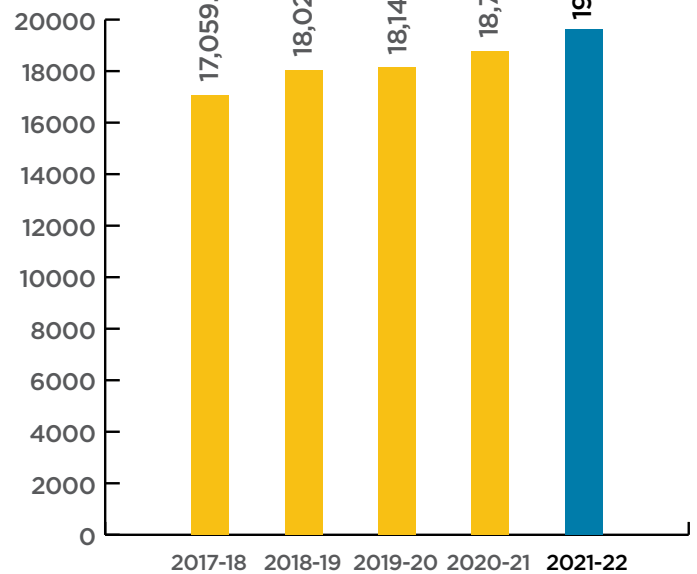
PROFIT AFTER TAX

(₹ in Lakhs)



NET WORTH

(₹ in Lakhs)

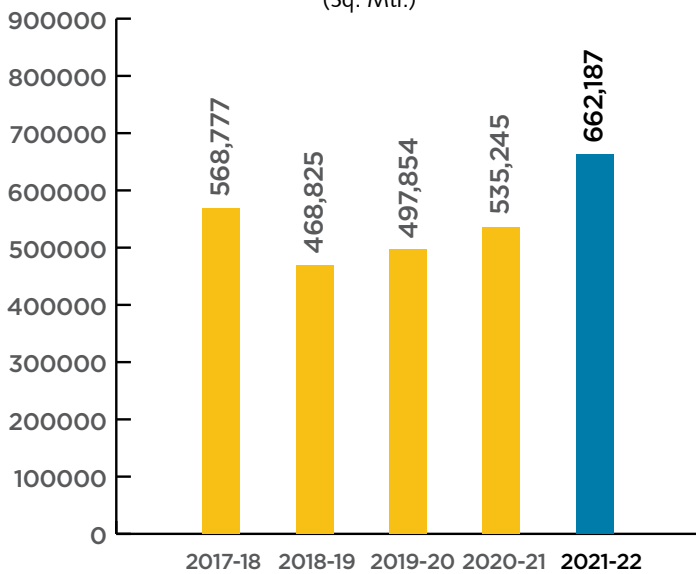




Operating Metrics

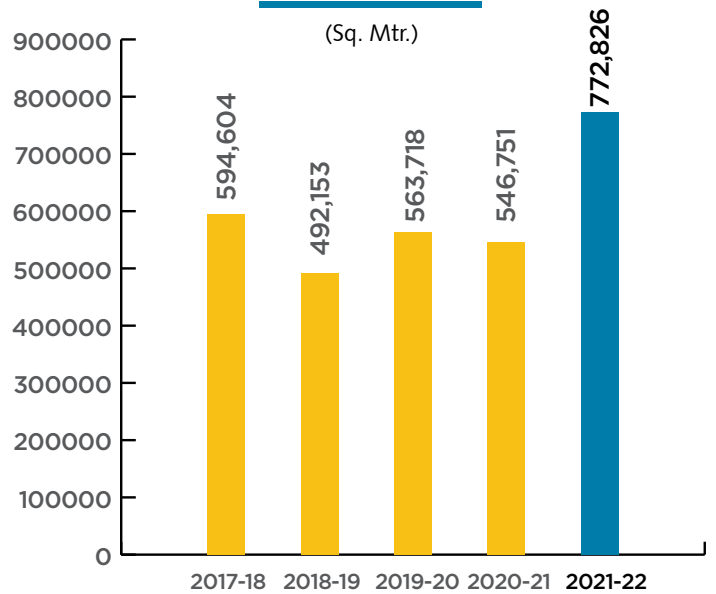
SALES

(Sq. Mtr.)



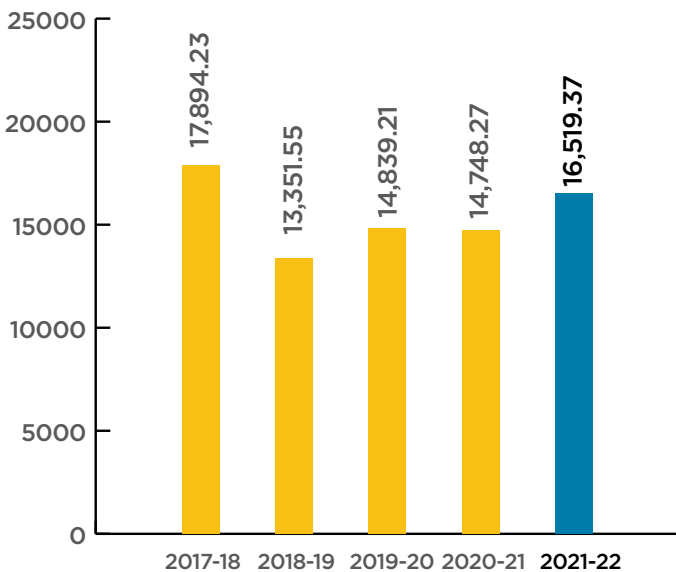
PRODUCTION

(Sq. Mtr.)

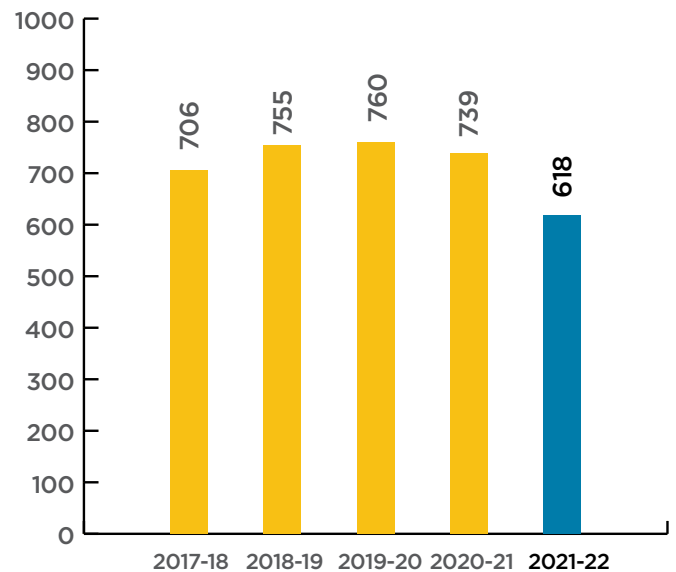


RAW MATERIAL CONSUMPTION

(Cub. Mtr.)



NO OF EMPLOYEES ON PAYROLL





Milestones





2008

→ **Turnover :** ₹ 11709.00 Lakhs in 2008-09

2009

→ Received the STAR EXPORT HOUSE certificate from Ministry of Commerce and Industry

2011

→ CE certification through TUV Nord

2012-13

→ Installation and expansion from 8 to 12 gang-saws. Received Top Export Award from Capexil for 2012-13

2013

→ ISO 14001:2004 for environment and OHSAS 18001:2007 for Occupational Health and Safety. Received Top Export Award from Capexil for 2013-14

2014

→ Received the STAR EXPORT HOUSE certificate from Ministry of Commerce and Industry. Certificate of Recognition as Star Export House. Received Top Export Award from Capexil for 2014-15

← Commercial production of quartz plant started

2021

← Jaipur plant started
Received Top Export Award from CAPEXIL for the year 2015-16 and 2016-17

2019

← Multi-wire Machine Operational

2018

← Cut-to-size Machine Operational

2017

← Commissioning of Warehouse

2016



Questions & Answers with **Sahil Arora** Whole Time Director

Q Financial year 2021-22 has been good for the Company, your sales and profits have significantly improved. What has driven this and can the increased sales and margins sustain in the coming year?

A Financial year 2021-22 started well for us and our sales and margins improved to pre-covid 19 levels. The world economy picked up in the first half of the year and there was boom in renovations worldwide which helped us increase our volume.

Our Jaipur Unit continued to grow and contributed well to topline and bottomline. We also started our Quartz Engineered Stone factory in Hosur and completed one whole year of commercial production. We are leveraging old relationship by selling Quartz to our existing customers. Our Quartz segment is running very smooth and we are getting good response and repeat orders.

In second half of the year global trade was hit by severe containers shortage worldwide which was caused by slow working conditions at ports, non-availability of truck drivers and warehouse workers and many other reasons. Non-availability of shipping containers caused dramatic increase in shipping fare and delays in orders processing time. The average shipping cost to USA in the later part of the financial year reached upto USD 11,500 per 20 feet Container up from USD 1,600 in year 2020. Similar increase was seen in shipping cost to Europe.



Q Your Jaipur plant has been performing well, can you share performance of plant in FY2022 and your future plans for capacity expansion?

A Our Jaipur plant has contributed materially to growth of our company. It contributed 19% of sales in FY2021-22. We started our Jaipur plant in September of 2019, in early 2021 the plant was running at 90% capacity and we decided to add a second Multi wire cutting machine. We have increased our production capacity by 50% without any further capex on utilities and building.

Q Rajasthan is emerging as new granite hub due to abundance and variety of colors. How is demand of colors from Rajasthan in global market? Are you increasing your colors portfolio from Rajasthan?

A We are mainly exporting to North America from our Jaipur plant. We have sales in Europe and Australia as well but these account for around 5% of our sales.

Many customers in other markets are not willing to introduce new colours from Rajasthan due to the current high freight rates in international trades. Furthermore, International travel is still restricted and many of our customers have not seen the Jaipur colours range in person which looks more stunning compare to their Digital Images. However, once the supply chain crisis eases down, we will see interest from these markets as well.

Q Sourcing raw material in South India has been challenges due to strict environmental norms. How is the situation now?

A The situation in South India continues to deteriorate with few more quarries closing down. We are facing challenging in sourcing granite blocks for our Hosur plant. New leases and quarries are taking long to open up. However, there is a recent change in Environmental Norms for Minor minerals and we hope this will change the narrative in the future.

Q You started commercial production from Quartz plant during the year, how is your Quartz segment performing?

A Our quartz segment is running very smooth and contributed around 20% of our sales in FY2022. We are focusing on our existing customers in various markets to grow our Quartz Business. We are producing basic colours and designs due to non-availability of engineers from our Quartz Machine vendors. We have significantly mitigated the defects and rejection rates and we are improving product quality continuously.

Quartz Engineered stone is preferred by fabricators over other natural stones. Company expects that contribution from Quartz plant shall increase and it will drive the growth in coming years.

Q You increased your focus on premium segment in Indian market. How has the domestic market fared for you during the year?

A Our domestic sales contributed 9% of our sales during the year, sales increased to Rs. 20 Crores in FY2022 from Rs. 13 Crores in FY2021. The increase in sales was largely on account of strong demand in first half of the year. However, the increased material cost of steel and cement slowed down construction in domestic market. We expect luxury housing segment in India to keep growing and it will help us in growing the sales in India.



Q The shipping cost have increased dramatically during the year due to container shortages, how has this impacted your business?

A Our business operations were materially impacted from rise in shipping cost. Order inflows were reduced significantly as customers became more selective in purchases. Sale of basic colours which were cheaper and costed less than transportation cost was reduced. Most importantly the purchase budget of customers has reduced as a larger portion is being taken over by shipping costs. Furthermore, our working capital was increased due to longer waiting time period for empty containers.

Q What is the Term Debt & Working Capital debt in the books as on 31st March 2022? What is the average cost of borrowing?

A As on 31st March 2022, we have total debt of Rs. 199 Crore which includes term Debt of Rs. 77 Crores and Working capital debt Rs. 122 Crores. Our average cost of borrowing was 4% in FY2022.

Q You have transformed your business as per the trend in market, you invested in warehouse, Jaipur plant and Quartz plant. What do you think about future of granite and Engineered Quartz industry in coming 3 years?

A The future of the stone industry looks promising. Construction of large commercial & residential building and increased application of stone material for enhancing aesthetics in the interior of building is expected to drive the growth.

Furthermore, pandemic has taught people around the world the value of their own house. We expect that once the economy reverts to normal, people will spend more on their houses and there will be a growth in the new construction and renovation market. Work from home and work from office hybrid models will be developed and we can already see in some industries that workers are moving away and working remotely without any loss in productivity. This will further drive need for large residential units and will open up many new markets away from the current major building hubs.



Aro granite industries Ltd.

(CIN: L74899DL1988PLC031510)

Regd. Office: 1001, 10th Floor, DLF Tower 'A', Jasola, New Delhi – 110025

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Website: www.arotile.com, E-mail: investorgrievance@arotile.com

Notice

NOTICE is hereby given that the 34th Annual General Meeting of the Members of **ARO GRANITE INDUSTRIES LIMITED** will be held on Friday, the 26th August 2022 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 2022 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Smt. Sujata Arora, who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and, if thought fit to pass, with or without modification(s), the following as **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act 2013 (the Act) and The Companies (Audit and Auditors) Rules 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, M/s Alok Mittal & Associates, Chartered Accountants, New Delhi (Firm Registration No. 005717N) be and is hereby appointed as the Statutory Auditors of the Company in place of the retiring Auditors M/s VAPS & Company, Chartered Accountants, New Delhi (Firm Registration No 003612N) for a period of five years from the conclusion of thirty-fourth Annual General Meeting till the conclusion of the thirty-ninth Annual General Meeting to be held in the year 2027 on such remuneration as may be determined by the Board of Directors in consultation with the Auditors.

RESOLVED FURTHER THAT to give effect to above resolution, the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this behalf."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Shri Sundareshwara G Sastry (DIN 00165762), who was appointed as an Independent Director of the Company, and holds office upto October 27, 2022 and has submitted a declaration confirming he meets the criteria of independence under Section 149(6) of the Act and is eligible for re-appointment for a second term, in accordance with the provisions of the Act and the Rules made thereunder and whose candidature for the office of Director has been recommended by the Nomination and Remuneration Committee and the Board of Directors and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term of five years, with effect from October 28, 2022 and whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary of the Company, be and is /are hereby authorized, singly and/or jointly to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

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

"RESOLVED THAT pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time and the Company's Policy on Related Party Transaction(s), the approval of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted/empowered/ to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into, contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Aro granite international INC. USA, a related party of Aro granite industries Ltd. under Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as may be agreed between the Company and Aro granite international, INC. USA, for an aggregate value of up to Rs. 100.00 Crores in any financial year, subject to such contract(s)/arrangement(s)/transaction(s) being carried out at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions, methods and modes in respect thereof and finalising and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental/regulatory

authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Company Secretary or any other Officer(s)/Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolution(s), be and are hereby approved, ratified and confirmed in all respects."

Place: Hosur
Date: 29.07.2022

For & on behalf of the Board
(Sunil Kumar Arora)
Managing Director

NOTES:

1. Statement pursuant to section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
2. In the view of the COVID-19 pandemic, the Ministry of Corporates Affairs ('MCA') has vide its General Circular No. 20/2020 dated 5th May, 2020 in relation to clarification on holding of annual general meeting ('AGM') through video conferencing ('VC') or other audio visual means ('OAVM') read with the General Circulars No. 14/2020 dated 8th April 2020, No. 17/2020 dated April 13, 2020, No. 33/2020 dated September 28, 2020, No.39/2020 dated December 31, 2020 and No.10/2021 dated June 23, 2021 in relation to clarification on passing the ordinary and special resolutions by Companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID -19' and the General Circular No.02/2021 dated January 13,2021, General Circular No. 2/2022 dated May 5, 2022 and General Circular No. 3/2022 dated May 05, 2022 (Collectively referred to as 'MCA Circulars') and Securities Exchange Board of India('SEBI') vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020,in relation to Additional relaxation in relation to Compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15,2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (Collectively referred to as 'SEBI Circulars') permitted the holding of Annual General Meeting ('AGM/ the meeting')through VC/OAVM, without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of Companies Act, 2013 ('Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI listing Regulations') and MCA Circulars, the 34th AGM of the Company is being held through VC/OAVM on 26th August 2022 at 12.30 PM IST. The deemed Venue for AGM will be Registered Office of the Company 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 the M/s. Alankit Assignments Limited, the Registrar and Transfer Agent of the Company, by e-mail through its registered e-mail address ramap@alankit.com
5. In line with the General Circulars No. 20/2020 dated May 5, 2020 and No.02/2021 dated January 13, 2021 issued by the MCA and the SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 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 2021-22 are also available on the Company's website viz.www.arotile.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
6. Members whose e-mail address are not registered can register the same in the following manner:
 - a. Members holding share(s) in physical mode can send their e-mail ID to the Company in investorgrievance@arotile.com or to the Registrar and Transfer Agent (RTA) of the Company M/s. Alankit Assignments limited at ramap@alankit.com
 - b. Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.
7. The Company has engaged the services of M/s. CDSL as the authorised agency for conducting the e-AGM and providing e-voting facility.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
10. Relevant documents referred to in the accompanying Notice calling the AGM are available on the website of the Company for inspection by the Members.



11. As mandated by SEBI, effective from April 1, 2019, that securities of listed Companies shall be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise share(s) held by them in physical form.
12. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised to not 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. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the Companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). In continuation of MCA's **General Circular No. 20/2020**, dated 05th May, 2020, 2/2022 dated 5th May, 3/2022 dated 5th May 2022 and after due examination, it has been decided to allow Companies whose AGMs were due to be held in the year 2021, or become due in the year 2022, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13 2021. Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to 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. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.arotile.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

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

- (i) The voting period begins on **23.08.2022 at 10.00 A.M. and ends on 25.08.2022 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. 19.08.2022** 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 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites**

of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<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.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	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 or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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

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

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

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the e-mail address viz; investorgrievance@arotile.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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, N



M 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., 19th August 2022** 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., 19th August 2022**.
- (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 **20.08.2022 to 26.08.2022 (Both days inclusive)**
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically.
16. As per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 brief resume of Smt. Sujata Arora, whose appointment as Director liable to retire by rotation (proposed at Item No. 2) is given hereunder:
- Smt. Sujata Arora is a graduate from Institute of Home Economics, Delhi. She has travelled extensively and has vast knowledge on the product and marketing as well. She does not hold any other Directorship. She holds 589572 (3.91%) Equity Shares in the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

ITEM NO 4

Pursuant to provisions of section 161 of the Companies Act 2013, Shri Sundareshwara G. Sastry (DIN 00165762) was appointed as an Independent Director of the Company with the effect from 28th October 2017 and his appointment was confirmed by the shareholders of the Company at the Annual General Meeting ("AGM") held on September 17, 2018. Accordingly, he will complete his first term as an Independent Director on October 27, 2022 and is eligible for re-appointment for second term of five years. As per the recommendations of the Nomination and Remuneration Committee, the Board at its meeting held on July 29, 2022 had approved to re-appoint Shri Sundareshwara G. Sastry as an Independent Director for a second term of five years with effect from October 28, 2022. Further, pursuant to the requirements of the Act and based on his expertise, skills, rich experience, knowledge, continued valued guidance to the management and outcome of the performance evaluation during his first term of five years and the substantial contributions made by him, it is proposed to seek approval of the members by way of Special Resolution to re-appoint Shri Sundareshwara G. Sastry, as an Independent Director for a second term of five years commencing from October 28, 2022. Further, Shri Sundareshwara G. Sastry shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. Accordingly, Shri Sundareshwara G. Sastry would hold office up to the date of this Annual General Meeting. A notice has been received from a Member of the Company proposing his candidature for being appointed as a Director of the Company.

Shri Sundareshwara G. Sastry, aged around 56 years, Mechanical Engineer from S.J.Polytechnic, Bangalore. He is also an Qualified Lead Assessor of QMS / EMS / OH&SMS / EnMS- IRCA, Qualified Internal Auditor of IATF 16949 / AS 9100 / SA 8000. Shri Sastry is also a NRBPT Registered Consultant of Quality Council of India, having more than 17 years of experience. He has got more 25 years of Consulting Experience to his credit. Started Working Career with M/s Dynamatic Hydraulics Limited - 1980 to 1984 in Quality Function. Worked for M/s Wendt (India) Limited - 1984 to 1997 in various functions and capacities - Quality, Purchase, New Product Development, Projects, TQM. He has imparted Management Coach for more than 100 companies facilitating Business Process Re-engineering.

Shri Sundareshwara G. Sastry has given requisite declaration that he meets the criteria of Independence as prescribed under section 149(6) of the Companies Act 2013 and has given his consent to act as an Independent Director of the Company. Shri Sundareshwara G. Sastry is also not disqualified from being appointed as Director in terms of Section 164 of the Companies Act 2013. In the opinion of the Board Shri Sundareshwara G. Sastry fulfills the conditions of his appointment as an Independent Director of the Company specified in the Act & Rules made thereunder. Shri Sundareshwara G. Sastry being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term up to 27th October 2027."

None of the Directors except Shri Sundareshwara G. Sastry or their relatives or Key Managerial person or their relatives has any nature of concern or interest, financial or otherwise, directly or indirectly in respect of proposed resolution.

ITEM NO 5

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, states that all Material Related Party Transaction ('RPT') with an aggregate value exceeding 1,000 crore or 10% of annual consolidated

turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall require approval of shareholders by means of an ordinary resolution. The said limits are applicable even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. The amended Regulation 2(1)(zc) of the SEBI Listing Regulations has also enhanced the definition of related party transaction which now includes a transaction involving a transfer of resources, services or obligations between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand, regardless of whether a price is charged or not.

As a part of its regular business, the Company exports granite tiles, granite slabs and quartz slabs to Aro granite international Inc, U.S.A. a company promoted by relatives of the promoter Shri Sunil K Arora. The Management has provided the Audit Committee with the relevant details, as required under law, of various proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into RPTs with Aro granite international Inc, U.S.A for an aggregate value of up to Rs. 100.00 crores to be entered in any financial year. The Audit Committee has noted that the said transactions will be on arms' length basis and in the ordinary course of business of the Company.

Accordingly, basis the review and approval of the Audit Committee, the Board of Directors recommend the resolution accompanying Notice to the shareholders for approval.

Details of the proposed transactions with Aro granite international Inc, U.S.A, being a related party of the Company, are as follows:

Particulars	Information
Name of the Related Party	Aro Granite International Inc, U.S.A.
Nature of Relationship	Company promoted by relatives of the promoter Shri Sunil K Arora
Name of Director(s) or Key Managerial Personnel who is related	Shri Sunil K Arora, Shri Sahil Arora and Smt Sujata Arora
Nature and particulars of transactions with Aro Granite International Inc, U.S.A.	Export of granite tiles, granite slabs and quartz slabs. These transactions are in the ordinary course of business and are on arm's length basis.
Material terms of the transactions	Transactions are in the ordinary course of business and on arm's length basis.
Estimated monetary values of such Related Party Transactions	For an amount aggregating upto Rs 100.00 Crores in any financial year.
Whether the transactions have been approved by the Audit Committee	The proposed Related Party Transactions (RPTs) are in accordance with the RPT policy of the Company.
Any other information relevant or important for the members to make a decision on the proposed transactions	None

The RPTs will be entered based on the market price of the relevant material and service. Where market price is not available, alternative method including reimbursement of actual cost incurred or cost plus mark-up as applicable at the sole discretion of the independent consulting firm has been considered as per arm's length pricing criteria.

The Members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve resolutions.

None of the Directors or Key Managerial Personnel of the Company except Shri Sunil K Arora, Shri Sahil Arora, Smt. Sujata Arora and their relatives may be deemed to be concerned or interested, directly or indirectly, in this Resolution.

The Board recommends the Resolution for the approval of the Members.

FOR THE ATTENTION OF THE SHAREHOLDERS

- Shareholders having multiple folios are requested to write to the Company for consolidation of the Folios to save the administrative or servicing costs.
- Requests for transfer of Shares and related correspondence should be addressed to the Company's **Registrar & Share Transfer Agent M/s Alankit Assignments Limited, Alankit House, 4E/2, Jhandewalan Extension, New Delhi 110055**. The shareholder may approach their Depository Participant for getting their shares dematerialised and in respect of the shares already held in dematerialised mode for registration of change in their addresses, bank mandates and nominations etc. For any further clarifications and other matters kindly write to the **Company Secretary at 1001, 10th Floor, DLF Tower A, Jasola, New Delhi 110025 or e-mail: investorgrievance@arotile.com**. Please quote your folio no/DP ID/Client ID and number of shares for prompt attention.
- Transfer of Unclaimed Dividend to Investor Education and Protection Fund: Pursuant to Section 125 of the Companies Act 2013, the unclaimed dividend for financial year ended 31.03.2015 will be transferred to the Investor Education and Protection Fund. Therefore those shareholders who have not yet encashed the dividend warrants may write to the Company for revalidation/ issue of fresh dividend warrants quoting their folio no/DP ID/Client ID. Shareholders who have not encashed their dividend warrants for the financial years 2015-16 to 2020-21 are requested to send the same for revalidation to the Company at the address given at point No. 2 above.



4. Nomination: Pursuant Section 72 of the Companies Act, 2013 individual Shareholders holding shares in the Company singly or jointly may nominate an individual to whom all the rights in the shares in the Company shall vest in the event of death of the sole/ all joint Shareholders. Members are requested to submit the details to their Depository Participants in case the shares are held by them in electronic form and to the Company's Registrar and transfer Agent (RTA) in case the shares are held by them in physical form, quoting their folio Number.
5. Dematerialisation of Share and Liquidity: As per Regulation 40 of SEBI Listing Regulations, as amended, transfer of Securities would be carried out in dematerialized form only with effect from April 1, 2019, except in case of transmission or transposition of securities. However, Members can continue to hold shares in physical form. In view of the same and to eliminate all risks associated with physical shares and ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's RTA assistance in this regard. Company's ISIN No. is INE210C01013.
6. Pursuant to Section 101 of the Companies Act 2013 and the Rules made there under, the Company is permitted to send various notices/documents under the Companies Act 2013, to its shareholders, through electronic mode. We request to Members to support this initiative and register their e-mail addresses in respect of shares held in: (1) dematerialised mode, with their Depository Participants; and (2) physical mode with Alankit Assignments Limited (RTA). Please quote the following particulars in the e-mail Registration Request: Folio No./DP ID –Client ID, PAN, Name (s) of Registered Holder(s), Address, Telephone and e-mail Address (to be registered for sending future communications through e-mail) and send the same under your signature(s).
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

Green Initiative in Corporate Governance: Register e-mail Address

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

Directors' Report

The Directors' have pleasure in presenting the 34th Annual Report together with Audited Accounts of the Company for the year ended on 31st March 2022.

FINANCIAL RESULTS

(₹ in Lakhs)

	31.03.2022	31.03.2021
Gross Profit before Depreciation	2351.31	1904.66
Depreciation	1273.74	1106.90
Profit before Tax	1077.57	797.76
Provision for Tax	-	-
Current	190.57	133.16
– MAT Credit	(190.57)	(133.16)
– Deferred	186.98	192.95
Surplus available for appropriation	890.59	604.81
Dividend (including Dividend Tax)	-	-
Amount transferred to General Reserve	-	-
Surplus carried to Balance Sheet	890.59	604.81

WORKING RESULTS

The Financial Year 2020-21 ended strong with a superb last Quarter. However, the challenges of COVID amplified in Q1 2022 with COVID second wave hitting India extremely hard. Tamil Nadu was one of the last states to announce restrictions and this caused COVID numbers to Spike. Many workers fearing Lockdowns like 2020 returned to home towns and there was a Shortage of workers. Our Hosur factory is an EOU and Jaipur is in a SEZ hence we work under lesser restrictions. We were working at 30-40% capacity due to workers shortage. This impacted our new Quartz project as well. Jaipur on the other hand had sufficient labour to operate at high capacity as the work force required is smaller.

The lockdown in both North and South greatly affected our purchases of raw material as most quarries were closed well beyond the lockdown as they faced severe labour shortages. Many quarries with 50+ workers were operating with only 15% of the staff and it became a very slow process.

In July the shipping rates crossed \$9,000 from Chennai to most US ports. With most granite containers being valued between \$9000-\$18,000 dollars the cost of sea freight was anywhere between 50% to 33% of the costs. Customers with long term shipping contracts were better off but most smaller companies were relying on spot rates as in the first half of 2021 the best way to get containers early was to accept spot rates. This caused a disruption in our sales.

By August the rates to most parts of Europe also crossed USD 8500 which resulted in close to 250 Containers being sold and waiting for Empty containers to get dispatched. This "Sold Inventory" resulted in further orders being delayed or reduced in quantity and many Budget colours were no longer in demand or being approved for shipments.

By October the Availability of containers improved drastically and the higher rates of upto USD 10500 per container was being accepted by many customers. Budgeted colours were purchased on a need be stock basis and our sales in Budgeted colours dropped drastically. Customers focused more on High end as the freight rate in High end is more flexible as it is a smaller component of the total landed cost.

The container issues (world supply chain crisis) continued into Q4, with container rates being 4-5x of 2020. To further intensify the issues the transit times increased to 2-3x. This was mainly due to congestions at various ports causing container roll overs. As our payments are calculated based on the shipping timelines, there were delays in receiving the payments. Typically, the lead time from India to East Coast USA was 32 days, however in Q4 that reached up to 95 days. Despite the many challenges, we have been growing our business and we see an uptake in our Quartz unit and as more and more colours are introduced in Jaipur we see our sales growing.

We have taken up expansion on the Jaipur unit as per the Master Plan layout we prepared in 2019. This expansion was also delayed by 2 months due to Semi conductor shortages at our supplier's end and then delayed shipping time due to the on going shipping Crisis. The New multiwire is installed and operational.

DIVIDEND

Your directors have not recommended any dividend for the year 2021-2022.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year amount of Rs 3,25,822/- for the Financial Year 2013-14 transfer to Investor Protection Fund under sub-section (2)



of section 125 of the Companies Act 2013 and IEPF (Accounting, Audit, Transfer and Refund) Rules 2016. Shri Sabyasachi Panigrahi, Company Secretary is the Nodal Officer appointed by the Company under the Provisions of the IEPF Act.

FIXED DEPOSIT

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

LOANS, GUARANTEES AND INVESTMENTS

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

RELATED PARTY TRANSACTIONS

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

DIRECTORS

During the year Shri Rahul Gupta, Independent non-executive Director resigned from the Board. Board acknowledges the invaluable contributions made by the Shri Rahul Gupta during his tenure and appreciates his long association with the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee has been re-constituted. 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 VAPS & Company, Chartered Accountants, New Delhi was appointed as the Statutory Auditor of the Company for a period of Five Years from the Conclusion of Twenty ninth Annual General Meeting. The Notes on the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualifications, reservations or adverse remark.

(b) Secretarial Auditor

Practising Company Secretary Ms. Latika Jetley (CP No. 3074) was appointed as the Secretarial Auditor by the Board for the financial year 2021-22 to conduct the Secretarial Audit. The Secretarial Audit Report along with the Annual compliance Secretarial Audit Report under SEBI Regulation for the year 2021-22 is annexed herewith as **Annexure II**. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remark.

(c) Internal Auditor

The Board had appointed M/s Sreekantha & Co., Chartered Accountants, Hosur as the Internal Auditor of the Company for the year 2021-2022. Internal Audit report does not contain any qualifications, reservations or adverse remark.

COMPLIANCE WITH SECRETARIAL STANDARDS

Compliance of Secretarial Standards on Meeting of Board of Directors (SS-1) and General Meeting (SS2) issued by Institute of Company Secretary of India has been adopted by the Company.

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Practising Company Secretary's Certificate on Corporate Governance is enclosed as **Annexure III** to the Board's Report. The Auditors' Certificate for the year 2021-22 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 and 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.

EXTRACT OF THE ANNUAL RETURN: The Extract of annual return of the Company in form MGT 9 is annexed herewith as **Annexure V** and form part of this report and can be accessed at web link www.arotile.com :-

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 2022.

Employed throughout the financial year, ended 31st March 2022 in receipt of remuneration not less than One Crore two Lakh rupees per annum.

Name	Age	Qualification	Experience	Date of Commencement Employment	Designation	Remuneration	Last Employment
Mr. Sunil Kumar Arora	63 Years	B. Sc.	35 Years	03.05.1988	Managing Director	18487844	Since Inception

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

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

Sl. No.	Name	Ratio to median remuneration
1	Shri Sunil Kumar Arora, Managing Director	597.597
2	Shri Sundareshwara G Sastry	6.788
3	Shri Dinesh Chandra Kothari	6.303
4	Shri Rahul Gupta	4.525
5	Smt. Sujata Arora	5.980
6	Smt. Vinita Sood	7.596
7	Shri Sahil Arora, Whole Time Director	140.204

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

Sl. No.	Name	% Increase in Remuneration
1	Shri Sunil Kumar Arora, Managing Director	11.61
2	Shri Dinesh Chandra Kothari	10.26
3	Shri Rahul Gupta	-31.71
4	Smt. Sujata Arora	37.04
5	Smt. Vinita Sood	14.63
6	Shri Sahil Arora, Whole Time Director	50.62
7	Shri Sundareshwara G. Sastry	-2.33
8	Shri Sabyasachi Panigrahi, Company Secretary	18.31
9	Shri M. Madangopal CFO	0.13



3. The percentage increase in the median remuneration of employees in the financial year: 0.58
4. The number of permanent employees on the roll of Company: 319
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year ended 31st March 2022 was 4.27%
6. The Company affirms that the remuneration is as per the remuneration policy of the Company.

CORPORATE GOVERNANCE including details pertaining to Board Meetings, Nomination and Remuneration Policy, Audit Committee and Vigil Mechanism

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

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

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

INTERNAL FINANCIAL CONTROL

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

LISTING

The Equity Shares of the Company are listed in BSE Limited and National Stock Exchange of India Limited. Listing fees for the year 2022-2023 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: 29.04.2022

Sunil Kumar Arora
Managing Director

Sahil Arora
Whole Time Director

ANNEXURE I TO THE BOARD'S REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2022

- Brief outline on 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.
- Composition of CSR Committee:**

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

- 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
- 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.**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

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

- Average net profit of the company as per section 135(5). Rs. 8,55,81,505.00
- Two percent of average net profit of the company as per section 135(5) Rs. 17,12,000.00
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years
 - Amount required to be set off for the financial year, if any Rs.0.00
 - Total CSR obligation for the financial year (7a+7b-7c). Rs.17,12,000.00
- CSR amount spent or unspent for the financial year: Rs.0.00

Total Amount Spent for the Financial Year. (Rs.)	Amount Unspent (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.
49,12,222.00	NOT APPLICABLE				



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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.). in Lacs	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	
				State.	District.						Name	CSR Registration number.
NOT APPLICABLE												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Rural Health care program	Promoting health care including preventive health care and sanitation	Yes	Tamil Nadu	Krishnagiri	49,12,222.00	NO	Aro Charitable Trust	--
	TOTAL					49,12,222.00			

- (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 49,12,222/-
(8b+8c+8d+8e)
- (g) Excess amount for set off, if any NIL

Sl. No.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	17,12,000.00
(ii)	Total amount spent for the Financial Year	49,12,222.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	32,00,222.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	32,00,222.00

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the 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)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (Rs).	Cumulative amount spent at the end of reporting Financial Year. (in 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

(Dinesh Chandra Kothari)
Chairman-CSR Committee

RESPONSIBILITY STATEMENT

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

Sunil Kumar Arora
Managing Director

Dinesh Chandra Kothari
Chairman, CSR Committee

Place: Hosur
Date: 29.04.2022

ANNEXURE II TO THE BOARD'S REPORT

MR 3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March 2022

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

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

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

We report further:

- a. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes those are appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that, the processes and practices we follow, provide the reasonable basis of our opinion.
- c. The compliances of provisions of the corporate and other applicable laws, rules, regulation, standard is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
- d. We have not verified the correctness and appropriateness of the Financial Statements of the Company.
- e. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has during the audit period covering the financial year ended on 31st March 2022 (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 2022 according to the provisions of:

- (i) The Companies Act 2013 ('the Act') and the Rules made there under:
- (ii) The Securities Contracts (Regulation) Act.1956 (SCRA) and Rules made there under.
- (iii) The Depositories Act,1996 and the Regulations and Byelaws framed there-under.
- (iv) Foreign Exchange Management Act 1999 and the Rules & Regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **(Not applicable to the company during audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 (SEBI ACT).
 - a. The Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulation Act 2011. **(Not applicable to the Company during audit period)**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992. **(Not Applicable to Company during audit period)**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not applicable to the Company during audit period)**
 - d. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines 1999 and The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations 2014 notified on 28th October 2014. **(Not applicable to the Company during audit period)**
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008. **(Not applicable to the Company during the audit period)**
 - f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulation 1993 regarding the Companies Act and dealing with the client.
 - g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations 2009. **(Not applicable to the company during the audit period).**
 - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations Act 1998 **(Not applicable to the company during the audit period)**

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

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

During the period under review the Company has complied with 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 proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the audit period Mr Rahul Gupta, Independent non-Executive Director resigned from Company. The Company has provided Rs 17.12 Lakhs for CSR and spent Rs 49.12 Lakhs under the Corporate Social Responsibility as per the relevant provisions of the Companies Act 2013. During the year there was related party transactions at an arm's length basis for which omnibus approval had been taken. During the year under audit, the Company has not declared any dividend. During the audit period 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 on 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 extra-ordinary general meeting was held. Annual General Meeting was held through Video Conferencing, and proper Notice were 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. All Board Meetings and Committee Meetings were held through Video Conferencing. During the Audit period Nomination and Remuneration Committee, Audit Committee and Stakeholder Relationship Committee had been re-constituted. There are Inter-Corporate Investment as per section 186 of the Companies Act 2013 in the Company. During the year under audit, the Company was sanctioned Rs. 10.00Crores of working capital limit from HDFC Bank Limited and Covid Emergency Credit line 36.00 crores from Bank of Baroda, for which charges has been created as per compliance with the provisions of the Act.

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 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. Acts as prescribed under 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.

Latika Jetley
Practising Company Secretary
ACS 12120, C.P.3074
UDIN: A012120D0002356

Place: Hosur
Date: 29th April 2022

ANNUAL SECRETARIAL COMPLIANCES REPORT OF ARO GRANITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2022

[Pursuant to Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019, for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I have examined

- a) All documents and records made available to me and explanation provided by **Aro granite industries limited.**
- b) Filings/submissions made by the listed entity to the stock exchanges
- c) Website of listed entity
- d) Any other document /filing as may be relevant, which has been relied upon to make this certification.

for the year ended 31.03.2022 in respect of compliance with the provisions of

- (a) Securities and Exchange Board of India 1992 (SEBI Act) and the Regulations/Circulars/guidelines issued thereunder: and
- (b) Securities Contracts (Regulation) Act 1956 (SCRA) rules made thereunder and the regulations, circulars/guidelines issued by the Securities and Exchange Board of India (SEBI).

The Specific Regulations, whose provisions and the Circulars/guidelines issued thereunder have been examined include:

- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015
- b. The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations Act 2018. **(Not applicable during the year under review)**
- c. The Securities and Exchange Board of India Exchange (Substantial Acquisition of shares and Takeovers) Regulations 2011. **(Not applicable during the year under review)**
- d. The Securities and Exchange Board of India (Buyback of securities) Regulations, 2018. **(Not applicable during the year under review)**



- e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014. **(Not applicable during the year under review)**
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008.

(Not applicable during the year under review)

- g. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulation 2013. **(Not applicable during the year under review)**
- h. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015. **(Not applicable during the year under review)**

and circulars/guidelines issued thereunder:

And based on the above examination, I/We hereby report that, during the Review Period:

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

Sl. No.	Compliance Requirement (Regulations /circulars/ guidelines Including specific clause)	Deviation	Observations/Remarks of the Practicing Company Secretary
	NIL	NIL	NIL

- (b) The Listed entity has maintained proper records under the provisions of the above regulations and circulars/guidelines issued thereunder insofar as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity /its promoters/directors/material subsidiaries either by SEBI or by Stock Exchange(s) (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder:

Sl. No.	Action taken by	Details of violation	Details of action taken e.g., fines warning letter debarment, etc.	Observations/remarks of the Practicing Company Secretary, if any
	NIL	NIL	NIL	NIL

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

Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the Secretarial compliance report for the year ended---	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity.
	NIL	NIL	NIL	NIL

Place: New Delhi
Date: 12th May 2022

Latika Jetley
Practising Company Secretary
ACS 12120/COP 3074
UDIN: A012120D000310231

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 2022, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

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

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

Latika Jetley
Practising Company Secretary
ACS 12120/ COP 3074
UDIN: A012120D000235486

Place: Hosur
Date: 29th April 2022

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 1,31,99,933 units were consumed and the per Sq. mt. power consumption cost only Rs. 134.39

(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

	Year ended 31.03.2022 (Rs. in Lakhs)	Year ended 31.03.2021 (Rs. in Lakhs)
Export of Goods (FOB)	20185.55	15968.23

(b) Expenditure in Foreign Currency

Value of Imports (CIF)	Year ended 31.03.2022 (Rs. in Lakhs)		Year ended 31.03.2021 (Rs. in Lakhs)	
Capital Goods	385.65	9.56	247.96	9.07%
Raw Materials	941.21	23.35	782.43	28.61%
Consumables	2077.02	51.53	1436.71	52.53%
Stores & Spares	593.79	14.73	264.90	9.68%
Overseas Business Travelling	-	-	-	-
Other Expenses	33.24	0.83	3.02	0.11%



ANNEXURE V TO THE BOARDS' REPORT

Form No. MGT-9: Extract of Annual Return as on financial year ended 31.03.2022

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS:

- i. CIN L74899DL1988PLC031510
- ii. Registration Date 03.05.1988
- iii. Name of the Company Aro granite industries Ltd.
- iv. Category / Sub-Category Public Company / Limited by Shares of the Company
- v. Address of the Registered office and contact details
1001, 10th Floor DLF Tower A Jasola
New Delhi 110025
Phone No. 011-41686169
Fax: 011-26941984
E-mail: investorgrievance@arotile.com
- vi. Whether listed Company Yes/ No Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any
Alankit Assignments Limited
Alankit House, 4E/2, Jhandewalan Extension
New Delhi-110055,
Phone No. 91-11-23541234, 42541234
Fax: 91-11-23552001,
E-mail ID: info@alankit.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the turnover of the Company shall be stated:-

Sl. No.	Name and Description of main Product / services	Nic Code of the Product/service	% to total turnover of the Company
1	Granite Tiles & Slabs	68022390	81%
2	Quartz Slabs	68109990	19%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE Company	CIN/GLN HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
NA	NIL	NIL	NIL	NIL

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

₹ in Lakhs

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual /HUF)	6282856	0	6282856	41.06	6282859	0	6282859	41.06	0.00
b) Central Govt/ State Gov(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1)	6282856	0	6282856	41.06	6282859	0	6282859	41.06	0.00
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0	0	0	0	0.00	0.00
e) Any Others (specify)	0	0	0	0	0	0	0	0.00	0.00
Sub-total (A) (2)	0	0	0	0	0	0	0	0.00	0.00
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	6282856	0	6282856	41.06	6282859	0	6282859	41.06	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0.00	0.00
b) Banks / Fi	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	141047	0	141047	0.92	171581	0	171581	1.12	0.20
d) State Govt(s)	0	0	0	0	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
sub-total (B)(1)	141047	0	141047	0.92	171581	0	171581	1.12	0.20
2. Non Institutions									
a) Bodies Corp.									
i) Indian Corp.	943965	12324	956289	6.25	872949	8949	881898	5.76	-0.49
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4124249	297161	4421410	28.90	4995324	279043	5274367	34.47	5.57
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh c)	3285774	0	3285774	21.48	2391815	0	2391815	15.63	-5.84
Other (specify)									
NRI/ OCB	195713	16911	212624	1.39	280569	16911	297480	1.94	0.55
Sub total (b) (2)	8549701	326396	8876097	58.01	8540657	304903	8845560	57.81	-0.20
Total Public Shareholding (B)= (B) (1)+(B)2	8690748	326396	9017144	58.94	8712238	304903	9017141	58.94	-0.00
c. Share held by Custodian For GDRS & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	14973604	326396	15300000	100.00	14995097	304903	15300000	100.00	0.00



(ii) Shareholding of Promoters

Sl.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to Total Shares	% change in share holding during the year
1	Sunil Kumar Arora	4887540	31.95	0	4887540	31.95	0	0
2	Sujata Arora	598572	3.91	0	598572	3.91	0	0
3	Sudershan Arora	186603	1.22	0	186603	1.22	0	0
4	Aman Arora	33	0.00	0	33	0.00	0	0
5	Geeti Arora	1353	0.01	0	1353	0.01	0	0
6	Ravi Kumar Arora	1383	0.01	0	1383	0.01	0	0
7	Sahil Arora	303688	1.98	0	303688	1.98	0	0
8	Shivani Agarwal	303687	1.98	0	303687	1.98	0	0
	TOTAL	6282859	41.06	0	6282859	41.06	0	0

(iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Share	% of total shares of the Company	No. of shares	% of total share of the Company
1	At the beginning of the year	0	0	0	0
2	Date wise Increase/Decrease in Promoters Share Holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	0	0	0	0
3	At the End of the year	0	0	0	0

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRS)

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year 1st April 2021		Shareholding at the end of the year 31st March 2022	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Dilip Kumar Lakhi	1441835	9.42	919433	6.01
2	Winfin Financial Consultants Pvt Ltd.	381794	2.50	381794	2.50
3	Bharat Pitti	363906	2.38	327328	2.14
4	Archit Exim Pvt Ltd	206791	1.35	238627	1.56
5	Sangeetha S	200590	1.31	200000	1.31
6	Prerna Kuhad	188090	1.23	0	0
7	Amit Jain	150000	0.98	0	0
8	Anil Laroia	84375	0.55	0	0
9	Bharat Pitti	97513	0.64	0	0
10	Rashmi Sharma	0.00	0.00	78428	0.51
11	Sapna Dhalwal	68000	0.44	0	0.00
12	Meher Anoop Malani	0.00	0.00	63013	0.41
13	Rajat Singhi	0.00	0.00	56380	0.37
14	Mahendra Kumar Kankaria	0.00	0.00	55503	0.36
15	Devika Anand	0.00	0.00	47986	0.31

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of Directors and KMP	Shareholding at the beginning of the year 1st April 2021		Shareholding at the end of the year 31st March 2022	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Sunil Kumar Arora	4887540	31.95	4887540	31.95
2	Sujata Arora	598572	3.91	598572	3.91
3	Sahil Arora	303688	1.98	303688	1.98

V. INDEBTEDNESS

Indebtedness of the Company including outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	49,38,12,914.00	0.00	0.00	49,38,12,914.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not Due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	49,38,12,914.00	0.00	0.00	49,38,12,914.00
Change in Indebtedness during the financial year				
Addition	38,89,41,095.00	0.00	0.00	38,89,41,095.00
Reduction	10,93,17,097.00	0.00	0.00	10,93,17,097.00
Net Change	27,96,23,998.00	0.00	0.00	27,96,23,998.00
Indebtedness at the end of the financial year				
i) Principal Amount	77,34,36,912.00	0.00	0.00	77,34,36,912.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not Due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	77,34,36,912.00	0.00	0.00	77,34,36,912.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole Time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		
		Sunil Kumar Arora Managing Director	Sahil Arora Whole Time Director	Total Amount
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961	1,80,00,000.00	41,40,000.00	22,14,000.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,87,844.00	1,97,496.00	6,85,340.00
	c) Profits in lieu of salary under section 17(3) Income Tax Act. 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission-as % of the Profit Other, specify Others. Please Specify	0.00	0.00	0.00
	Total (A)	1,84,87,844.00	43,37,496.00	2,28,25,340.00

Ceiling as per the Act: Ceiling as per the Schedule V of the Companies Act 2013.



B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Dinesh Chandra Kothari	Rahul Gupta	Vinita Sood	Sundareshwara G Sastry	
1	Independent Directors					
	• Fees for attending Board/ Committee Meetings	2,15,000.00	1,85,000.00	2,35,000.00	2,10,000.00	8,45,000.00
	• Commission	0.00	0.00	0.00	0.00	0.00
	• Other, Please specify	0.00	0.00	0.00	0.00	0.00
	Total (1)	2,15,000.00	1,85,000.00	2,35,000.00	2,10,000.00	8,45,000.00

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Sujata Arora				
2	• Other Non-Executive Director	1,85,000.00	0.00	0.00	0.00	1,85,000.00
	• Fees for attending Board/ Committee Meetings	0.00	0.00	0.00	0.00	0.00
	• Commission	0.00	0.00	0.00	0.00	0.00
	• Other, Please specify					
	Total (2)	1,85,000.00	0.00	0.00	0.00	1,85,000.00
	Total (B)= (1) + (2)					10,30,000.00
	Total Managerial Remuneration (A+B)					23,85,5340.00

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(A) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19,38,408.00	23,78,520.00	4316928.00
	(B) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(C) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission -as % of profit-others, specify	0.00	0.00	0.00
5.	Other, please specify	0.00	0.00	0.00
	Total	19,38,408.00	23,78,520.00	43,16,928.00

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

TYPE	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [Rd/ NCLT/COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER					
Officers in default					

Management Discussion and Analysis

Global Economy

After a challenging year in 2020 due to Covid pandemic year 2021 started on a positive note with the roll-out of vaccination globally which curbed the spread of virus. The ease in lockdown restrictions spurred the demand and helped businesses in recovery. As per World Economic Outlook report, after the pandemic-led degrowth of 3.3% in 2020, the global economy rebounded fast and reported a growth of 5.7% in 2021. Aligned with the recovery of global output, global goods trade and global services trade also reported strong growth and reached pre-pandemic levels during the beginning of year 2022.

The global economic recovery was soon slowed down by the spread of Delta and Omicron variant of Covid-19. However, the spread of Delta and Omicron variant had limited economic impact due to controlled lockdown, widespread vaccination coverage and strong government support. The global economy was materially impacted due to Russia invasion on Ukraine in March 2022. The war in Ukraine has led to supply chain disruption, high commodity prices and surging inflation forcing Central Banks to drive tighter monetary policies. This is expected to impact demand and the Global GDP is now projected to grow by 2.9% in Calendar year 2022.

The world economy is expected to remain under stress and risk of recession is looming over global economy due to higher inflation, tighter monetary policies, slowing growth and persisting geopolitical tensions across the world.

Indian Economy

Indian economy had a robust recovery and GDP grew by 8.7% in FY2022 as compared to negative growth of 6.6% in FY2021. The roll-out of the successful vaccination program in India along with supportive policies from government helped India revive its economic growth. Indian government eased Covid-19 restrictions and the economy grew by 20.1% in Q1FY2022 and 8.4% in Q2FY2022. However, in second half of the year the Delta wave of Covid-19 again drove lockdowns and slowed down the growth trajectory of the economy. Omicron wave-induced restrictions and high commodity prices slowed down economic activities from third quarter onward.

Indian economy is expected to grow by 7.2% in FY2023. Increased fuel prices and rising inflation triggered by the Ukraine war has forced tightened monetary policies from RBI and this in turn is expected to hamper economic activities.

Granite Industry

Granite is one of the oldest and most sought-after stone in world. It was used in building monuments for thousands of years and now with the advent of technology for cutting and polishing, its use has further extended for decorative purposes. Granite due to its high compressive strength, longevity and beauty finds applications in building material and decorative purposes. Its usage in kitchen countertop, bathroom and stairs has significantly increased over the last few decades.

Globally granite industry is dominated by a few granite producing countries with huge granite reserves. Top granite producing countries are China, Brazil, India, Italy and Saudi Arabia. On the demand side USA is largest consumer of granite and its demand is largely satisfied by imports from Brazil, India, China and other countries. Europe is the other large market for granite and with limited reserves of its own meets its demand from imports.

China plays an important role in global granite industry and has a large market share in global exports. It imports granite blocks from all around the globe for further processing and turn them into slabs and tiles. China exported \$3.3 billion of granite in year 2020 and accounted for 59% of global exports. India ranks second after China and comprised of 16% of global exports in 2020. Brazil has 7.2% of market share in global granite exports.

Engineered stone

Engineered quartz stone is man-made stone, manufactured from mix of quartz crystal aggregates, resin binder, pigments and additives. Quartz is natural stone and found in abundance around the globe. It occurs naturally in clusters and does not form huge stone blocks like granite, marble or other rocks which makes it unsuitable for direct use. Quartz is processed further and converted into engineered stone for application in building material.

Engineered quartz stone is alternative to granite and other natural stones. Quartz stones have similar qualities of granite like its durability, beauty, elegance and scratch & heat resistance. But unlike granite it is non-porous and not subject to tone variation as it has added chemicals and binders to control its properties. It can be produced in same colors, texture and designs and can be used in large areas.

Demand for engineered quartz stone is rapidly rising. Engineered stone quartz is preferred over other stones due to its higher durability and weight bearing capacity. The global engineered stone market was estimated to be at \$ 20.3 billion in 2020. It is expected to reach \$31.6 billion by year 2028 and grow at CAGR of 5.7% from 2021 to 2028.

Demand for engineered stone is expected surpass natural stones due to growing need for high quality construction material with consistent design elements. Investments in the construction of large commercial & residential buildings and increased application of stone material for enhancing aesthetics in the interior structure are expected to fuel growth in stone industry.

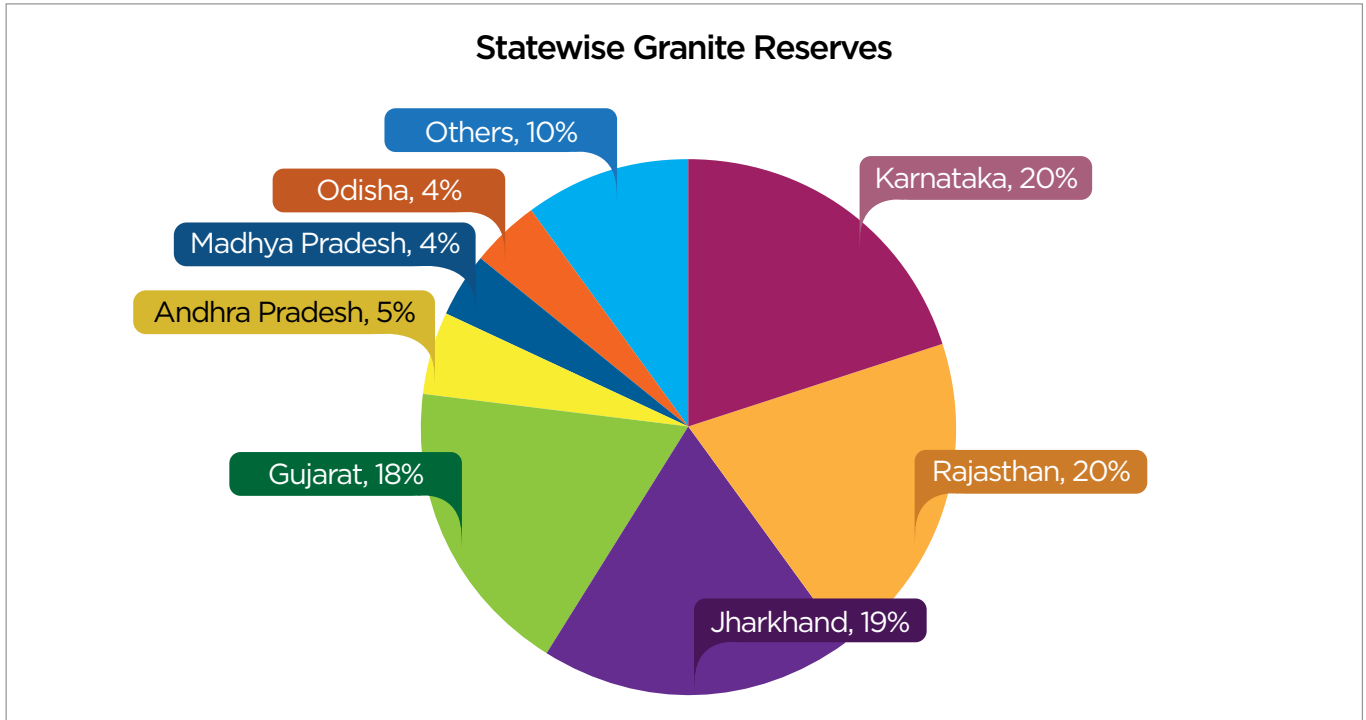
Indian Granite Industry

India possesses a wide variety of natural stones including granite, marble, limestone, sandstone, slate and quartzite. It has more than 20% of the world's granite reserves and they are spread across the country. India possesses large variety of over 200 shades, some of



which are quite popular across world. Granite Industry plays a vital role in the economy of granite producing states like Tamil Nadu, Andhra Pradesh, Telangana, Karnataka and Rajasthan. Indian granite industry generates huge employment in rural areas with the economic value pegged with it estimated at \$40 billion.

Indian granite industry produces and exports vast variety of granite with high quality spread across many colors. India is one of the top exporters of granite stone globally.



Source – Indian Mineral Yearbook 2019

Granite is classified as a Minor Mineral under the MMDR Act 1957 in India and its reserves and leasing regulations are governed by the respective state governments. Historically allotment of quarries was carried out by state governments without transparent competitive bidding system.

In recent years crackdown on illegal mining has caused shutting down of thousands of illegal quarries. Furthermore, lack of environmental clearance for quarrying has further reduced number of active quarries. The closure of granite quarries in Tamil Nadu and Karnataka has caused severe shortage of raw material for downstream granite processors. Granite processors in Tamil Nadu and Karnataka have to source granite block from other states and other countries which have increased their transportation cost and impacted their competitiveness in the international markets.

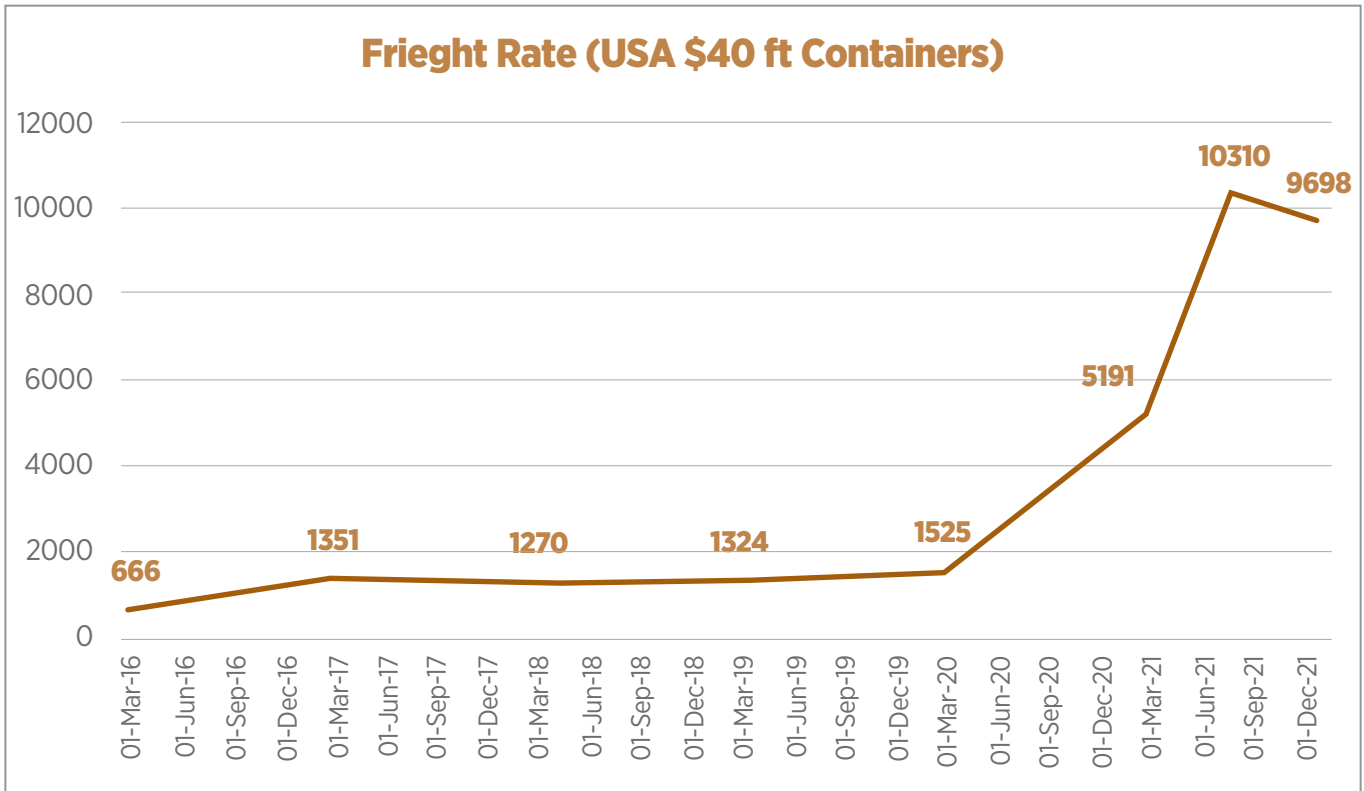
Rajasthan, which accounts for 20% of granite reserves in India has lately emerged as new granite hub in India. Rajasthan government has better mining policies which promotes quarrying in an organized way in Rajasthan. Another advantage is that it has unique colors shades which are very popular across globe, especially USA.

Shipping container crisis

Covid-19 pandemic spread across the world and has disrupted logistics across the across the globe. Economic activities, production and supply chain halted due to implementation of lockdowns across countries. Initially demand for shipping containers was declined causing large number of containers not retrieved back from western ports. As the global trade started to rise again from August 2020 demand for containers increased rapidly and this in turn triggered the shipping containers crisis.

Lockdowns and tightened clearing norms at borders and ports increased time for cargo clearance. Inadequate staffing for loading and unloading of goods from vessels at ports further worsened situation and large number of containers piled up at ports in Europe and North America. As per Descartes Datamyne Report, North America is facing a 40% imbalance, which means that for every 100 containers that arrive only 40 are exported and balance 60 containers continue to accumulate at ports.

Shortage of shipping containers have increased sea freights significantly. On average for Indian exporters sea freight has increased by 300-350% as compare to pre-covid levels. The cost of shipping a 40 Feet Container from India to US has increased to over USD 10,000 per container compared to USD 1500 per container pre covid. The exports from India have been substantially impacted due to increased sea freight and extended exports cycle time. Working capital have increased substantially further impacting margins of Indian exporters.



About the Company

Aro Granite Industries Ltd is the largest processed granite exporter from India. The company has been in granite exports business for more than 35 years. It exports to more than 50 countries across the world and has a 100% EOU plant located in Hosur, Tamil Nadu. It has also set up new 100% EOU unit in Jaipur, Rajasthan and a Engineered Quartz Stone processing plant in its existing facility at Hosur. Company has received numerous awards and recognitions from Government of India for its exports including "Star Export House" certification from Ministry of Commerce and Industry.

Company has built a wide product portfolio of stones over the years. It has expanded its product range portfolio from only granite to Quartzite and Quartz engineered stone.

It processes granite blocks into slabs, tiles and cut-to-size tiles for large construction projects. It has installed capacity of 7,35,000 square meters for granite slabs and 3,60,000 square meters for granite tiles in Hosur plant. It also has granite processing plant in Jaipur with processing capacity of 1,50,000 square meters of granite slabs per year. It has 2 CNC machines and 1 edge polishing machine for Cut-to-Size segment. Company also processes Quartzites which is one of the hardest stone on earth and has production capacity of 50,000 square meters per year. The Quartz manufacturing plant in its Hosur unit has a production capacity of 1,80,000 square meters per year.

Performance during the year

Sales increased by 25.70% to Rs. 225 Crore in FY2022 from Rs. 179 Crore in FY2021 and Profit After Tax increased by 50% to Rs. 9 Crore in FY2022 from Rs. 6 Crore in FY2021. The robust increase in sales and profit was largely on account of good performance in first half of the year. Its Jaipur plant and Quartz plant contributed to its growth significantly.

FY2022 started on a good note for the company. However, the company had to face challenges from second wave of Covid-19. The State Government imposed complete lockdown for 1 week in Tamil Nadu which disrupted production and availability of labour in plants and granite quarries. The performance of the company was further impacted due to shortage of shipping containers. Non-availability of empty containers disrupted the supply chain across the world and impacted global trade over extended period of time.

Exporters across the world are coping with unprecedented rise in sea fares. Shipping cost from India has increased by 3-4 times in last 2 years to USA and Europe. The landed cost of goods has increased substantially impacting new orders from customers. Shipping costs to USA increased to 40-50% of landed price of goods which earlier used to be 10-15% of landed price of goods. Working capital of the company has also increased substantially due to extended delivery time of its exports orders.

Jaipur Plant

The company has set up manufacturing plant in Rajasthan to procure raw material from North India. Rajasthan accounts for 20% of granite reserves in India. Rajasthan has large variety of unique semi-exotic colors and shades which have good demand in global markets especially in North America. Company has built a portfolio of more than 20 colors from its Jaipur plant, which is in high demand in the export markets.



The Jaipur plant has contributed materially to the sales of the company in the last 2 years. It has contributed 19% of sales in FY2021-22. Currently the plant is running at full capacity and company has installed second multiwire machine to further increase capacity. The expansion will increase production capacity by 50% of Jaipur plant.

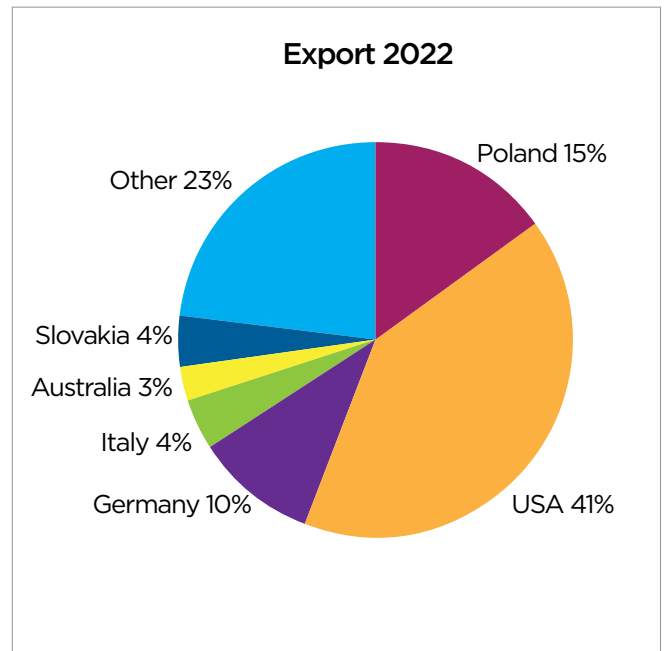
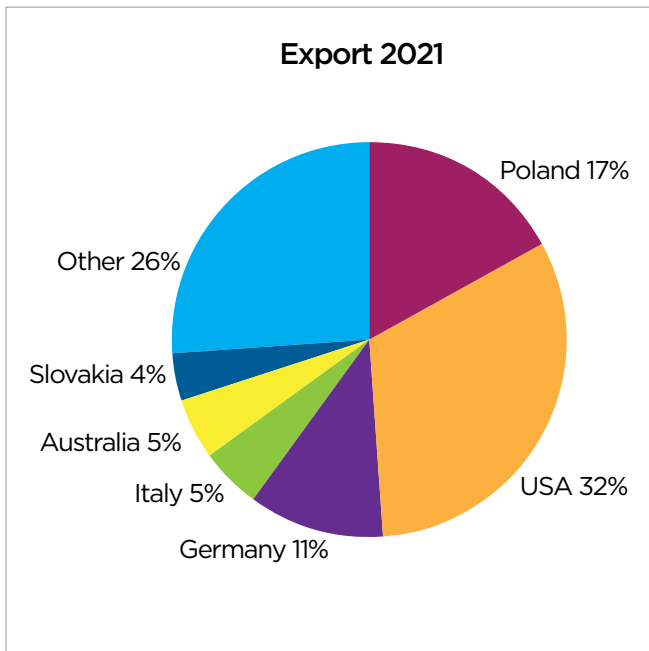
Quartz Plant

Company started its commercial production in FY2021 and has completed a full year of commercial production from Quartz plant in FY2022. It is currently producing basic colors and designs due to unavailability of engineers from its Machine vendors due to visa restrictions and Covid related travelling curbs. Overall, the plants performance has been encouraging and it is getting repeat orders from its customers. Over the course of the year the company has significantly reduced the defects and rejection rates and is improving its product quality continuously.

The Quartz plant contributed 19% of sales in FY2022. The Quartz plant utilisation was at 60% of its rated capacity in FY2022 and it has achieved breakeven in the first year of operations. Company is leveraging its granite segment distribution channel for its Quartz segment also, and its long-term relationship with customers is driving its growth in sales of Quartz segment. Quartz Engineered stone is very popular and is increasingly being preferred by fabricators over other natural stones. Company expects that the investment in Quartz plant shall drive the growth in coming years.

Exports

Aro granite is largest processed granite exporter from India. It has also started export of Quartz Engineered Stone from FY2021. The company exports to more than 50 countries across the world. Company has been awarded with "Special Export Award" by CAPEXIL for 7 years in a row. Exports accounted for 91% of revenue in FY2022. Its major exports markets are USA, Poland, Germany, Slovakia, Italy and Australia.



Segment performance

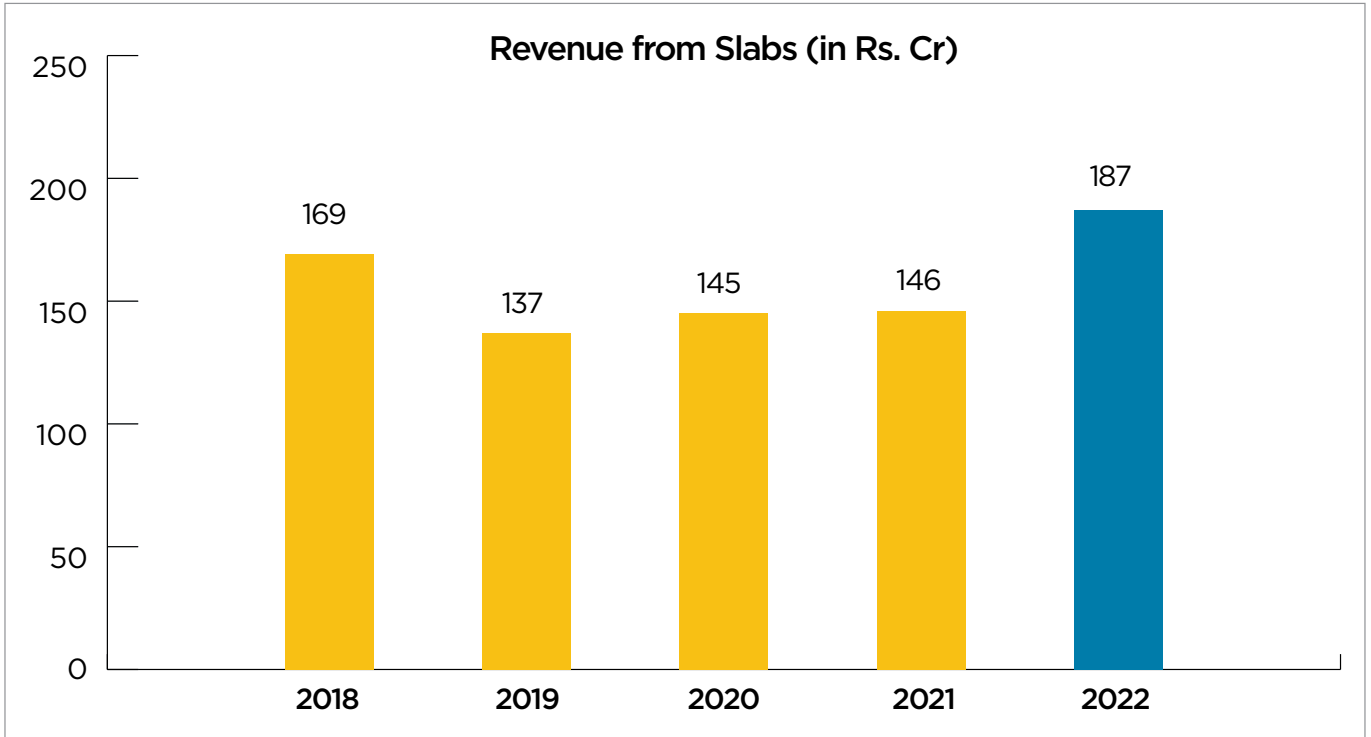
Company has 2 segments slabs and tiles. Cut-to-size is reported in the tiles segment and Quartzite and Quartz sales are reported under slab segment.

Slabs

Slabs are the dominant component of Aro Granite’s business. The segment contributed 83% of the Sales in FY2021-22. Company has two granite processing plants located in Jaipur and Hosur. It has an installed capacity of 7,35,000 square meters per year for Granite slabs in Hosur plant and 1,50,000 square meters in Jaipur plant. It also has an installed capacity of 1,80,000 square meters per year for Engineered stones slabs in its Hosur plant.

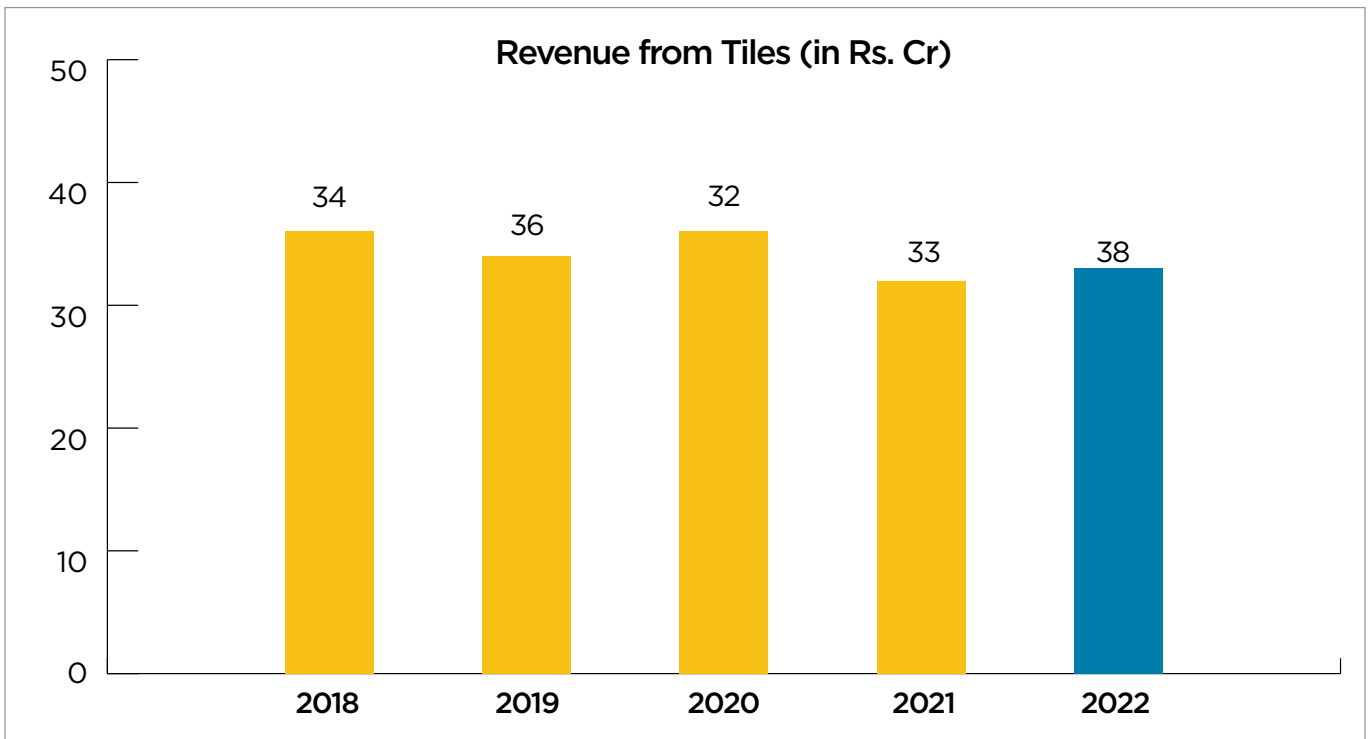
The contribution from the Jaipur plant is growing and sales from the plant increased from Rs 36.20 Cr in FY2021 to Rs 42.40 Cr in FY2022. The Jaipur plant is running at full capacity and the company recently increased the capacity by 50% in the Jaipur plant.

Aro has also started production from Engineered Stones plant and its sales increased from Rs 2.3 Cr in FY2021 to Rs. 41.72 Cr in FY2022. Quartz engineered stones are quite popular among fabricators and its demand is expected to further increase in future.



Tiles

Tiles segment has a smaller contribution in Aro Granite’s business. It accounted for 17% of its revenue in FY2022. Aro has installed capacity of 3,60,000 square meters per year for this segment. It also classifies its Cut-to-size revenue in the tiles segment.



Outlook

Aro Granite has shown growth in sales and profit inspite of very challenging business conditions. The Jaipur and Quartz plants have contributed to the sales growth, whereas the Hosur slab plant is underutilized due to scarcity of raw material. Jaipur plant is running at full capacity and the company has further increased capacity by 50% in Jaipur plant. The company procures raw material from Rajasthan for its Jaipur plant. Rajasthan has a wide range of colors which are popular across the world especially in North America. Company is aiming to further expand in Jaipur as it is getting good traction for its products.



The engineered stone plant has completed one full year of operation and has achieved operational breakeven. Company is getting encouraging response from its customers and getting repeat orders. Company expects that Quartz segment will contribute to the growth of the company in coming future.

The company continues to face challenges in procurement of raw material for its Hosur plant. The production from its Hosur plant has significantly reduced and it is running at 50% of its capacity due to non-availability of raw material. The company has started processing imported raw blocks to improve its utilization levels.

Aro granite has tried to scale up its operations as per the demands of the industry. It has invested in its state-of-the-art plant and machinery over the years and is running one of the best granite processing plants in India. It has become the largest processed granite exporter out of India based on its processing skills. The company is aiming to scale up its engineered stone business and continue growing amid the challenging environment for the stone industry.

Opportunities & Threats

Opportunities

- Engineered stone demand is growing much faster globally. The company recently forayed in this segment and hopes to drive future sales growth from this segment. Dumping duty imposed on stone exports out of China by USA and European Union makes Indian processed granite more competitive in those markets
- Natural stone processing is environment friendly. So it fits into the sustainable living movement that is gaining traction
- India has one of the largest range of colors in natural stones. As the stone mining business organizes there is a big opportunity for the industry to grow

Threats

- Increasing protectionism by countries and imposing of Anti-Dumping duty can impact Granite exports out of India
- Raw material scarcity in South India has been impacting business significantly. Further closure of mines will impact the availability of raw blocks. Increasing uncertainty in the global economy will lead to high currency fluctuations which may impact the margins of company
- Rising costs of transportation makes the landed costs of goods high in the importing countries, which in turn impacts overall demand.

Risk & Concern

Shortage of Raw Material

Raw material shortage has slowed down growth of Indian granite exporters. Closure of large number of granite quarries has caused big shortage in raw material, especially in South India where our Hosur plant is located. Challenges in procurement of raw material has adverse impact on the overall competitiveness of Indian exports. In our case the Hosur plant is operating below capacity and this has significantly impacted our sales and profitability.

To counter the shortage of raw material the company has opened the Jaipur plant and has started sourcing from new mines in other geographical regions like Rajasthan and Andhra Pradesh. The company has also started importing raw blocks, to improve the utilization in Hosur plant.

Adverse Regulatory Policies

The state government policies have been unfavorable for granite industry in Tamil Nadu and Karnataka over the last few years. The policies regarding granite quarry leasing have been ambiguous and not supportive for granite industry in the recent years. Many granite quarries have closed down over the last few years due to allegations of illegal mining, lack of Environmental Clearances or irregularities in the allotment process. This has been compounded by frequent change in rules which have resulted in a grid lock on approval for new granite quarries. This in turn has resulted in reduced availability of raw granite blocks.

The company is trying to source granite blocks from other geographic regions and also importing raw granite blocks



Currency Appreciation

Company generated 91% of its revenue in FY2022 from exports and currency fluctuations can impact the competitiveness and demand for Indian currency. The relative currency appreciation of Indian Rupee vis-a-vis competing nations like Brazil has impacted the business negatively in the past.

The company currently exports to over 50 countries. This helps in diversification of risks and any adverse currency movement in one country will have a lower impact on company's business. Some shades are only found in India and their demand is relatively inelastic and is not impacted by the currency movements. The company is focused on exporting such colors and is also aiming to increase its sales in the domestic market.

Change in Consumer Preference

Stone industry is very dynamic designs and colors preference keep changing. Demand for products, colors and shades depends upon the trend in industry. The demand for engineered stone has increased at the expense of natural stones, which includes granite.

The company has responded to the global trends by setting up an engineered stone unit at its Hosur Unit.



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 comprises 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 of the Meeting. Seven Board Meetings were held via video conferencing during the Financial Year ended 31st March 2022 on 10th April 2021, 25th June 2021, 13th August 2021, 21st September 2021, 28th October 2021, 28th January 2022 and 23rd February 2022. Attendance and other details are given below:

Name of the Director	Category	No. of Board Meetings attended	Whether last AGM attended (24.09.2021)	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)	7	Yes	-	-	-	-
Shri Sahil Arora@ Whole Time Director (07970622)	Executive (Promoter)	7	Yes	-	-	-	-
Shri Dinesh Chandra Kothari (00195609)	Non-Executive and Independent	7	Yes	1	1	1	-
Shri Rahul Gupta *(00024732)	Non-Executive and Independent	4	No	4	1	1	1. Softtech Engineers Limited (Non-executive Independent)
Smt. Sujata Arora@ (00112866)	Non-Executive (Promoter)	7	Yes	-	-	-	-
Smt. Vinita Sood (06926832)	Non-Executive and Independent	7	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 Rahul Gupta, Independent Director resigned w.e.f. 27th September 2021

@ 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 procedure to review steps to be taken by the Company to rectify instances of non-compliances, if any.

Details of equity shares of the Company held by the Directors as on March 31, 2022 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 and prevailing regulations.
Governance	Experience in driving corporate ethics & values, maintaining board and management accountability, practicing corporate governance of highest standard amongst the stakeholders
Strategy	Understanding of the requirement of long-term strategy and planning taking into account the diversified international business environment.

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

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

INDEPENDENT DIRECTOR

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

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

CHANGES TO BOARD DURING 2021-22

Shri Rahul Gupta resigned as Independent Director of the Company effective September 27, 2021. He decided to step down, since he has other commitments towards his venture fund and to avoid any type of conflict of interest with the Company because of the venture fund. Further, he confirmed that there are no other material reasons other than those mentioned above, for his resignation as Independent Director from the Company.

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. Audit Committee has been re-constituted as Shri Rahul Gupta, Chairman of the Committee resigned. The Audit Committee is consisting of four Directors namely Shri Sundareshwara G. Sastry (Chairman of the Committee), Shri Dinesh Chandra Kothari, Smt. Vinita Sood all are non-executive Independent Directors and Shri Sunil Kumar Arora Executive Director. Company Secretary acts as the Secretary of the Committee. During the financial year ended 31.03.2022, four meetings of the Audit Committee were held. Date of meetings (number of members attended): 25.06.2021(5), 13.08.2021(5), 28.10.2021 (3) and 28.01.2022(4).

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 had been re-constituted as Shri Rahul Gupta Chairman of the Committee resigned. 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 31.03.2022. One meeting was held. Date of Meeting (number of members attended): 25.06.2021 (4).



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 stakeholders relationship committee of the Board was re-constituted as Shri Rahul Gupta Chairman of the Committee resigned. The Company has stakeholders relationship committee at the Board level which consists of Three Directors, namely Shri Sundareshwara G. Sastry (Chairman of the committee), Shri Sunil Kumar Arora and Shri Dinesh Chandra Kothari. The composition of the committee is in conformity with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Section 178 of the Companies Act, 2013. Shri Sabyasachi Panigrahi, Company Secretary is the Compliance Officer of the Committee who oversees the investors grievances including Transfer/Transmission of Equity Shares, De-materialisation/ Re-materialisation of Equity Shares, non-receipt of Dividend, Annual Reports etc. All the complaints received by the Company have been resolved promptly to the satisfaction of the Shareholders. All the valid requests for transfer of Equity Shares in physical form were processed in time and there are no pending transfers of Equity Shares. During the Financial Year ended 31.03.2022, One meeting of the Stakeholders Relationship Committee was held. Date of meeting (number of members attended): 25.06.2021(4).

7. CSR COMMITTEE

The CSR Committee is comprising of Shri Dinesh Chandra Kothari (Chairman), Smt. Sujata Arora, Smt. Vinita Sood and Shri Sundareshwara G. Sastry as other members. During the financial year ended 31.03.2022, one meeting was held. Date of Meeting (number of members attended): 25.06.2021 (4)

8. REMUNERATION OF DIRECTORS

- a) Executive Directors: The aggregate amount of Salary, HRA paid during the financial year ended 31st March 2022 Shri Sunil Kumar Arora, Managing Director was Rs. 1,84,87,844/-and Shri Sahil Arora, Whole Time Director was Rs. 43,37,496/-
- b) Non-Executive Directors: During the year 2021-2022, the Company has paid sitting fees of Rs. 8,45,000/- to all the Independent Directors. Other Non-Executive Director Smt. Sujata Arora was paid sitting fees of Rs. 1,85,000/

9. GENERAL BODY MEETINGS

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

Year	Location	Date	Time	Whether Spl. Resolution passed
2018-2019	LakshmiPat Singhanian Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	31 st August 2019	10.00 A.M.	Yes
2019-2020	Through VC/OAV means	25 th September 2020	12.30 P.M.	Yes
2020-2021	Through VC/OAV means	24 th September 2021	12.30 P.M.	Yes

10. OTHER DISCLOSURES

- a) Materially significant related party transactions: All transactions entered into with related parties as defined under the Companies Act 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. There have been no materially significant related party transactions that may have potential conflict with the interests of listed entity at large as provided in the Related party transactions policy. The Related Party Transactions Policy is available on our website, at <http://www.arotile.com>
- b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three financial years 2018-19 , 2019-20 and 2020-21 respectively: Nil



- c) The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 for Directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link <http://www.arotile.com>
- d) The Company has also adopted Policy on Determination of Materiality for Disclosures and Policy for Preservation of Documents. The said policy has been also put up on the website of the Company at the following link <http://www.arotile.com>
- e) Reconciliation of share capital audit: A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.
- f) Code of Conduct: The members of the Board and senior management personnel have affirmed the compliance with Code applicable to them during the year ended March 31st 2022. The annual report of the Company contains a certificate by the Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.
- g) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013:

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

- h) Certification from Company Secretary in Practice

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

- i) During the year 2021-22, total fees for all services paid by the Company to M/s. VAPS & Company, Statutory Auditors is 6.11 Lakhs.

11. MEANS OF COMMUNICATION

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

12. GENERAL SHAREHOLDERS’ INFORMATION

- (i) Registered Office : 1001, 10th floor, DLF Tower ‘A’, Jasola, New Delhi 110025 (CIN: L74899DL1988PLC031510)

- (ii) Annual General Meeting

(a)	Day and Date	:	Friday, the 26 th August 2022
	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)

<ul style="list-style-type: none"> ● Financial Reporting ● for the quarter ending 30.06.2022 ● for the quarter ending 30.09.2022 ● for the quarter ending 31.12.2022 ● for the year ending 31.03.2023 (If unaudited) ● (If audited) ● Annual General Meeting for the Financial Year 2022-23 	}	<p>in 45 days of the end of the quarter</p> <p>Within 60 days of the end of the quarter Between July and September 2023</p>
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- (iv) Date of Book Closure : **From 20.08.2022 to 26.08.2022 (both days inclusive)**
- (v) Listing on Stock Exchange : The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited (NSE). Annual Listing Fee for the Financial Year 2022-23 has been paid to BSE and NSE.
- (vi) Security Code for : **BSE: 513729,**
: **NSE: AROGRANITE/EQ**
Company's Equity Shares ISIN No. : **INE210C01013**

(vii) Stock Market Data

Month (2021-22)	Bombay Stock Exchange (BSE)		National Stock Exchange of India Limited (NSE)	
	HIGH	LOW	HIGH	LOW
APRIL 2021	48.45	36.70	48.45	36.30
MAY 2021	55.40	41.35	55.50	41.85
JUNE 2021	71.00	50.00	70.30	51.20
JULY 2021	77.95	65.00	78.00	64.90
AUGUST 2021	78.95	61.30	78.30	62.00
SEPTEMBER 2021	73.00	61.40	72.45	62.00
OCTOBER 2021	69.00	61.55	68.40	60.35
NOVEMBER 2021	82.00	60.00	81.35	60.25
DECEMBER 2021	87.00	67.30	86.85	67.30
JANUARY 2022	86.95	64.55	87.40	63.35
FEBRUARY 2022	75.10	51.55	75.55	51.40
MARCH 2022	66.00	53.70	66.00	53.75

(viii) Distribution of Shareholding as on 31st March 2022

Category (No. of Shares)	No. of Equity Shares	%	No. of Shareholders	%
1-500	1601340	10.47	11627	83.15
501-1000	979599	6.40	1239	8.86
1001-5000	1943732	12.71	951	6.8
5001-10000	618163	4.04	86	0.62
10001 and above	10157166	66.38	81	0.58
TOTAL	15300000	100.00	10753	100.00



(ix) Shareholding Pattern as on 31st March 2022

Sr. No.	Shareholders	No of Shares	% of Shareholding
1	Directors & Relatives	6282859	41.06
2	Non-Residents Individuals/OCBs	297480	1.94
3	Private Corporate Bodies	881898	5.76
4	General Public	7837763	51.23
	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 2022, 98.01% 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
Taluk: Hosur, Dist: Krishnagiri,
Tamil Nadu 635 117

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

Aro granite industries Ltd.

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

M/s Alankit Assignments Limited

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

13. DECLARATION

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

Sunil Kumar Arora
Managing Director

Managing Director Certification

To,
The Board of Directors
Aro granite industries Ltd.

1. I have reviewed financial statements and the cash flow Statement of Aro granite industries Ltd for the financial year ended 31st March 2022 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material factor contain any statements that might be misleading;
 - (ii) these statements together present true and fair view of the Company's affairs and are in Compliance with the existing accounting standards, applicable Laws and regulations.
2. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. I accept the responsibility for establishing and maintaining internal control for financial reporting and I have evaluated the effectiveness of the Company's internal control system pertaining to financial reporting. I have not come across any reportable deficiencies in the design or operation of such internal control.
4. I have indicated to the Auditors and Audit Committee:
 - i. that there are no significant changes in the internal control over the financial reporting during the year;
 - ii. that there are no significant changes in accounting policies during the year; and
 - iii. that there are no instances of significant fraud of which I have become aware.

(Sunil Kumar Arora)
Managing Director



ANNEXURE A

Practising Company Secretary's Certificate on Directors

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ('DIN') status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Name of the Director	DIN	Date of Appointment
SUNIL KUMAR ARORA	00150668	29.01.2021
SAHIL ARORA	07970622	30.10.2020
RAHUL GUPTA	00024732	31.08.2019**
DINESH CHANDRA KOTHARI	00195609	31.08.2019
SUNDARESHWARA G SASTRY	00165762	28.10.2017
SUJATA ARORA	00112866	24.09.2021
VINITA SOOD	06926832	19.10.2019

**Mr. Rahul Gupta ceased to be a Non-Executive Independent Director w.e.f. September 27, 2021.

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

Date: 29.04.2022
Place: Hosur

-sd-
Latika Jetley
Company Secretaries
ACS: 12120 / C.P.NO.: 3074
UDIN NO. A012120 D000235420

Independent Auditor's Report

To the Members of ARO GRANITE INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **ARO GRANITE INDUSTRIES LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 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
I. Provisions and contingent liabilities in relation to tax positions	
<p>The Management have made judgements relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p> <p>Refer Note 36 to the financial statements.</p>	<p>We have involved our experts to gain an understanding of the current status of the tax cases and monitored changes in the disputes by reading external opinions received by the company if any, where relevant to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments.</p> <p>For Legal, regulatory and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> • Testing key controls surrounding litigation, regulatory and tax procedures. • Performing substantive procedures on the underlying calculations supporting the provisions recorded. • Where relevant, reading external legal opinions obtained by the management • Discussing open matters with the litigation, regulator, general counsel and tax teams • Assessing management's conclusions through understanding precedents set in similar cases. <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at March 31, 2022 to be appropriate.</p>



<p>2. Related Party Transactions</p>	
<p>The Company has entered into several transactions with related parties during the year 2021-22. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the standalone financial statements including recoverability thereof; compliance with statutory regulations governing relate party relationships such as the Companies Act, 2013 and SEBI Regulations and the judgement involved in assessing whether transactions with related parties are undertaken at arms' length.</p> <p>Refer Note 48 to the standalone financial statements.</p>	<p>Our audit procedures on related party transactions included:</p> <ul style="list-style-type: none"> Assessed the key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standard. Assessed compliances with the listing regulations and the regulations under Companies Act, 2013 including checking of approvals/scrutiny as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions. Considered the adequacy and appropriateness of the disclosures in the standalone financial statements, including recoverability thereof, relating to the related party transactions. Inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. Further, we also tested completeness of related parties with reference to the various registers maintained by the company statutorily. <p>On a sample basis, tested Company's assessment of related party transactions for arms' length pricing.</p>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

Management's Responsibilities for the Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. Required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the



Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Please refer Note No. 36 to the Financial Statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts 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.

For **VAPS & COMPANY**
Chartered Accountants
(Firm's Registration No. 003612N)

Praveen Kumar Jain
Partner
(Membership No.082515)
UDIN: 220825AIBEYP9341

Place: Hosur, Tamilnadu
Date: April 29, 2022

Annexure “A” 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 March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. In respect of inventories:
 - (a) According to the information available to us, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies is noticed on physical verification between the physical stocks and the book records
 - (b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company,
- iii. The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships, or any other parties, during the year, except some investments.
 - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
 - (b) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company’s interest.
 - (c) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year and hence reporting under clause 3(iii)(c) of the Order is not applicable.
 - (d) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year and hence reporting under clause 3(iii)(d) of the Order is not applicable.
 - (e) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year and hence reporting under clause 3(iii)(d) of the Order is not applicable.
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. Pursuant to the rules made by the Central Government of India, the company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima



facie, the prescribed accounts and records have been made and maintained. We have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount In Rs.
Tamilnadu Valued Added Tax Act, 2006	Sales Tax	Tamilnadu Sales Tax Appellate Tribunal, Coimbatore	AY 2013-2014	Rs. 1,70,92,190/-

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 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 **VAPS & COMPANY**
Chartered Accountants
(Firm's Registration No. 003612N)

Praveen Kumar Jain
Partner
(Membership No.082515)

Place: Hosur, Tamilnadu
Date: April 29, 2022
UDIN: 220825AIBEYP9341

Annexure 'B' 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 March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For **VAPS & COMPANY**
Chartered Accountants
(Firm's Registration No. 003612N)

Praveen Kumar Jain
Partner
(Membership No.082515)
UDIN: 220825AIBEYP9341

Place: Hosur, Tamilnadu
Date: April 29, 2022

Balance Sheet as at March 31, 2022

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Note	₹ in Lakhs	
		As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	15,181.47	16,345.86
Capital Work in Progress	5	781.26	97.75
Intangible Assets	5	19.78	22.20
Right of Use Asset	6	1,065.76	1,075.31
Financial assets			
- Investments	7(a)	88.55	75.75
- Other financial assets	7(b)	85.78	166.29
Other non current assets	8	99.26	14.94
Total non current assets		17,321.87	17,798.10
Current Assets			
Inventories	9	17,730.58	13,913.56
Financial Assets			
- Investments	10(a)	25.31	11.03
- Trade Receivables	10(b)	7,308.18	6,402.46
- Cash and Cash Equivalents	10(c)	128.85	165.07
- Earmarked Balances with Bank	10(d)	14.03	17.97
- Bank balances other than cash and cash equivalents	10(e)	814.72	814.63
- Loans	10(f)	3.43	4.01
Other current assets	11	1,790.46	1,322.08
Total current assets		27,815.55	22,650.82
Total Assets		45,137.42	40,448.93
Equity and Liabilities			
Equity			
Equity Share Capital	12	1,530.00	1,530.00
Other Equity	13	18,112.19	17,234.10
Total equity		19,642.19	18,764.10
Liabilities			
Non-current liabilities			
Financial Liabilities			
- Borrowings	14	6,532.22	4,178.42
Provisions	15	259.07	232.60
Deferred Tax Liabilities (Net)	16	1,150.60	966.58
Other Non-Current Liabilities	17	-	280.71
Total non-current liabilities		7,941.89	5,658.31
Current Liabilities			
Financial Liabilities			
- Borrowings	18	13,398.09	12,664.84
- Trade Payables	19		
Total Outstanding Dues of micro & small enterprises		21.84	-
Total Outstanding Dues of creditors other than above		3,291.33	2,755.95
- Other Financial Liabilities	20	590.93	328.49
Other Current Liabilities	21	112.97	197.65
Provisions	22	57.26	38.16
Current Tax Liability (Net)	23	80.93	41.41
Total current liabilities		17,553.35	16,026.51
Total Liabilities		25,495.23	21,684.83
Total Equity and Liabilities		45,137.42	40,448.93

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 VAPS & Company

Firm Registration No. 003612N

Chartered Accountants

Praveen Kumar Jain

Partner

Membership No. 082515

UDIN : 220825AIBEYP9341

Place : Hosur, Tamilnadu

Date : 29.04.2022

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

For and on behalf of the Board



Statement of Profit and Loss for the year ended March 31, 2022

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Notes	₹ in Lakhs	
		For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue from Operations	24	22,474.01	17,937.43
Other Income	25	136.13	63.22
Total Income		22,610.13	18,000.65
Expenses:			
Cost of materials consumed	26	14,780.81	10,171.95
Purchase of Stock-in-Trade		71.34	182.11
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	27	(2,602.51)	(751.62)
Employee Benefit Expense	28	1,879.05	1,748.47
Financial Costs	29	793.18	538.12
Depreciation and Amortization Expense	30	1,273.74	1,106.90
Other Expenses	31	5,336.96	4,206.96
Total Expenses		21,532.57	17,202.88
Profit before exceptional items & Tax		1,077.57	797.77
Less: Exceptional Items		-	-
Profit/(Loss) before Tax		1,077.57	797.77
Tax Expenses:	32		
- Current tax		190.57	133.16
Less : Mat Credit Entitlement		(190.57)	(133.16)
- Deferred tax		186.98	192.95
		186.98	192.95
Profit/(Loss) for the period		890.59	604.81
Other Comprehensive Income (Net of Deferred tax)		11.02	10.61
Total Comprehensive Income/(Loss)		901.61	615.43
Earning per equity share of ₹ 10 each	33		
Basic		5.89	4.02
Diluted		5.89	4.02
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 VAPS & Company

Firm Registration No. 003612N
Chartered Accountants

Praveen Kumar Jain
Partner
Membership No. 082515
UDIN : 220825AIBEYP9341
Place : Hosur, Tamilnadu
Date : 29.04.2022

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

For and on behalf of the Board

Statement of Cash Flow For the year ended March 31, 2022

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	₹ in Lakhs	
	As at March 31, 2022	As at March 31, 2021
A. Cash Flow from operating activities		
Profit before exceptional item and tax	1,077.57	797.76
Adjustments For		
Depreciation and amortization expense	1,273.74	1,106.90
Finance Cost	793.18	538.12
Foreign currency fluctuation (Gain/Loss)	(99.84)	224.37
Profit on sale of Property, Plant and equipment	(0.58)	-
Interest Income on FD with banks and others	(32.39)	(52.54)
Operating Profit before working capital changes	3,011.68	2,614.60
Adjustment for Working Capital Changes		
Decrease/(Increase) in Trade receivables	(905.72)	(520.49)
Decrease/(Increase) in other receivables	(498.70)	(85.61)
Decrease/(Increase) in inventories	(3,817.02)	(991.85)
(Decrease)Increase in Provisions	45.57	3.43
(Decrease)Increase in Trade and other payables	454.26	(885.04)
Cash generated from Operations	(1,709.92)	135.05
Taxes paid	105.00	70.35
Net Cash flow from operating activities	(1,814.92)	64.70
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and equipment & WIP	(651.83)	(446.59)
Sale of Fixed Assets	0.58	-
Interest received	32.39	52.54
Net cash flow from investing Activities	(618.86)	(394.05)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Current Borrowings	2,353.80	1,361.92
Repayment of Long term Borrowings (Secured)	733.25	(329.71)
Interest paid	(793.18)	(538.12)
Foreign currency fluctuation (Gain/Loss)	99.84	(224.37)
Net Cash from financing Activities	2,393.70	269.72
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT	(40.08)	(59.63)
Opening balance of Cash & Cash equivalents	997.67	1,057.31
Closing balance of Cash & cash equivalent	957.59	997.67
Cash and cash Equivalents comprises		
Cash in Hand	4.65	6.56
Balance with Scheduled Banks		
- In current Accounts	124.20	158.51
- Earmarked Balances with Bank	14.03	17.97
- In Other Fixed Deposit Accounts	189.45	148.81
- In Fixed Deposit Accounts as Margin Money	625.27	665.82
Total Cash and Cash Equivalents	957.59	997.67

- 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.

This is the Cash Flow referred to in our report of even date

For VAPS & Company
Firm Registration No. 003612N
Chartered Accountants

Praveen Kumar Jain
Partner
Membership No. 082515
UDIN : 220825AIBEYP9341
Place : Hosur, Tamilnadu
Date : 29.04.2022

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

For and on behalf of the Board



Statement of Changes in Equity for the year ended March 31, 2022

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

A. Equity Share Capital

Particulars	As At 31.03.2022	As At 31.03.2021
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

₹ in Lakhs

B. Other Equity

Particulars	Reserves and Surplus			Other Comprehensive Income			Total
	General Reserve #	Retained Earnings	Securities Premium Reserve ^	Processing Fees on Bank Loan	Equity Instruments through OCI	Remeasurement of defined benefit Plan	
Balance as at Mar 31,2021	3,170.68	13,687.28	407.20	(9.11)	8.45	(30.41)	17,234.10
Balance as at April 1,2021	3,170.68	13,687.28	407.20	(9.11)	8.45	(30.41)	17,234.10
Transfer from Retained Earnings to General Reserves	50.00	(50.00)	-	-	-	-	-
Prior Period Adjustments	-	-	-	-	-	-	-
Net Balance as at April 1,2021	3,220.68	13,637.28	407.20	(9.11)	8.45	(30.41)	17,234.10
Profit for the year	-	890.59	-	-	-	-	890.59
Previous Year Adjustment	-	-	-	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	14.29	(26.78)	(12.49)
Final Dividend Including Dividend Tax	-	-	-	-	-	-	-
As At March 31, 2022	3,220.68	14,527.87	407.20	(9.11)	22.74	(57.19)	18,112.19

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 Changes in Equity referred to in our report of even date

For VAPS & Company

Firm Registration No. 003612N
Chartered Accountants

Praveen Kumar Jain
Partner
Membership No. 082515
UDIN : 220825AIBEYP9341
Place : Hosur, Tamilnadu
Date : 29.04.2022

Sunil Kumar Arora
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Whole Time Director
DIN-07970622

S Panigrahi
Company Secretary
FCS No. - F - 4522

M. Madangopal
CFO
ICAI M No. - 207947

For and on behalf of the Board

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

1. Corporate Information

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

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on April 29, 2022.

2. Significant Accounting Policies

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

2.1 Basis of Preparation

(i) Compliance with Ind AS

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

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

These financial statements are authorized for issue on 31 March 2022 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.



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

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,

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

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, excise duty 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



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

(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.

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

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.



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

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.

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

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.



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 5 : Property, Plant and Equipment**5. Property Plant and Equipment (A)**

	Plant & Equipment	Buidings	Furniture & Fixtures	Office Equipment	Vehicle	Freehold Land	Tangible Assets	Intangible Assets	Capital Work -in Progress	Total
Gross Block										
As at April 1, 2021	9,608.62	5,865.88	55.81	199.41	438.61	306.63	16,474.97	24.23	97.75	16,596.95
Add : Addition	-	-	-	11.18	32.95	-	44.12	-	-	44.12
Less : Diposals	-	-	-	-	-	-	-	-	-	-
Add/Less : Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As At March 31, 2022	9,608.62	5,865.88	55.81	210.59	471.55	306.63	16,519.09	24.23	97.75	16,641.07
Accumulated Depreciation										
As at April 1, 2021	6,978.36	1,668.02	47.18	115.82	347.62	-	9,157.01	2.03	-	9,159.04
Add : Charge For the year	505.41	186.19	2.82	7.74	30.48	-	732.65	2.42	-	735.07
Less : Disposals	-	-	-	-	-	-	-	-	-	-
Add/Less : Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As At March 31, 2022	7,483.77	1,854.21	50.00	123.57	378.11	-	9,889.66	4.45	-	9,894.11
Net Block										
As at April 1, 2021	2,630.26	4,197.86	8.64	83.59	90.98	306.63	7,317.96	22.20	97.75	7,437.91
As At March 31, 2022	2,124.85	4,011.67	5.81	87.02	93.44	306.63	6,629.43	19.78	97.75	6,746.96

5. Property Plant and Equipment at Jaipur (B)

Gross Block										
As at April 1, 2021	2,687.94	2,020.77	6.75	75.11	31.91	126.08	4,948.56	-	-	4,948.56
Add : Addition	0.48	5.40	3.05	2.40	-	-	11.33	-	683.51	694.85
Less : Diposals	-	-	-	-	-	-	-	-	-	-
Add/Less : Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As At March 31, 2022	2,688.42	2,026.17	9.80	77.51	31.91	126.08	4,959.89	-	683.51	5,643.40
Accumulated Depreciation										
As at April 1, 2021	324.72	109.69	1.03	18.93	6.59	-	460.96	-	-	460.96
Add : Charge For the year	197.29	65.72	0.91	9.72	3.95	-	277.59	-	-	277.59
Less : Disposals	-	-	-	-	-	-	-	-	-	-
Add/Less : Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As At March 31, 2022	522.01	175.41	1.94	28.65	10.54	-	738.54	-	-	738.54
Net Block										
As at April 1, 2021	2,363.22	1,911.09	5.72	56.18	25.32	126.08	4,487.60	-	-	4,487.60
As At March 31, 2022	2,166.41	1,850.77	7.86	48.86	21.37	126.08	4,221.35	-	683.51	4,904.86

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

Gross Block										
As at April 1, 2021	2,729.53	1,856.36	3.24	0.96	-	-	4,590.09	-	-	4,590.09
Add : Addition	20.04	8.68	13.21	-	-	-	41.93	-	-	41.93
Less : Diposals	-	-	-	-	-	-	-	-	-	-
Add/Less : Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As At March 31, 2022	2,749.58	1,865.04	16.45	0.96	-	-	4,632.03	-	-	4,632.03
Accumulated Depreciation										
As at April 1, 2021	37.47	12.25	0.04	0.04	-	-	49.79	-	-	49.79
Add : Charge For the year	188.62	61.35	1.05	0.32	-	-	251.34	-	-	251.34
Less : Disposals	-	-	-	-	-	-	-	-	-	-
Add/Less : Change Due to Revaluation	-	-	-	-	-	-	-	-	-	-
As At March 31, 2022	226.09	73.60	1.08	0.35	-	-	301.14	-	-	301.14
Net Block										
As at April 1, 2021	2,692.06	1,844.11	3.20	0.92	-	-	4,540.30	-	-	4,540.30
As At March 31, 2022	2,523.48	1,791.44	15.36	0.61	-	-	4,330.89	-	-	4,330.89
GROSS TOTAL (A+B+C) As At March 31,2021										
	7,685.54	7,953.06	17.56	140.70	116.30	432.71	16,345.86	22.20	97.75	16,465.81
GROSS TOTAL (A+B+C) As At March 31, 2022										
	6,814.74	7,653.87	29.03	136.49	114.82	432.71	15,181.66	19.78	781.26	15,982.71

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

SEGMENT WISE REVENUE, ASSETS & LIABILITY

						₹ in Lakhs
Particulars	QUARTZ DIVISION	GRANITES DIVISION	Total	Unallocable	Grand Total	
(1) Revenue from Operations						
Domestic Sales	-	1,950.38	1,950.38	-	1,950.38	
Export Sale	4,172.78	16,350.84	20,523.62	-	20,523.62	
Misc. Income	46.52	89.61	136.13	-	136.13	
Grand Total	4,219.30	18,390.83	22,610.13	-	22,610.13	
(2) Expenses						
(i) RM Consumption						
Opening Stock	114.15	1,268.85	1,382.99	-	1,382.99	
Purchase	3,210.02	7,697.06	10,907.09	-	10,907.09	
	3,324.17	8,965.91	12,290.08	-	12,290.08	
Closing Stock	(283.86)	(1,311.76)	(1,595.62)	-	(1,595.62)	
	3,040.31	7,654.15	10,694.46	-	10,694.46	
(ii) Consumption of Packing Material						
Opening Stock	6.48	66.30	72.79	-	72.79	
Purchase	80.23	643.09	723.32	-	723.32	
	86.72	709.39	796.11	-	796.11	
Closing Stock	(2.29)	(129.67)	(131.97)	-	(131.97)	
	84.43	579.72	664.14	-	664.14	
(iii) Consumption of Consumable						
Opening Stock	30.91	715.06	745.97	-	745.97	
Purchase	750.15	3,360.89	4,111.04	-	4,111.04	
	781.06	4,075.95	4,857.01	-	4,857.01	
Closing Stock	(330.65)	(1,066.76)	(1,397.41)	-	(1,397.41)	
	450.41	3,009.18	3,459.60	-	3,459.60	
(iv) Consumption of Store and Spares						
Opening Stock	2.59	573.07	575.65	-	575.65	
Purchase	55.50	688.97	744.47	-	1,366.41	
	58.08	1,262.04	1,320.12	-	1,942.06	
Closing Stock	(42.58)	(786.94)	(829.52)	-	(829.52)	
	15.50	475.10	490.60	-	490.60	
(v) Purchase of Stock In Trade	-	71.34	71.34	-	71.34	
(vi) Changes of Inventory in Finished Goods and Work-In-Process	(719.95)	(1,882.57)	(2,602.51)	-	(2,602.51)	
(vii) Finance Cost	278.46	514.72	793.18	-	793.18	
(viii) Depreciation	251.34	1,022.40	1,273.74	-	1,273.74	
(ix) Employee Benefit Expenses						
Salaries, Wages & Bonus	164.06	1,230.55	1,394.61	-	1,394.61	
Contribution to provident and other funds	5.84	69.02	74.86	-	74.86	
Gratuity	-	38.07	38.07	-	38.07	
Compensated Absences	-	7.36	7.36	-	7.36	
Staff welfare expenses	66.99	297.16	364.15	-	364.15	
	236.89	1,642.16	1,879.05	-	1,879.05	
(x) Other Expenses						
Advertisement & Publicity	-	4.26	4.26	-	4.26	
Auditors Remuneration						
- Auditor's Fee	-	6.11	6.11	-	6.11	
CSR Activity Expenses	-	17.25	17.25	-	17.25	
Commission Paid	-	3.43	3.43	-	3.43	
Donation	-	0.65	0.65	-	0.65	
Freight and Forwarding Charges	179.70	975.20	1,154.90	-	1,154.90	
Insurance Expenses	1.77	69.46	71.23	-	71.23	
Legal Expenses	-	9.73	9.73	-	9.73	
Membership & Subscription	-	4.80	4.80	-	4.80	
Miscellaneous Expenses	0.84	6.95	7.79	-	7.79	
Other Manufacturing Expenses	125.09	913.53	1,038.62	-	1,038.62	
Printing & Stationery	4.78	18.01	22.79	-	22.79	
Power & Fuel	190.78	832.53	1,023.32	-	1,023.32	
Professional Service Charges	4.67	83.75	88.42	-	88.42	
Rates & Taxes	-	48.05	48.05	-	48.05	



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

SEGMENT WISE REVENUE, ASSETS & LIABILITY

Particulars	QUARTZ DIVISION	GRANITES DIVISION	Total	Unallocable	₹ in Lakhs
					Grand Total
Custom Duty on Domestic Sales	-	52.15	52.15	-	52.15
Rebate & Discount	-	78.06	78.06	-	78.06
Repairs to Buildings	45.34	145.58	190.92	-	190.92
Repair to Plant & Machinery	36.97	485.31	522.28	-	522.28
Repair & Maintenance					
- Electricals	0.12	8.97	9.09	-	9.09
- Vehicles	26.58	113.97	140.54	-	140.54
- Others	-	40.67	40.67	-	40.67
Sales Promotion	-	71.55	71.55	-	71.55
Security Service Charges	-	35.86	35.86	-	35.86
Telephone & Telex	3.39	16.86	20.25	-	20.25
Travelling & Conveyance					
- Employees (Foreign Travel - NIL)	-	95.72	95.72	-	95.72
(P.Y. NIL)					
- Director (Foreign Travel - NIL)	-	11.35	11.35	-	11.35
(P.Y. NIL)					
	620.02	4,188.94	4,808.96	-	4,808.96
Total Cost	4,257.42	17,275.14	21,532.56	-	21,532.56
(3) Profit Before Tax	(38.12)	1,115.69	1,077.57	-	1,077.57
(4) Segment Assets					
Property, Plant and Equipment	4,330.89	10,850.58	15,181.47	-	15,181.47
Capital Work-in-Progress	-	781.26	781.26	-	781.26
Intangible Assets	-	20.99	20.99	-	20.99
Right of use of assets	-	1,065.76	1,065.76	-	1,065.76
Financial assets					
(a) Investments	-	88.55	88.55	-	88.55
(b) Other financial asset	-	85.78	85.78	-	85.78
	47.76	51.50	99.26	-	99.26
Current Assets					
Inventories	1,532.07	16,198.51	17,730.58		17,730.58
Financial Assets					
(a) Investments	-	25.31	25.31	-	25.31
(b) Trade Receivables	1,344.75	5,963.41	7,308.17	-	7,308.17
(c) Cash and Cash Equivalent	0.05	128.79	128.85	-	128.85
(d) Bank balances other than (c) above	-	828.75	828.75	-	828.75
(e) Loans	-	3.43	3.43	-	3.43
(e) Other financial assets	-	-	-	-	-
Other current assets	8.51	1,780.72	1,789.24	-	1,789.24
Total	7,264.04	37,873.37	45,137.42	-	45,137.42
Less : Transfer from Inter Segment	(4,811.31)	4,811.31	-	-	-
Total Assets	2,452.73	42,684.69	45,137.42	-	45,137.42
(5) Segment Liabilities					
Non-current Liabilities					
Financial Liabilities					
(a) Borrowings	1,384.62	5,147.60	6,532.22	-	6,532.22
(b) Other Financial Liabilities	-	-	-	-	-
Provisions	-	259.07	259.07	-	259.07
Deferred Tax Liabilities (Net)	310.11	840.49	1,150.60	-	1,150.60
Current Liabilities					
Financial Liabilities					
(a) Borrowings	307.69	13,090.40	13,398.09	-	13,398.09
(b) Trade Payables	840.76	2,472.40	3,313.16	-	3,313.16
(c) Other Financial Liabilities	30.85	560.09	590.93	-	590.93
Provisions	-	57.26	57.26	-	57.26
Other Current Liabilities	4.25	189.65	193.90	-	193.90
Total Liabilities	2,878.28	22,616.97	25,495.26	-	25,495.26

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 6 : Right to use Asset	As at March 31, 2022	As at March 31, 2021
Particulars	Land	Land
Opening Balance	1,075.31	1,084.85
Reclassified on adoption of IND-AS 116		
Additions	-	-
Deductions	-	-
Depreciation/Amortisation	9.55	9.55
Balance as at March 31, 2022	1,065.76	1,075.31

₹ in Lakhs

Note 7(a) : Investments

Particulars	Paid Up Value	As at March 31, 2022		As at March 31, 2021	
		Number of Shares	Amount	Number of Shares	Amount
Investment in Equity Instruments at FVOCI					
Tulip Renewable Powertech Pvt Ltd	10 each	885,525	88.55	757,525	75.75
		885,525	88.55	757,525	75.75

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

Note 7(b) : Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	85.78	166.29
Total	85.78	166.29

Note 8 : Other Non Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good:		
Capital Advances	99.26	14.94
Total	99.26	14.94

Note 9 : Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw Materials	1,595.62	1,382.99
Finished Goods	13,277.94	10,225.67
Semi Finished Goods	498.12	947.88
Packing Materials	131.97	66.30
Stores and Spares	829.52	575.65
Consumables	1,397.41	715.06
Total	17,730.58	13,913.56

Note 10(a) : Investments

Particulars	Paid Up Value	As at March 31, 2022		As at March 31, 2021	
		No .of Shares	Amount	No .of Shares	Amount
Investment in Equity Instruments					
I. Quoted- Others (at fair value through OCI)					
Bank of Baroda	02 each	5980	6.67	5,980	4.45
Pokerna Limited	02 each	2500	18.65	2,500	6.58
			25.31		11.03



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 10(b): Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivable Considered Good-Secured	-	-
Trade Receivable Considered Good-Unsecured	7,308.18	6,402.46
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable -Credit Impaired	-	-
Total	7,308.18	6,402.46

Trade Receivables (Debtors) ageing Schedule:

Outstanding for following periods from due date of payment

(i) Undisputed Trade Receivables-Considered Good

Less than 6 Months	6,296.33	5,643.38
6 Months - 1 Years	392.34	156.07
1-2 Years	79.89	63.75
2-3 Years	12.70	33.17
More than 3 Years	526.92	506.09
Total	7,308.18	6,402.46

(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	-	-

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

(vi) Disputed Trade Receivables-credit impaired

Less than 6 Months	-	-
6 Months - 1 Years	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-

Note 10 (c) : Cash & Cash Equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with Banks		
-In Current Account	124.20	158.51
Cash in Hand	4.65	6.56
Total	128.85	165.07

Note 10 (d) : Earmarked Balances with Bank

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend deposited in Bank	14.03	17.97
Total	14.03	17.97

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balances in fixed deposit accounts with original maturity more than 3 months but less than 12 months	189.45	139.45
Balances in fixed deposit accounts with original maturity more than 12 months	-	9.37
Balances with the Banks to the extent held as margin money or security against the borrowings, guarantees & other commitments	625.27	665.82
Total	814.72	814.63

Note 10(f) : Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good:		
Loan to Employees	3.43	4.01
Total	3.43	4.01

Note 11 : Other Current Assets

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Advance other Than Capital Advance		
Advance to Suppliers	388.49	487.74
Other Advances	2.09	-
(ii) Others		
Prepaid Expenses	50.53	92.89
Indirect Tax Balances/recoverable/credits	913.27	473.53
Material In Transit	-	22.39
Income Tax Receivables	26.00	26.00
MAT Credit Entitlement	410.08	219.52
Total	1,790.46	1,322.08



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 12: Equity Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Share Capital				
(a) Authorised :				
Equity shares of the par value of ₹ 10/- each	19600000	1,960.00	19600000	1,960.00
40,000, 10% Convertible Cumulative Preference Shares (CCPS) of Rs. 100 each (PY 40,000 CCPS)	40000	40.00	40000	40.00
	19640000	2,000.00	19640000	2,000.00
(b) Issued and subscribed:				
Outstanding at the end of the year	15300000	1,530.00	15300000	1,530.00
	15300000	1,530.00	15300000	1,530.00

a) Reconciliation of Number of Shares

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	15300000	1,530.00	15300000	1,530.00
Additions during the year	-	-	-	-
Deletion during the year	-	-	-	-
Balance as at the end of the year	15300000	1,530.00	15300000	1,530.00

Shares held by promoters at the end of the year:-

Name of Promoter's	No. of Shares	% of total Shares	% Change during the Year
1. Sunil Kumar Arora	4887540	31.94%	NIL
2. Sujata Arora	598572	3.91%	NIL
3. Aman Arora	33	0.01%	NIL
4. Geeti Arora	1353	0.01%	NIL
5. Ravi Kumar Arora	1383	0.01%	NIL
6. Sahil Arora	303688	1.98%	NIL
7. Shivani Aggarwal	303687	1.98%	NIL
8. Sudarshan Arora	186603	1.22%	NIL
Total	6282859	41.06%	NIL

b) 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.

c) Shareholders holding more than 5% share in the company are set out below:

Particulars	As at March 31, 2022		As at March 31, 2021	
Sunil Kumar Arora	4887540	31.94	4,887,540	31.94
Dilip Kumar Lakhi	938635	6.13	1441835	9.42

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 13 : Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings	13,604.74	13,082.47
General Reserve	3,220.68	3,170.68
Securities premium account	407.20	407.20
Profit for the year	890.59	604.81
Other comprehensive income	(11.02)	(31.06)
Total	18,112.19	17,234.10

Note 14 : Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term Loan from Banks	7,734.37	4,939.68
Less: Current Maturities of Long Term Debt	1,202.15	761.26
Total	6,532.22	4,178.42

Description of Loan	Term of Repayment	As at March 31, 2022	As at March 31, 2021
FCNRB - BOB A/C NO 21000600000882	Quarterly	2,442.06	2,939.68
HDFC Bank Term Loan	Quarterly	1,692.31	2,000.00
Loan under BGECL Bank of Baroda	Monthly	3,600.00	-

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 1st 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



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

BGECL of Rs. 12.00 Crores	<ol style="list-style-type: none"> Credit under the Scheme will second charge with the existing credit facilities in terms of cash flows (including repayments) and securities, with charge on the assets financed under the scheme to be created on or before 30.06.2022 or date of NPA, whichever is earlier Existing primary/collateral securities would be extended to cover the BGECLS 2.0 (Extension) facility. Time period allowed for Security Perfection, i.e. ROC/CERSAI registration and any other formalities for charge creation /extension to be completed within a period of 3 months from the date of disbursal or up to 30.06.2022 or date on which account turns NPA, whichever is earlier .
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HDFC Bank Limited: Term Loan for Quartz Plant of Rs. 20,00,00,000	<p>Primary:</p> <ol style="list-style-type: none"> Second Pari-passu charge on all the Land & Building of the company at i) Hosur - 2 locations (35 acres Land&Building at Nallagothpalli Village, Koneripalli Panchayat and a 10.41 acres land at Kamanadoddi Village) and ii) 1 unit at Jaipur, Rajasthan. Containing a value of 788.1 Mn 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"> Personal Guarantees of Promoters - Mr. Sunil Kumar Arora, Mr. Sahil Arora and Mrs. Sujata Arora
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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"> 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"> Second Pari-passu charge on all the Land & Building of the company at i) Hosur - 2 locations (35 acres Land&Building at Nallagothpalli Village, Koneripalli Panchayat and a 10.41 acres land at Kamanadoddi Village) and ii) 1 unit at Jaipur, Rajasthan (Mahindra SEZ) Extention of First Charge on the Entire Movable Fixed Assets of the Proposed Quartz unit. Personal Guarantees of Promoters - Mr. Sunil Kumar Arora), Mr. Sahil Arora and Mrs. Sujatha Arora.
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₹ in Lakhs

Note 15 : Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision For Leave Encashment	25.16	24.55
Provision for Gratuity	233.91	208.05
Total	259.07	232.60

Note 16 : Deferred Tax Assets/ Liabilities (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
Provision for Gratuity & Leave Encashment	(84.69)	(75.33)
OCI Adjustments	-	(2.96)
	(84.69)	(72.37)
Deferred Tax Liabilities		
Depreciation	1,235.30	1,038.95
OCI Adjustments	-	-
	1,150.60	966.58
Deferred Tax Assets(Net)	-	-
Deferred Tax Liabilities(Net)	1,150.60	966.58

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 17 : Other Non- Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Creditors (Against Byers Credit From Veegoo Tech Co. Ltd)	-	280.71
Total	-	280.71

Note 18 : Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Loan repayable on demand from Banks	12,195.94	11,905.13
Current Maturities of Long Term Debts	1,202.15	759.71
Total	13,398.09	12,664.84

Note 19 : Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues to Micro, Small and Medium Enterprises	21.84	-
Total outstanding dues to other than Micro, Small and Medium Enterprises	3,291.33	2,755.95
Total	3,313.16	2,755.95

Trade Payable (Creditors) ageing Schedule:

(i) MSME		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-
(ii) Others		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-
(iii) Disputed dues - MSME		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-
(iii) Disputed dues - Others		
Less than 1 Year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 Years	-	-
Total	-	-



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 20 : Other Financial Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Contribution to PF & ESI	11.83	10.95
Salary & Wages Payable	0.39	-
Expenses Payable	183.26	154.87
Provision for CSR Expenses	-	31.39
Interest on PCFC Payable	11.90	13.87
Capital Creditors	369.51	100.03
Unclaimed Dividend	14.03	17.37
Total	590.93	328.49

Note 21 : Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	29.56	129.21
Retention Money	-	17.12
Statutory liabilities	83.41	51.33
Total	112.97	197.65

Note 22 : Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	52.70	34.52
Provision for Compensated Absences	4.56	3.64
Total	57.26	38.16

Note 23 : Current Tax Assets/ Liabilities (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Taxation (Previous Year)	-	133.16
Add : Provision for Tax (Current Period)	190.57	-
Less: Advance Tax & TDS	109.63	91.75
Current Tax Liabilities (Net)	80.93	41.41
Current Tax Assets (Net)	-	-

₹ in Lakhs

Note 24 : Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products		
Finished Goods:		
Outside India	20,523.62	16,312.90
within India	1,950.38	1,624.53
Total Sales	22,474.01	17,937.43

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 25 : Other Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income earned on financial assets that are not designated as at FVTPL		
Bank & Financial Institutions Deposits	32.39	52.54
Other Income		
Profit on Sale of Property, Plant & Equipment	0.58	-
Gain on exchange fluctuation	99.84	-
Misc. Income	3.32	10.67
Total	136.13	63.22

Note 26 : Cost of Materials Consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A) Raw Material Consumption		
Opening Stock of Raw Material	1,382.99	1,239.58
Add: Purchases of Raw Material	10,907.09	7,404.28
Less: Closing Stock of Raw Material	(1,595.62)	(1,382.99)
Total (A)	10,694.46	7,260.86
(B) Packing Material Consumption		
Opening Stock of Packing Material	66.30	58.30
Add: Purchases of Packing Material	723.32	507.64
Less: Closing Stock of Packing Material	(131.97)	(66.30)
Total (B)	657.66	499.64
(C) Consumable Consumption		
Opening Stock of Consumable	715.06	646.19
Add: Purchases of Consumable	4,111.04	2,480.31
Less: Closing Stock of Consumable	(1,397.41)	(715.06)
Total (C)	3,428.69	2,411.44
Total (A+B+C)	14,780.81	10,171.95

Note 27 : Changes in inventories of finished goods, WIP & stock in trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock		
Finished/Semi Finished Goods	11,173.55	10,421.93
(A)	11,173.55	10,421.93
Closing Stock		
Finished/Semi Finished Goods	13,776.06	11,173.55
(B)	13,776.06	11,173.55
Total (A-B)	(2,602.51)	(751.62)



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 28 : Employee Benefit Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, Wages & Bonus	1,394.61	1,313.42
Contribution to provident and other funds	74.86	66.97
Gratuity	38.07	35.93
Compensated Absences	7.36	6.02
Staff welfare expenses	364.15	326.13
Total	1,879.05	1,748.47

During the Year, the Company recognized an amount of ₹ 230.10 Lakhs (Year ended March 31, 2021 ₹ 199.39 Lakhs) as remuneration to key managerial personnel. The details of such remuneration is as below

- Short term employee benefits	230.10	199.39
- Post employment benefits	-	-
Total	230.10	199.39

Note 29 : Financial Costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense:		
Bank Charges & Interest	46.80	101.57
Interest on Unsecured Loans	24.55	16.54
Interest on Term Loan	414.05	120.88
Packing Credit	285.28	240.45
Foreign Bills Discounted / Purchases	22.50	58.68
Total	793.18	538.12

Note 30 : Depreciation and amortization

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Tangible assets	1,264.19	1,097.35
ROU Asset Amortisation	9.55	9.55
Total	1,273.74	1,106.90

Note 31 : Other Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement & Publicity	4.26	3.47
Auditors Remuneration		
- Auditor's Fee	6.11	5.92
Bad Debts W/off	39.16	0.40
CSR Activity Expenses	17.25	12.66
Donation	0.65	1.58
Commission Paid	3.43	-
Freight and Forwarding Charges	1,154.90	793.38
Insurance Expenses	71.23	62.38

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Loss on Exchange Fluctuation	-	208.13
Legal Expenses	9.73	9.90
Membership & Subscription	4.80	3.48
Miscellaneous Expenses	7.79	5.39
Other Manufacturing Expenses	1,038.62	756.09
Printing & Stationery	22.79	16.36
Power & Fuel	1,023.32	850.39
Professional Service Charges	88.42	70.30
Rent Paid	-	6.44
Rates & Taxes	48.05	30.24
Custom Duty on Domestic Sales	52.15	25.90
Rebate & Discount	78.06	69.20
Repairs to Buildings	190.92	81.86
Repair to Plant & Machinery	522.28	341.17
Repair & Maintenance		
- Electricals	9.09	5.63
- Vehicles	140.54	105.35
- Others	40.67	111.20
Sales Promotion	71.55	34.06
Security Service Charges	35.86	44.45
Stores & Spares Consumptions	528.00	445.54
Telephone & Telex	20.25	20.97
Travelling & Conveyance		
- Employees (Foreign Travel - NIL) (P.Y. NIL)	95.72	80.56
- Director (Foreign Travel - NIL Lacs) (P.Y. NIL)	11.35	4.55
Total	5,336.96	4,206.96

Note 32 : Tax Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income Tax		
Current Tax on profits for the year	190.57	133.16
MAT Credit Entitlement	(190.57)	(133.16)
Total current tax expense (A)	-	-
Deferred Tax		
(Decrease) / increase in deferred tax liabilities	186.98	192.95
Total deferred tax expense/(benefit) (B)	186.98	192.95
Total	186.98	192.95
The reconcillation of estimated income tax to income tax expenses is as below :		
Profit before tax as per standalone statement of profit and loss	1,077.57	797.76
Income calculated as per MAT of 17.472% (March, 31 2021 : 16.692%)	190.57	133.16
Adjustment	-	-
Tax Expenses Reported	190.57	133.16



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 33 : Earnings Per Share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Basic		
Net Profit after Tax attributable to shareholders (Amount in ₹)	901.61	615.43
Basic Earnings per share of ₹ 10/- each (March 31,2021: ₹ 10/- each)	5.89	2.14
b) Diluted		
Net Profit after Tax attributable to shareholders (Amount in ₹)	901.61	615.43
Weighted Average number of equity shares of ₹ 10/- each (March 31,2021: ₹ 10/- each) outstanding at the end of the year	5.89	2.14
Diluted Earnings Per share of ₹ 10/- each (March 31,2021: ₹ 10/- each)		

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 : 34 Transition to IND AS 116

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

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

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

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022:

Particulars	Category of ROU Asset -Land	Total
Balance as at April 1, 2021	1,075.31	1,084.85
Additions	-	-
Deletions	-	-
Depreciation	9.54	9.54
Balance as at March 31, 2022	1,065.76	1,075.31

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

Note 35 : Payable to MSME

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

Note 36 : 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 Coperational 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.

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Note 37 : Corporate Social Responsibility

The Corporate Social Responsibility (CSR) obligation for the year as computed by the Company and relied upon by the auditors is ₹ 17.25 Lakhs for the year ended March 31, 2022 (for the year ended March 31, 2021: ₹ 12.66 Lakhs)

Additional Disclosures:	₹ in Lakhs
(1) Amount required to be spent by the company during the year	17.25
(2) Amount of expenditure incurred (Including previous years expenditure Rs.31.39)	48.64
(3) Shortfall at the end of the year pertaining to FY 2021-2022	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.46.54 Lakh 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 38 : Employee Benefits Plan

a. General description of the employee Benefit Plan

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

b. Plan typically exposes the company to actuarial risks such as : investment risks, interest rate risk, longevity risk and salary risk.

Investment Risk

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

Interest Rate Risk

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

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

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

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

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2022 by an actuary. The present value of the defined benefit obligation were carried out as at March 31, 2022 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.



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's Contribution to Provident Fund	74.86	66.97
Included in 'Contribution to provident and other funds' under Employee Benefits Expense (Refer Note 25)		

(i) Change in present value of obligation Gratuity

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Present value of obligation as at the beginning of the period	242.57	245.70
Acquisition adjustment	-	-
Interest cost	17.58	17.20
Service cost	20.48	18.73
Past service cost including curtailment Gains/ Losses	-	-
Benefits paid	(11.51)	(16.25)
Total Actuarial (Gain)/Loss on obligation	17.48	(22.81)
Present value of obligation as at the end of period	286.60	242.57

(ii) Liabilities recognized in the Balance Sheet

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net defined benefit liability at the start of the period	242.57	245.70
Acquisition Adjustment	-	-
Total Service Cost	20.48	18.72
Net Interest cost (Income)	17.59	17.20
Re-measurements	38.07	35.92
Contribution paid to the fund	-	-
Benefit paid directly by the enterprise	(11.51)	(16.25)
Net defined benefit liability at the end of the period	286.60	242.57
Net Asset/(Liability) recognized in Balance Sheet	286.60	242.57
Recognized Under :		
Short Term Provision	52.70	34.52
Long Term Provision	233.90	208.05
Total	286.60	242.57

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total service cost	20.48	18.72
Interest cost	17.59	17.20
Expenses recognized in the Statement of Profit & Losses	38.07	35.92

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

(iv) Other Comprehensive Income (OCI)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net cumulative unrecognized actuarial gain/ (loss) opening	6.76	29.57
Actuarial gain/ (loss) for the year on PBO	17.48	(22.81)
Actuarial gain/ (loss) for the year on Assets	-	-
Unrecognized actuarial gain/ (loss) for the year	24.24	6.76

(v) Principal Actuarial assumptions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate per annum	7.25	7.00
Salary Escalation rate per annum	5.00	5.00
Retirement age	58 Years	58 Years
Mortality tables	IALM [2012-2014]	IALM [2012-2014]

Note 39 : Contingent Liabilities

Letters of Credit

Letter of Credit – Rs.126.80 Lacs (PY – Rs. 121.50 Lacs)

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

Bills of Exchange Discounted Rs.135.66 Lacs (PY- Rs. 431.52 Lacs)

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

Sales Tax Demand has been raised by Tamilnadu Vat Act - RS. 170.92 Lakhs

Note 40 : Auditor's Remuneration

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Certification Charges	0.11	0.17
Statutory Audit Fees Excluding GST	6.00	5.75

Note 41 : Information on Related Party Transactions as required by Ind AS 24 - 'Related Party Disclosures' for the Year ended March 31, 2022

Details of related parties:

a) Key Managerial Personnel:

Name	Relation
Mr. Sunil Kumar Arora	Managing Director
Mr. K. Raghavendra Acharya	Key managerial personnel
Mrs. Sujata Arora	Key managerial personnel
Mr. Sahil Arora	Key managerial personnel
Mrs. Shivani Aggarwal	Relative of Key managerial personnel
Aro Granite International Inc., USA	Relative of Key managerial personnel

b) 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



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

Transactions with Related Parties

Particulars	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Goods			
Aro Granite International Inc., USA	Relative of Key managerial personnel	1,977.48	1,152.26
Employee Benefit Expenses			
Mr. Sunil Kumar Arora	Managing Director	184.88	165.64
Mr. K. Raghavendra Acharya	Key managerial personnel	-	3.60
Mrs. Sujata Arora	Key managerial personnel	1.85	1.35
Mr. Sahil Arora	Key managerial personnel	43.37	28.80
Mrs. Shivani Agarwal	Daughter of Sunil Kumar Arora	10.75	9.11
Interest Paid			
Mr. Sunil Kumar Arora	Managing Director	-	16.54

Balance Outstanding at the end of Accounting Year

Particulars	Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
Trade Receivables			
Aro Granite International Inc., USA	Relative of Key managerial personnel	1977.48	1,152.26

₹ in Lakhs

Note 42 : Financial Instruments

Financial Instruments by Category

Particulars	As at 31 March-22			As at 31 March-21		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
Investments	25.31	88.55	-	11.03	75.75	-
Trade receivable	-	-	7,308.18	-	-	6,402.46
Cash and Bank Balances	-	-	943.56	-	-	979.71
Loans	-	-	3.43	-	-	4.01
Other Financial Assets	-	-	1,790.46	-	-	1,322.08
Total Financial Assets	25.31	88.55	10,045.63	11.03	75.75	8,708.26
Financial Liabilities						
Borrowings	-	-	19,930.31	-	-	16,843.26
Trade Payables	-	-	-	-	-	-
Other Financial Liabilities	-	-	590.93	-	-	328.49
Total Financial Liabilities	-	-	20,521.24	-	-	17,171.74
Fair Value hierarchy						

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

₹ in Lakhs

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:

As at 31 March-22	Level 1	Level 2	Level 3
Financial Assets			
Financial Investments at FVTPL			
Quoted equity instruments	25.31	-	-
Financial Investments at FVOCI			
Unquoted equity instruments	-	-	88.55
Total Financial Assets	25.31	-	88.55
As at 31 March-21	Level 1	Level 2	Level 3
Financial Assets			
Financial Investments at FVTPL			
Quoted equity instruments	11.03	-	-
Financial Investments at FVOCI			
Unquoted equity instruments	-	-	75.75
Total Financial Assets	11.03	-	75.75

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 43: 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.



Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

(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 :-

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

Foreign Currency Outstanding	Buy/Sell	For the year ended March 31, 2022	For the year ended March 31, 2021
USD	Buy	107.74	108.39
Equivalent amount in Rupees	Buy	7997.54	7966.67
EURO	Buy	44.13	45.74
Equivalent amount in Rupees	Buy	3790.77	3938.21

(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 44: 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.

Particulars	₹ in Lakhs	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Non current borrowings	6,532.22	4,178.42
Current maturities of non current borrowings	1,202.15	761.26
Current borrowings	13,398.09	12,664.84
Less: Cash and cash equivalents	128.85	165.07
Less: Bank balances other than cash and cash equivalents	814.72	814.63
Total Debts	20,188.89	16,624.81
Total Equity	19,642.19	18,764.10
Gearing Ratio	102.78	88.60

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

Notes to the Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

Note 45 : 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 46 : Additional Regulatory Information

- (i) The title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (ii) The company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets), and intangible assets.

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

CWIP Schedule	₹	Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress		781.26	-	-	-	781.26
Projects temporarily suspended		-	-	-	-	-

- (iv) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 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 any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (vii) The company has registered all the charges and satisfaction thereof with the Registrar of Companies within the statutory Periods.

₹ in Lakhs

(viii) Ratio Analysis

Particulars	As At 31 March, 2022	As At 31 March, 2021
Current Ratio	1.58	1.41
Debt Equity Ratio	1.01	0.90
Debt Service Coverage Ratio	1.85	1.68
Return on Equity Shares	0.05	0.01
Inventory Turnover Ratio	1.92	1.77
Trade Receivable Turnover Ratio	3.28	2.92
Trade Payable Turnover Ratio	5.45	3.89
Net capital Turnover Ratio	2.66	3.26
Net Profit Ratio	0.04	0.03
Return on capital Employed	0.05	0.04
Return on Investments		

This is the balance sheet referred to in our report of even date

For VAPS & Company

Firm Registration No. 003612N
Chartered Accountants

Praveen Kumar Jain
Partner
Membership No. 082515
UDIN : 220825AIBEYP9341
Place : Hosur, Tamilnadu
Date : 29.04.2022

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

For and on behalf of the Board



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 BUSINEES PROFILE

I. Registration Details

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

Balance Sheet Date:	31	03	2022
	Date	Month	Year

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

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

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

Sources of Funds

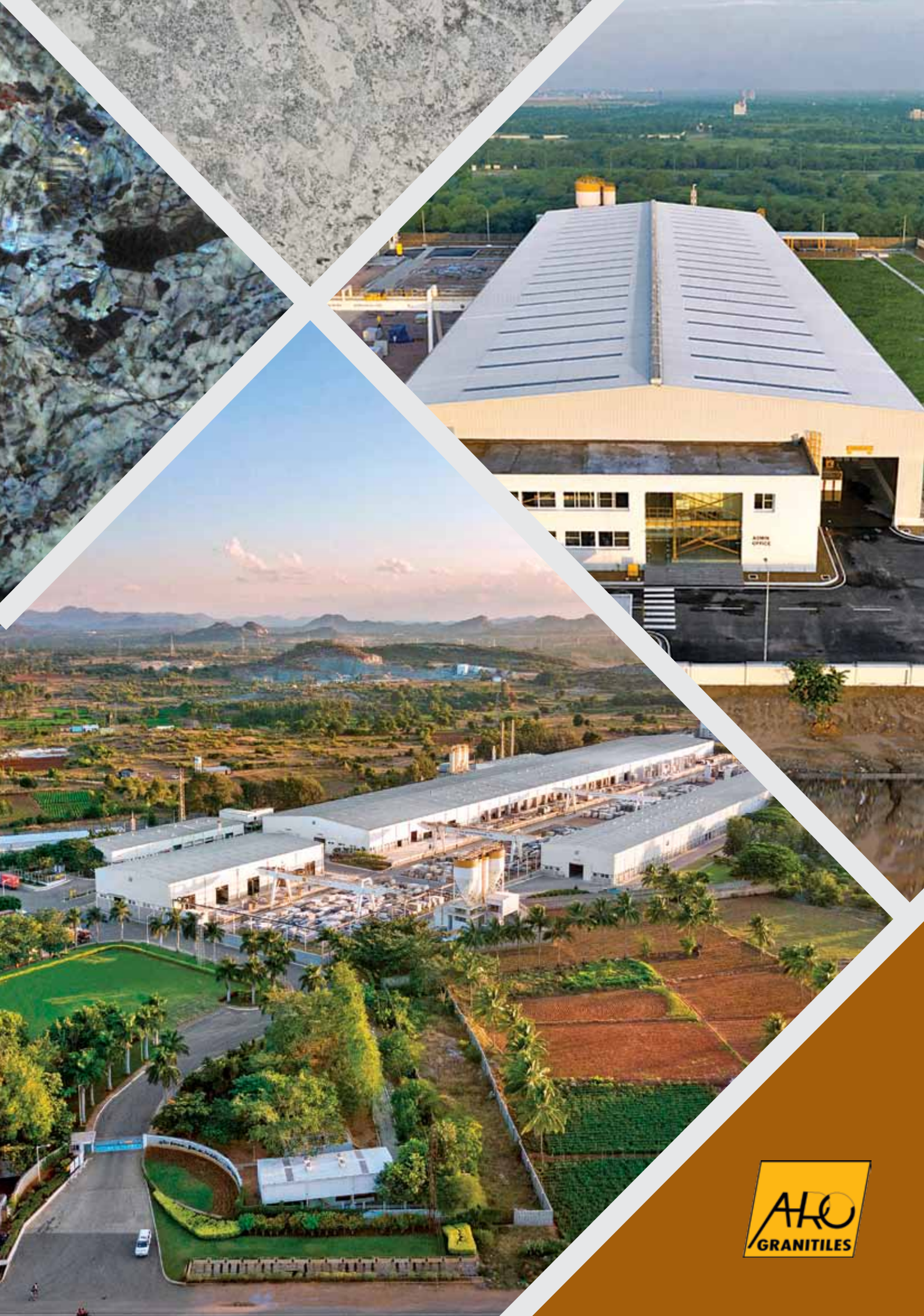
Total Assets	Total Liabilities
45,13,742	45,13,742
Paid up Capital	Reserve & Surplus
153000	1964219
Secured Loans	Unsecured Loans
773437	NIL
Net Fixed Assets	Investments
1596273	11386
Net Current Assets	Misc. Expenditure
10,26,230	NIL
Accumulated Loss	
NIL	

IV. Performance of the Company (Amount in thousands)

Turnover	Total expenditure
2447401	2153257
Profit/Loss before Tax	Profit/Loss after Tax
107757	89059
Earning Per Share	Dividend Rate
5.89	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.
(100% Export Oriented Unit)

